

Information regarding the Bylaws/Restrictions Amendment for 2009

In addition to details provided in the original letter sent with the January dues statement, here is what the board considered in establishing the \$250 ceiling amount proposal. The current ceiling limit is \$150 which is expected to be surpassed in 2010.

Prior to 2009, rates for trash service removal in the entire KC area had remained relatively flat for the last 10 years, with very little inflationary adjustments over that same time period. As 2009 budget plans were developed, we contacted 4 trash service providers for quotes. All of them have substantially increased their fees, largely due to increases in labor, fuel and landfill costs. We negotiated for the lowest rate possible with a quality provider to help keep costs down and the least inconvenient overall, which resulted in a \$40 per year (\$3.33 per month) increase for Nall Hills Homes Association residents, to \$146 for 2009.

We signed a 5 year agreement with L&K Services for trash hauling that included a maximum 3% increase year over year during this time period. Keeping all other expenses flat (which is hard to do in the current economy), this 3% increase year over year would only raise the annual dues in Nall Hills to \$165 by the fifth year. However, with the uncertainty surrounding the exhaustion of the local landfills and rising fuel costs, we anticipated that the next five year contract we sign will include at least a \$4 per month increase per home. Including this increase pushes the annual dues for Nall Hills to \$250 at the end of that contract or eleven years from now.

The ceiling amount proposal was set at \$250 to hopefully see us through the next 10 years, without having to spend the additional time and particularly the expense to get an amendment passed every year or every other year (at homeowners' expense).

As a reminder, the approval to increase the ceiling amount does not give the board of directors' approval to raise the dues each year. The dues are established each year after identifying all the anticipated expenses for the coming year and setting the dues amount at a rate that only covers the associations projected expenses for that year. Then, this proposed dues amount must be approved each year at the annual meeting in November, as long as 5% or more of the homeowners are present in person or by proxy. Our bylaws dictate this process.

I hope you understand the board takes its fiduciary responsibility to the homeowners of Nall Hills very seriously and would not seek approvals like this without careful consideration and evaluation.

Respectfully,

Mark Sutton, President
Nall Hills Homes Association