

**High Point Homeowners Association**  
P.O. Box 361065 - Strongsville, Ohio 44136

FIRST CLASS

## **IMPORTANT DOCUMENTS ENCLOSED**

Ballot and Information Regarding  
Proposed Changes to High Point By-Laws

**HIGH POINT ASSOCIATION**

## *High Point Association*

As announced in the January 2017 Newsletter, the High Point Association trustees have proposed THREE amendments to the Association By-Laws.

These proposed changes are inside this special mailing. In order to make these changes, a majority of the homeowners must approve the proposed revisions. **You may vote using EITHER the enclosed Ballot or Proxy (which names the trustees to vote on your behalf).** Use one or the other. Not both.

You will find the current By-Law language, the proposed NEW By-Law language and the reasons that the trustees recommend all three of these changes to provide for the future operations of our association.

***Please also remember to respond***  
**Online 2017 Homeowner Survey**

**<https://www.surveymonkey.com/r/6JY5RT7>**

January 9, 2017

# High Point 2020 – A Vision for the Future

*High Point Homeowners Association is governed by deed-restricted Covenants & Restrictions and By-Laws that were put in place in 1976 by the original developer. Our Covenants & Restrictions are composed of the Protective Covenants and the By-Laws. High Point trustees are proposing three changes to the By-Laws, which are the operational rules that govern day-to-day operations of the association. This election process will take place during the calendar year of 2017. These changes will be discussed at the Annual Meeting on Thursday, January 19 and are described in full below. There is a great deal of information to digest. Please read all of the information to enable you to cast a ballot regarding these changes. Your trustees are in full agreement and encourage you to cast your ballot in favor of these essential changes. Thank you for your consideration.*

*High Point trustees*

## **About the High Point Covenants & Restrictions and By-Laws**

Trustees of the High Point Homeowners Association operate the non-profit corporation based on the Covenants & Restrictions and By-Laws that were put in place by the Developer in 1976, and have not been changed. These Covenants & Restrictions are deed-restricted, which means they are enforceable through civil action as they apply to property owners in the development. When a new owner buys a home in High Point, as part of the escrow and transfer process they are required to accept the Covenants & Restrictions and By-Laws. These documents can be found on the association's website, [www.hpohio.com](http://www.hpohio.com), under the Covenants & Restrictions tab.

As filed with the Recorder of Cuyahoga County, the By-Laws include a process for modification that is described in two locations. First in Article V, General Powers of the Association, Section 2, is the directive that the Association, by vote of the Members entitled to exercise a majority of the voting power of the Association, may adopt reasonable rules and regulations and amend the By-Laws as advisable. A second reference is included in Article XI, Amendments. This provides that changes to the By-Laws may be made at a regular or special meeting of the Members, by a vote of a majority of a quorum present in person or by proxy. These two indicate the By-Laws may be changed by a majority vote of the Members. ***As High Point now has 640 owners, it would require 320 affirmative votes to change the By-Laws as originally written by the Developer in 1976.***

Your association trustees consider obtaining an affirmative vote of 50% to make any change a significant challenge, but have decided to tackle this in 2017. In consideration of the future of our development and the necessity of operating within the By-Laws, the trustees are taking on the difficult task of modifying these three items. Please read this information and vote.

Since the original Covenants & Restrictions and By-Laws were recorded in 1976, many things are different and terminology and meanings may have changed. In order to clear up ambiguity and interpretations of the By-Laws, the trustees propose these changes, which we believe are within the intended purpose of the By-Laws. **Association trustees recommend that Members vote to approve all three proposed modifications to the High Point Association By-Laws.**

## Change #1 – By-Laws Proposed Change

### By-Laws – Article V – General Powers of the Association – Section 1 (c)

*(As it is now, with proposed changes noted)*

(c) Capital Additions and Improvements. The Association's powers herein enumerated shall be limited in that the Association shall have no grant the trustees authority to acquire and pay for out of the maintenance fund any capital additions and improvements, having a total cost in excess of Three Thousand Dollars (\$3,000.00), nor shall the Association authorize any structural alterations, capital additions to, or capital improvements of the Common Properties requiring an expenditure in excess of Three Thousand Dollars (\$3,000.00) necessary to maintain or improve the association, and provided such projects in excess of \$20,000 are presented at a meeting of the Members; structured with specified contractual criteria and bid out to multiple contractors; paid for with budgeted funds; and are in congruity with the current published ten-year budget projection and most recent Reserve Study. Projects that require any special assessment must or any without in each case obtain the prior approval of the Members of the Association entitled to exercise a majority of the voting power of the Association;

***(WITH PROPOSED CHANGES ACCEPTED)***

(c) Capital Additions and Improvements. The Association's powers herein enumerated shall grant the trustees authority to acquire and pay for improvements, structural alterations, capital additions to, or capital improvements of the Common Properties necessary to maintain or improve the association, and provided such projects in excess of \$20,000 are presented at a meeting of the Members; structured with specified contractual criteria and bid out to multiple contractors; paid for with budgeted funds; and are in congruity with the current published ten-year budget projection and most recent Reserve Study. Projects that require any special assessment must in each case obtain the prior approval of the Members of the Association entitled to exercise a majority of the voting power of the Association;

**Reason for Change** – When the By-Laws were originally written in 1976, the sum of \$3,000 was a significant amount of money. Over the past 40 years, inflation and incremental increases in the cost of materials has rendered this amount significantly inadequate in terms of operating our association. High Point publishes a detailed review of expenses every year, as well as a ten-year financial projection. We have published a Reserve Study in 2014 that is tied to the ten-year projection and will update the Reserve Study as needed, and no less than every five years. A limit of \$3,000 for any capital improvement or replacement has existed since the C&R was filed. Only once (for the High Point 2000 Plan that was approved by a majority of owners in 1995 that included the entrance signs, purchase of two sublots, tennis court resurfacing, adding to the clubhouse and replacement pool) have the trustees gone to homeowners for a vote on a proposed package of improvements. It took trustees six months of knocking on doors to get a simple majority to approve the High Point 2000 Plan with a 10-year guaranteed lock on dues. It is not realistic to require a majority member vote for investment and replacement projects when the funds have been budgeted and reported. In 1996 the trustees replaced outdated and unsafe playground equipment as an emergency measure. Other past projects carried out by the trustees were done as necessary or needed and have been budgeted and reported. In the future, only when a special assessment is necessary would a vote by Members be required.

As proposed, this change would allow the trustees to carry out projects up to a limit of \$20,000 to replace or improve the association. Projects over \$20,000 would require a presentation to

Members; would require specific contractual project criteria and the solicitation of bids from multiple contractors; would need to be paid out of budgeted funds; and be in congruity with the ten-year budget projection and most recent Reserve Study. Only projects requiring an assessment of Members would require approval by a majority vote of the Members. ***High Point trustees believe this practice would protect the association and be fully transparent.***

## **Change #2 – By-Laws Proposed Change**

### **By-Laws – Article VII – Officers – Section 6 – The Treasurer**

***(As it is now, with proposed changes noted)***

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees, provided, however, that a resolution of the Board of Trustees shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President, or in his absence, by the Vice-President.

The Treasurer shall keep proper books of account and cause an annual ~~audit~~ **Financial Review** of the Association books to be made by a certified public accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

***(WITH PROPOSED CHANGES ACCEPTED)***

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees, provided, however, that a resolution of the Board of Trustees shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President, or in his absence, by the Vice-President.

The Treasurer shall keep proper books of account and cause an annual Financial Review of the Association books to be made by a certified public accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

**Reason for Change** – High Point publishes a detailed report of expenses every year, as well as a ten-year financial projection. We have had a Financial Review performed by a CPA for the past 20+ years (copies of the Financial Review are posted on our website under the Governance and Administration tab). A Financial Review confirms revenues, expenses and balances where an audit examines bank statements, cancelled checks and additional records. In 1976 an audit was a generic term referring to a financial review. Following the historic implosion of numerous multi-national corporations, the term audit became a recognized and highly specialized term in the accounting world. An Audit is now a specific function with a defined process and would cost several thousand dollars, whereas a Financial Review runs from \$1,000 to \$1,200. All financial records of the association are available for review with advance notice to the trustees. ***High Point trustees believe this practice protects the association and is fully transparent.***

## Change #3 – Proposed Change to By-Laws

### By-Laws – Article VIII – Meetings of Members – Section 4 – Quorum, Adjournment

*(As it is now, with proposed changes noted)*

Except as may be otherwise provided by law or by the Declaration, at any meeting of the Members of the Association, the Members of the Association ~~entitled to exercise a majority of the voting power of the Association~~ present in person or by proxy shall constitute a quorum for such meeting, provided, however, that the Members of the Association entitled to exercise a majority of the voting power represented at a meeting of Members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

***(WITH PROPOSED CHANGES ACCEPTED)***

Except as may be otherwise provided by law or by the Declaration, at any meeting of the Members of the Association, the Members of the Association present in person or by proxy shall constitute a quorum for such meeting, provided, however, that the Members of the Association entitled to exercise a majority of the voting power represented at a meeting of Members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

**Reason for Change** – High Point publishes three newsletters a year which are mailed to homes and provides a website with significant and detailed information. Many topics are readily accessible. Attendance at the Annual Meeting and for the election of trustees averages 20-25 people. Trustees who currently serve on the Board have served multiple terms and been annually elected with the votes cast. Our By-Laws require 370 as a Quorum to be present or vote by proxy, which is not likely or would require significant effort to attain. ***Your trustees believe this practice would protect the association and be fully transparent. If there ever were to be issues of divergent opinion or more trustee candidates than positions, the option to attend in person or vote by proxy would allow full and complete participation by Members.***

## **FREQUENTLY ASKED QUESTIONS**

**1. Why is it necessary to make these By-Law changes now?** In the years since the development was turned over to residents by the developer, the association trustees have acted in the best interest of the Members of the association. There have been two dues increases since 1990. In 2004 the dues increased from \$270 to \$330 and in 2016 they were increased from \$330 to \$360. During the past 20 years, more than \$1 million was invested in new and replacement facilities in the Common Properties through normal operating budgets as reported in Newsletters. It would have been impossible to get a majority vote of Members to approve each individual expenditure that was over \$3,000 in the past 30 years. One vote of association membership was done in 1994 (20 years ago) when it took the trustees six months to secure a majority vote in favor of the HP 2000 plan that invested \$350,000 in replacing entrance signs, purchasing two sublots for common area, adding to the clubhouse, replacing the tennis court surface and replacing the original pool. Other projects have been carried out since that time as were deemed necessary by the trustees and funded out of current operating funds, always with detailed specifications and multiple bids received for large projects. Newsletters and information on our website more than fully disclose the association operations, financials and actions taken by the trustees.

**2. How do Members know funds above the \$3,000 limit in the past were spent wisely?** Newsletters are mailed to members three times per year with full financial disclosure of expenditures and the

website includes information regarding projects and expenditures. In addition, a Financial Review has been performed every year by a CPA. Financial Review reports can be found on the website under the Governance & Administration tab. Members may request viewing financial records, with an appropriate advance appointment. Finally, a Reserve Study was done in 2014 and matched to the 10-year budget projections that are published each year in the January newsletter. Adjustments are made to the Reserve Study annually and a new Reserve Study will be conducted at least every five years.

**3. What happens if an affirmative vote for the changes is not achieved?** Association trustees would have no choice but to continue managing the association as they have in the past. Those who have volunteered to be trustees have accepted a fiduciary responsibility to manage the assets of the association and the Board must do what is necessary to preserve the Common Properties. A vote by Members will be open for up to one year (by ballot or by the available proxy forms) from the time of the Annual Meeting, if said meeting is adjourned and extended to a later date. This is a long and involved process to contact residents and help them understand the reasons for these proposed changes.

**4. How will approving these changes to the Covenants & Restrictions and By-Laws affect my association dues?** It will not. Our dues increased from \$330 to \$360 in 2016, after staying the same for 12 years. It is projected that dues will not increase again until 2026, which would be holding the dues at \$360 for 10 years. That will allow for full replacements and repairs to maintain High Point as a premier homeowner association, as outlined in our Reserve Study.

**5. Can the present Board or any future trustees run wild with the authority granted with these changes?** Association trustees (this Board or any future trustees) will only be able to act and spend within the operating funds as generated from current dues. Any project requiring an assessment in addition to payment of annual dues would require a vote by Members, with a majority in favor, as outlined in the proposed change of the By-Laws.

**6. Why is this being requested now?** Association trustees have known for some time that the Covenants & Restrictions and By-Laws needed to be updated. We know that this arduous procedure will take months of efforts by the trustees to accomplish. We have resolved to put in the time now to make this happen for the benefit of the association in the future. With no special projects planned for this year and the dues increase in 2016, the trustees decided that they were willing and able to commit the time necessary to see this task through.

**7. If we have questions about these changes, who can we contact?** We encourage Members to contact any of the trustees, call the Homeowner Hotline (440-638-4304), send the trustees an email at [high\\_point\\_hoa@yahoo.com](mailto:high_point_hoa@yahoo.com) or call any of the trustees (names and home phone numbers are printed in each newsletter) with questions. These proposed changes will be discussed at the Annual Meeting on January 19 at 8:00 p.m. Ballots or proxies can be mailed to our PO Box or delivered to any trustee.

**8. I can't access the Covenants & Restrictions or By-Laws on the website. How can I obtain a paper copy of the documents?** Contact any of the trustees via any method listed in Question 7 and we will provide a paper copy of the documents. These are the same as the original paper copy that many residents have in the gray bound booklet provided by the developer when they first moved into High Point many years ago.

**9. How do I vote for or against these proposed changes?** A ballot and proxy are included, or may be obtained on our website from the 2020 Vision tab or you can contact the trustees and we can send you a paper copy of the ballot. In order to count, we must have your name and address on the ballot.

**10. I rent my home. Can I vote?** Only owners of properties may vote. We appreciate you as part of High Point, but only owners may vote. If you rent, please forward this to your landlord.

**11. Do we have to vote "for" all the proposed changes?** You may vote for or against each of the proposed changes individually. The trustees recommend approval of all proposed changes.

**12. When does the voting close?** Voting will begin at the annual meeting, and may continue if the meeting is adjourned to continue. We ask residents to vote as soon as possible to help the process.

High Point trustees

**PROXY BALLOT – Amend, Modify and Restate By-Laws**

PRINT LOT OWNER NAME \_\_\_\_\_ ADDRESS \_\_\_\_\_

**HIGH POINT ASSOCIATION, INC.  
CONSENT TO AMEND AND RESTATE THE BY-LAWS  
DIRECTED PROXY BALLOT**

The undersigned, owner(s) of the High Point Lot listed above, hereby consent(s) and agree(s) that the By-Laws for High Point Subdivision, be amended and restated as follows:

***Proposed Amended and Restated By-laws as presented in the special Vision 2020 document.***  
Any conflict between this document and any prior version of the By-Laws shall be interpreted in favor of this document. Upon the recording of this document, only Owners of record at the time of such filing shall have standing to contest the validity of the document, whether of procedural, substantive or any other grounds, provided further that any such challenge shall be brought within one year of the recording of the Amended and Restated By-Laws.

The undersigned further grants a power of attorney to the officers of High Point Association, Inc. to execute the necessary documents to be filed with the Cuyahoga County Fiscal Officer evidencing the consent granted herein.

The undersigned, Owner(s) of the High Point Association Lot listed above, hereby appoint(s)

\_\_\_\_\_ or, in the event that no individual is named herein, the Board of Directors of High Point Association, Inc., as my (our) true and lawful Proxy, with the full power of substitution in the event that he/she is unable or declines to serve as my Proxy, to present this Proxy for quorum purposes as well as for the purpose of exercising the entire vote of the undersigned on the amendments presented to the members in the Notice of Annual Meeting as indicated below, at the meeting of the members to be held for the purpose of voting on said amendments on January 19, 2017, at 8:00 p.m. (or any adjournments thereof), and at any other meeting of the members duly held and called for the purpose of voting on said amendments.

This Proxy shall be removable by delivering written notice to the Board of Directors before the Annual Meeting is called to order on January 19, 2017 at 8:00 p.m., or by my presence at the Annual Meeting.  
**I HEREBY CONSENT AND AGREE TO THE ATTACHED DOCUMENT.**

\_\_\_\_\_ Date \_\_\_\_\_  
Owner Signature

\_\_\_\_\_ Date \_\_\_\_\_  
Owner Signature

(If co-owned, both owners should sign. If only one signs, he/she states that he/she represents the entire vote of the unit.)

**I HEREBY REJECT THE ATTACHED DOCUMENT.**

\_\_\_\_\_ Date \_\_\_\_\_  
Owner Signature

\_\_\_\_\_ Date \_\_\_\_\_  
Owner Signature

(If co-owned, both owners should sign. If only one signs, he/she states that he/she represents the entire vote of the unit.)



# High Point Homeowners Association

P.O. Box 361065 ● Strongsville, Ohio 44136 ● 440-638-4304

## 2017 Member Ballot – Amend, Modify and Restate By-Laws

High Point Member Name(s) - (please print) \_\_\_\_\_

High Point Property Address \_\_\_\_\_

The undersigned Member(s) of the Unit identified above, hereby vote with an "X" as below:

High Point Association trustees have called for a vote to amend the Association By-Laws with three changes. Please cast your ballot using this form or the Proxy on the reverse side. Only ONE is necessary (either the Ballot or the Proxy).

### Change #1 – By-Laws Proposed Change

By-Laws – Article V – General Powers of the Association – Section 1 (c) [Shown with proposed changes]

(c) Capital Additions and Improvements. The Association’s powers herein enumerated shall grant the trustees authority to acquire and pay for improvements, structural alterations, capital additions to, or capital improvements of the Common Properties necessary to maintain or improve the association, and provided such projects in excess of \$20,000 are presented at a meeting of the Members; structured with specified contractual criteria and bid out to multiple contractors; paid for with budgeted funds; and are in congruity with the current published ten-year budget projection and most recent Reserve Study. Projects that require any special assessment must in each case obtain the prior approval of the Members of the Association entitled to exercise a majority of the voting power of the Association;

FOR Change #1 to By-Laws as proposed.  AGAINST Change #1 to By-Laws.

### Change #2 – By-Laws Proposed Change

By-Laws – Article VII – Officers – Section 6 – The Treasurer [Shown with proposed changes]

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Trustees, provided, however, that a resolution of the Board of Trustees shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President, or in his absence, by the Vice-President.

The Treasurer shall keep proper books of account and cause an annual Financial Review of the Association books to be made by a certified public accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

FOR Change #2 to By-Laws as proposed.  AGAINST Change #2 to By-Laws.

### Change #3 – By-Laws Proposed Change

By-Laws – Article VIII – Meetings of Members – Section 4 – Quorum, Adjournment [Shown With proposed changes]

Except as may be otherwise provided by law or by the Declaration, at any meeting of the Members of the Association, the Members of the Association present in person or by proxy shall constitute a quorum for such meeting, provided, however, that the Members of the Association entitled to exercise a majority of the voting power represented at a meeting of Members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

FOR Change #3 to By-Laws as proposed.  AGAINST Change #3 to By-Laws.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

(If Unit is co-owned, both Members should sign. If only one Member signs, he/she states that he/she represents entire vote of Member Unit.)