

Jan. 2023 Community Update
Official website: Fontana-Estates.com

Fontana Estates Community Homeowners Association, Inc. Orlando, FL 32820

President: Dr. Telka diFate Vice President: Joe Rybarczyk

Secretary: Bill Bell Treasurer: George Kriss

Board of Directors

Edilma Alvarado Beverly Hamilton Thanh Ngo

**FREQUENTLY ASKED QUESTIONS ON THE PROXY VOTE FOR THE
FEBRUARY 3, 2023, SPECIAL MEETING**

1. Does your vote count?

- Every vote counts in this important vote on the 2 proposed issues.
- The more owners that vote the better. Since 2019 a majority of the community has voted at the elections for the Board of Directors. No matter how many owners vote it is always the majority that wins.

2. Why are homeowners asked to vote for a covenants change?

- Please be aware that voting is the responsibility of all homeowners in Fontana Estates. It is your right to be given the facts to make informed and educated decisions. The Board of Directors spends an inordinate amount of time researching and planning for this community. We not only plan for today but for the future of the community as well.
- After many discussions over the years the topic of being able to change certain aspects of the covenants has come up. The present Board felt it was finally the time to try and change them. The funds to do this with the attorney were put into this budget.
- The first topic to change is the number of homeowners needed to vote and agree on the topic to change.
- **Presently to change the covenants needs 75% of the owners to agree. Even with a majority, over 50%, of the owners voting over the years no one issue, or person has ever gotten 75% of the vote.**
- Getting 75% of any group to agree is very difficult to obtain and has never happened at Fontana Estates.
- At the present time the covenants state that 75% of the owners need to all agree on any given topic in order to change anything.
- Some areas of the covenants are outdated or not relevant. They were written by Toll Brothers before the community was even finished.
- The number was chosen so that it coincides with the bylaws on a quorum for elections at the annual meeting. **These numbers are the MINIMUM needed.**

3. How does the Board of Directors come up with possible covenants changes in the future?

- The Board puts together a committee of homeowners who can meet, discuss and read the covenants to develop suggestions for changes.
- The suggestions then go to the Board of Directors to discuss and vote on.

Jan. 2023 Community Update
Official website: Fontana-Estates.com

- Usually only 1-2 suggestions will go the attorney to be written up as a proxy for the homeowners to vote on.

4. How much does it cost to do covenants changes?

- Funds for this need to be planned in the annual budget. All homeowners pay in the budget through HOA quarterly fees.
- This is not an inexpensive process so the Board will be prudent in referring changes to the attorney.
- Homeowners should keep in mind that the estimated cost of covenant changes is about \$2,500-\$3500 since the attorney must write them and also file the changes with the county.

5. Why are owners asked to vote to change the reserve account from line item to pooled?

- Line item means that the amount of money on that line can only be used for that repair. Presently, we have lines for street repairs, drainage, park etc. However, street funds can't be used for drainage repairs.
- Pooled funds is the commingling of all of the reserve funds lines. All of these funds are used only for infrastructure items in the reserve account not for everyday community expenses.
- Since 2006 many Associations have moved to pooled reserve accounts.
- Legal advice, reserve study engineers and management companies all encourage HOA's to move to pooled accounts.

6. Is it important that the reserve funds be in a pooled account?

- In the event of a natural disaster, or if a regular maintenance item must be maintained under the reserve category line item and there is not enough money in that line item, the Association, must pass a special assessment. Under a pooled reserve account, money from the other pooled categories can be used to pay the expense. This causes a reduction in the possibility of having to pass a special assessment to cover an expense in which there may not be enough in that particular line item to cover it. For example, when the roads need to be re-milled and paved in 7 years and there is not enough money in line-item road repairs, with a pooled reserve account funds can be used from other categories. Therefore, our legal counsel and management companies encourage owners to **vote "YES" for both of these issues.**

7. How many homeowners are needed for a quorum and to vote for Board of Directors of the community at an Annual meeting?

- The bylaws of the community state that in order to hold a meeting of owners that 30% (this is 24 owners) must be present or by proxy. A majority of that number is needed to vote for Board of Directors. If more than 24 attend and vote it is the majority of votes obtained that wins. **It is always the majority that wins. That is why every vote counts and matters.**
- This is what is in the bylaws and always has been.

Jan. 2023 Community Update
Official website: Fontana-Estates.com

- Before October 2018 the community never had a quorum present or by proxy to hold an annual meeting. Since then, we have.

– For example: if 70 homeowners vote at an annual meeting and 36 vote in favor of the issue that decision wins. This is above and beyond the minimum number needed.

For example: if 40 owners vote for the nominated Board members at an annual meeting only the owners that get a most votes win.

-Voting by proxy is a common method of voting and used by corporations.

Fontana Estates is a corporation. It is not a trick to steal your vote but to encourage maximum turn out.

- If you give this proxy to someone or mail it in, you have already checked off your vote (decision) and it will not be changed.

8. Why did the attorney word the covenants vote change the way he did?

-The wording to change the covenants is written exactly the way the annual homeowners meeting quorum is written, approved and conducted.

- This number is how many owners are needed in many other HOA's.

-The number of owners is the minimum number of owners needed to attend/or by proxy. It is always encouraged to have more. In any case the majority vote wins.

9. What will happen at the February 3, 2023, ZOOM meeting?

- Go to the official website: Fontana-Estates.com and click on the calendar for Feb. 3, 2023, zoom meeting. It will take you to the zoom meeting.

- You must give your name and address to the webmaster. This is just like any meeting.

- The meeting will start at 6:30 p.m. so please sign in early to be counted for the quorum.

- A quorum of at least 30% (24 owners) present or by proxy must be available on zoom for the meeting to start. Otherwise, the meeting will not start and could possibly be postponed to a later date. This is stated in the bylaws.

- The meeting will only be to count the proxy votes. No other business will take place.

- The meeting will recess while voting takes place and resume once the count is completed. The results will then be announced on Zoom.

3 WAYS TO SUBMIT PROXY

-The special meeting is only to count the proxies. They can be mailed to the management company ahead of time. This was explained in the December newsletter. The proxy must be received to the management company by Feb. 2, 2023, by the close of the business day so that they can be sent to the secretary in time for the meeting. This policy must be adhered to in order for the proxy to be counted when mailed in. If it is not received in time, it cannot be counted.

Jan. 2023 Community Update
Official website: Fontana-Estates.com

- Otherwise, Proxies can be dropped off at the gazebo between 6:30-7:00 p.m. on February 3, 2023, in order to be counted. This can be dropped off by the owner or someone they sign it over to on the form.
- Proxies are either mailed to management or dropped off at gazebo but not both.
- It is only one proxy per address.
- Any owner who is over 90 days late in paying certain fees has been notified that they cannot vote along with the stipulations.
- In order to drop off a proxy the form must be completed properly.
- Anyone dropping off a proxy must sign the attendance sheet.
- Counters, who are homeowners, will be at the gazebo starting at 6:30 p.m. to collect the proxies. **Anyone going to cast a proxy at the gazebo must have a government issued photo ID. This is to help attendance takers verify who homeowners are when signing the attendance sheet and dropping off proxies.**
- **If you hold a proxy for anyone you must sign your name, on the attendance sheet, and on the line next to the address of the proxy.**

10. What are the long-term effects of not voting or voting NO to the covenants changes requested?

- If more than 20 homeowners vote NO and the covenants don't get changed it will have long term consequences. For example: if the HOA doesn't have enough money for street milling and paving then the HOA fees will need to go up a lot to cover the cost. The only other option is a special assessment to be paid as the time the repairs are needed. One community has a special assessment of \$802 per address/owner.
- The engineer for the reserve study has stated in the report that if we do not pool the reserves then we need to increase the reserve funds from
- No matter what the attorney fees still need to be paid for the work completed.
- If 75% or 59 homeowners do vote for the covenants change it will help get the needed changes to the covenants changed over time. This is a rather long-drawn-out process that hopefully the community won't have to do again for a while.

11. Is the proxy the ballot?

- Technically, yes but the only word on the form is proxy. The attorney created this document and calls it a proxy since it is only way for owners to vote. There is no separate ballot.

12 Can we change the questions or wording on the proxy?

- NO, the wording cannot be changed, and owners need to vote on the 2 issues the way it is already written.

13. How do owners complete the proxy form?

- Homeowner puts their community address on line one
- put the name of the person you are giving the proxy to on line 2, if you are handing it in yourself, you can put your own name here

Jan. 2023 Community Update
Official website: Fontana-Estates.com

- each owner votes on each of the 2 issues written by the attorney
- you do not have to vote the same way on each issue
- proxy must be signed and dated
- do not fill or sign the “substitution of proxy” unless the person handing in the proxy cannot hand it in. Then the proxy holder assigns the form over to another person, not the original owner.
- No matter who hands in your proxy you get to vote the way you want and sign it. The choices are either FOR or AGAINST.
- You, the owner can vote differently for each of the 2 questions if you so choose.

If any owner has questions, please contact the Board members directly for factual information. It seems that a few individuals take it upon themselves to spread false or misleading information. The more homeowners that vote the better it is for the community.

Know the facts! Ask questions before the February 3, 2023 meeting date since everyone has had many weeks to review the newsletter and read the website.

It is recommended that all owners VOTE YES on both of the issues presented on the proxy.