

NORTHWEST COMMUNITIES LLC

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Mill River Property Owners Association – Proposed Amendment Declaration

VOTING GUIDE

Mill River POA is governed by a set of documents recorded in Kootenai County; the Declaration of Covenants, Conditions, Restrictions (CC&Rs) and Reservations of Easements for Edgewater Mill River Subdivision and all amendments thereafter. The Board of Directors of Mill River POA oversee the enforcement of the CC&Rs.

The CC&Rs are in need of changes to provide additional income to the association, provide clarity of the calculations of assessments, better protect property values, gain member participation, and offset expenses. This requires an amendment, which must be approved by 75% of the membership. There are seven groups of changes the Board believes are necessary. Each change will be voted on by the membership. Below is a list of the proposed changes and information explaining why the Board believes these changes are necessary.

Item 1 - Over the years Mill River Property Owners Association (Master Association) has added 'neighborhoods' into the community. These neighborhoods can be defined as the Commercial buildings, Edgewater, River Life, River's Edge, Summerwalk, and The Condos at Mill River. One open space has remained undeveloped which has not allowed for assessments to be collected. This proposed amendment to officially add the Grand Mill Townhomes will provide for additional income to the association, which is desperately needed to fund common area expenses and build the Reserve Fund. Due to the format of the Declaration and to provide consistency throughout, Amendments are needed to the Declaration Sections 1.11, 1.28, 1.47, 3.01(v), 3.03(f), and 5.08.

Item 2 - All neighborhoods withing the "Master" association of Mill River have historically paid different assessment amounts. The Declaration assigns responsibility to neighborhoods for covering the expenses for maintaining specific common areas throughout the community. To understand these areas of responsibility you must review multiple areas of the Declaration, additions and amendments thereafter which is quite daunting. This proposed amendment places the areas of responsibility and calculations for assessments in one place providing easier understanding to the membership. Starting this year, the Grand Mill Townhomes will begin generating assessments as each townhome is sold to an individual owner providing for significant funding to supplement the Master's budget. This also amends the assessment calculation from a commercial rate to residential rate which aligns the annual assessments with other residential neighborhoods. If the assessments for the parcel where Grand Mill Townhomes is building remains as commercial rates, sales of the townhomes will be seriously impacted, delaying the collection of assessments for the community.

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Item 3 – The majority of violations in the Association are related to landscaping, mostly surrounding homes not occupied by the homeowner. This proposed amendment will assist by providing for proper maintenance practices which will have a positive effect on our neighborhood's appearance.

Item 4 – We currently struggle with owner attendance and participation with the community. Allowing for members to participate through virtual meeting attendance and allowing for electronic voting can be more convenient, creating more involvement from the entire membership. Electronic voting would be managed by an independent third party, ensuring privacy, security, and authenticity.

Item 5 – For many, many years, HOA's in Idaho were able to lower their annual cost of operation, and ultimately the cost to the members through assessments, by "transfer fees". These fees supplemented the HOA's budget, helping to lower the cost to existing members of the community. Last year, our Idaho legislature prohibited transfer fees, unless specifically written into the Declaration, effectively leaving the difference to be apportioned to all homeowners. Being able to collect a transfer fee would offset the expenses and assist in improving the financial health of the association. The HOA is adding 59 new residences which will create a hardship on the association in terms of administrative costs. Collecting a transfer fee for each of these residences will cover these costs and provide for additional funding to the operating account.

Item 6 – Currently the board can send notices for CC&R violations but cannot impose fines to gain compliance. Having the ability to impose a fine for severe and persistent violations allow a means of enforcement to deter these acts when multiple requests to comply are not successful. Fines would be a last resort after a series of warnings and a hearing, which would allow the violator to explain their side and negotiate an agreement with the Board. Maintaining pride in our homes and neighborhood is something most of our neighbors find great value in, although sometimes that is not the case. Violations that are uncorrected affect the beauty, quiet enjoyment and the value of members' properties, especially those who live adjacent to a property that is not in compliance.

Item 7 – Amending the Declaration by adding the ability for your Board to adopt reasonable rules and regulations goes hand-in-hand with the violations portion. By allowing the board to generate rules and regulations for the community will provide for better clarity for residents and a consistent aesthetic appeal of the neighborhood.

Overall, your participation is critical. Please take the time to cast your vote and to make necessary changes to better your community.