



### EXPLANATION OF ISSUES TO VOTE ON AS CONTAINED IN THE PROXY/SECRET BALLOT FORM

#### ISSUE #1

##### **Bruce Thall is appointed as Interim Trustee of Snow Ridge Community Trust.**

*Explanation:* the Snow Ridge Community Trust is currently without a Trustee because the prior Trustee resigned. The proposed Trustee will only hold the position temporarily to facilitate the conversion of the Trust to a Nonprofit Corporation.

#### ISSUE #2

**The Snow Ridge Community Trust document is amended to confirm that the Trust is a “Business Trust” subject to the Pennsylvania Association Code. The Trust document is further amended to provide that fundamental entity transactions, including but not limited to conversions, mergers, and divisions, require approval by the Trustee, a majority vote of the members of the Executive Board and approval of at least 50% of the Owners.**

*Explanation:* the Snow Ridge Community Trust document does not specify what type of trust it is, although it most closely resembles a business trust. A business trust must state in the trust document that it is a business trust. By clarifying the type of Trust, it allows for the conversion of the Trust into a nonprofit corporation. Further, the Amendment will clarify that the vote of 50% of the Owners is required for fundamental transactions.

#### ISSUE #3

**The Snow Ridge Community Trust is converted into the Snow Ridge Village Community Association, a Pennsylvania nonprofit corporation. The Snow Ridge Village Community Association shall serve as governing body for the community.**

*Explanation:* Most homeowner associations are organized as nonprofit corporations. The governance is simpler than a Trust and avoids the need for a Trustee. Most importantly, it avoids the costs associated with being organized as a Trust.

#### ISSUE #4

##### **Vote to adopt Snow Ridge Village Community Association Bylaws and Declaration.**

If Issue Numbers 1 through 3 are adopted, then all steps are in place for a Vote Yes to Adopt to Issue Number 4. But if Number 4 is not adopted, then the provisions of that certain Snow Ridge Community Trust Document and Deed of Conveyance dated April 20, 2002, shall continue to apply until Bylaws and a Declaration are adopted, including but not limited to the governance provisions and the Protective Covenants and Restrictions.