



December 1, 2016

Season's Greetings Corrotoman By The Bay Property Owners!

Results of the vote to increase the annual assessment

At the Special Meeting on November 19, 2016, the majority of voting members approved the increase in the annual assessment from \$80 to \$180 per lot. Despite having a majority approve the increase, since the quorum required in the procedures in our Declaration was not met, a second meeting with a new vote and a 50% reduction in the quorum is required.

Notice is hereby given that a second Special Meeting is scheduled for 9 a.m., January 14, 2017, at the CBTB Clubhouse for a second vote on increasing the annual assessment from \$80 to \$180 per lot effective March 1, 2017.

You must vote again! Enclosed is the proxy you need to complete with your vote. To be counted, mail to Rivers Accounting by January 11, 2017, or you may bring your proxy vote to the Special Meeting on January 14, 2017.

Stretched Budget

We are fortunate to have outstanding and wonderful property owners donate hundreds of hours of their time and talent to our community each year. Your voluntarism allows us to stretch our funds from our annual assessments, special assessments, and user fees even more prudently. Thank you for your contributions!

While our annual assessment has not changed for the last 20 years, our roads and facilities have gotten older, maintenance is more expensive, and now we are required by state law to fund a capital reserve. Without your vote to increase the dues to an appropriate amount, there appears to be no alternative but to have special assessments such as the Capital Reserve Special Assessments that were required in 2013 and 2015 to address the pool and tennis courts issues.

The Finance Committee's Analysis and Recommendation

At the August 13, 2016 Board Meeting, the CBTB Board of Directors established a Finance Committee of property owners to analyze and make recommendations regarding finances needed for the operations and capital replacement reserves of the community. Bill Ehlman

served as chairman. Committee members included Craig Adler, Neal Garner, Rebecca Nelson, and CBTB accountant, Vicki Bartlett, CPA. The Ex-Officio CBTB Board members included CBTB Treasurer Sam Longstreet and Board Member Cristian Shirilla.

Nobody likes surprise expenses and bills! For CBTB to continue to comply with state law and have community facilities that are not a liability to our owners, the Finance Committee adopted a long-range business approach to analyze current and future operating and capital needs of CBTB using the tightest budget possible including reducing the capital reserve requirements. Then they presented their recommendations to the Ex-Officio members for their input. The Finance Committee presented the final plan to the CBTB Board of Directors and the community at the October 8, 2016 board meeting and the November 19, 2016 Special Community meeting. The Finance Committee requests that you support increasing the annual assessment to \$180 per lot (approximately \$15 per month), which is the minimum annual assessment possible to meet our requirements of funding both operating costs and the required capital reserve.

**The entire Finance Committee Report is located on the CBTB website at:
www.corrotomanbythebay.org.**

Special Thanks to Finance Committee Members For Their Work and Report

Board of Directors Support this Change

Just as you have to budget and watch your expenses, the job of the Board of Directors is to make business decisions for our community. Expenses are carefully considered for long-term value. Each member of the board is a CBTB property owner, receives no financial benefits or reductions in annual or special assessments, and serves voluntarily.

The Board of Directors agrees with the Finance Committee recommendation to increase the annual assessment. At the October 8, 2016 Board Meeting, the board passed the motion: *To increase the annual assessment to \$180 per lot due March 1, 2017.* This set into motion the vote by all members in good standing while following the community declaration and by-laws. We hope you would prefer having a set, known annual assessment rather than special assessments that may vary depending on the needs of the community.

History of CBTB's Annual Assessments

1967	\$20.00/lot
1970	\$28.50/lot
1973	\$40.00/lot
1981	\$50.00/lot
1985	\$60.00/lot
1997	\$80.00/lot

CBTB Requested Annual Assessment of \$180 Compared To Other Communities

Other community assessments per year per lot:

Hills Quarter \$2,640	Mallard Bay \$450	Heritage Point \$315
River Bend \$250	Bay Quarters \$225	Harbour Pointe \$545

Since 1967, CBTB property owners have enjoyed the many amenities in our unique and protected waterfront community. Through ownership of real estate in our community, you became part of the CBTB Property Owners Association, which requires you to pay annual dues. Your dues go to maintaining the common grounds, non-state roads, the clubhouse, pool, tennis/pickleball courts, golf course, playground equipment, pavilion, basketball court, boat dock and ramp, etc. Whether you enjoy and use them or not, it is a fact that these amenities add value to your property and make it more desirable when you sell.

Why Do We Need To Increase Annual Dues?

- Our last annual assessment increase was 20 years ago. The current operating expenses for basics such as mowing, roads/grounds maintenance, etc., are **more** than the annual dues amount we bring in.
- Additionally, Virginia Code (Law) – Chapter 26, Property Owners’ Association Act, Section 55-514.1 requires a capital reserve study and funding for capital reserve expenses. Capital reserves are for future expenses so we can continue to have a healthy, viable community, and maintain real estate values. We simply **cannot comply with this law** based on our current annual assessment.
- Having enough income to support current operating expenses and the capital reserve fund can reduce the need for special assessments, and

Replacement Reserve Report

- The Finance Committee analyzed the Capital Reserve Replacement Report (see www.corrotomanbythebay.org.) to ensure we are being reasonable and fiscally prudent in our overall assessment for future expenditures and long-term obligations.
- The Finance Committee recommended a decrease based on specific reductions as outlined in the Finance Committee Report.

Determination of Annual Assessment Required

- Annual operating budget is: \$65,000
- Annual Replacement Capital Reserve required: \$41,380
- Total annual required: \$106,380
- Annual Assessment Per Lot calculation: \$106,380 divided by 591 lots is \$180.00
- Finance Committee recommends new annual assessment of \$180.00 per lot

We Need You to Vote! Please return the enclosed ballot by January 11, 2017.

Attached to this letter is the Proxy to vote. To be counted, please return this proxy to

Rivers Accounting

By Mail: P.O. Box 406, White Stone, VA 22578

By Email: vicki.bartlett9@gmail.com

By Fax: 804-436-9010

In Person: Bring your ballot to the Special Meeting being held at 9 AM, January 14, 2017
CBTB Association Clubhouse, 1187 Corrotoman Drive, Lancaster, VA 22503.

Questions?

If you have any questions or would like to receive a print out of the finance report, please contact any Board Member, email: cbtbay@gmail.com or call Robert Bennett, President, telephone: 804-761-7647

Thank You

Thank you for helping to make Corrotoman By The Bay the extraordinary place it is today, and has been for the past 49 years.

Together, we will provide

- for the preservation of the values and amenities,
- for the maintenance of the roads, parks, playgrounds, open spaces and other common facilities;
- for the protection of plant and wildlife in the common properties and in and about the subdivision, to the benefit and enjoyment of each and every owner.

Together, we will use our community's resources in an efficient and financially responsible way.

Warmest wishes for the holidays,

CBTB Board of Directors

*James Allen
Roger Failmezger
Cristian Shirilla*

*Robert Bennett
Sam Longstreet*

*Jean Ehlman
Susie Pierce*

CORROTOMAN BY THE BAY ASSOCIATION, INC.

Directed Proxy

January 14, 2017 Special Membership Meeting

The undersigned Member(s) of Corrotoman By The Bay Association (the "Association") do(es) hereby make, constitute and appoint [check one]

the Secretary of the Association, (the "Proxyholder"), or

_____, a member of the Association residing at _____ [write in address of person to whom you are giving the proxy], as his/her/their attorney-in-fact and proxy to vote on his/her/their behalf, and hereby instruct(s) the Proxyholder to vote, at the **special membership meeting to be held on January 14, 2017 at 9 AM, at the CBTB Clubhouse and at any adjournment or continuation thereof, to (check one):**

SUPPORT

DO NOT SUPPORT

increasing the annual assessment to \$180 a lot, as described in the December 1, 2016 letter from the Corrotoman By The Bay Association, Inc.

I/We certify that I/We am/are a member(s) in good standing of the Association.

This proxy shall be revocable by the undersigned until it is exercised, but in any event shall terminate at the close of the meeting; provided, however, if such meeting is adjourned or continued to a new date, this proxy shall terminate at the close of such adjourned or continued meeting. [NOTE: If the blanks above are not filled in, the Secretary of the Association will be deemed to be the appointed Proxyholder.]

All Owners whose names appear on the Deed to the Lot

must sign their name(s) in the spaces provided below.

Please see the reverse side of this form for more detailed instructions.

Your Signature

Signature(s) of other(s) listed on your deed

Print Name

Print Name(s)

Date of Signature

Date of Signature(s)

Lot Number(s) in Corrotoman By The Bay Association, Inc.

E-mail Address(es)

Daytime Telephone Number(s)

Instructions for Completing Directed Proxy Form

1. Please print and sign exactly as your name appears on your deed.
2. If property is owned by more than one person, all persons listed on the deed must sign.
3. If you are signing in a representative capacity, sign in the correct capacity.

For example:

- a. if the property is owned by a corporation, please sign in the corporate name by the president or other authorized officer;
 - b. if the property is owned by a partnership, please sign in the partnership name by authorized partner(s);
 - c. if the property is owned by a trust, please have all trustees who are required to sign per the trust documents sign the form).
4. Please return all completed forms containing original signatures to the following address by close of business on January 11, 2017*

**Secretary of Corrotoman By The Bay Association, Inc.
c/o Rivers Accounting
P.O. Box 406
812 Rappahannock Drive
White Stone, Virginia 22578**

**Email: Vicki.Bartlett9@gmail.com
Fax: 804-436-9010
Phone: 804-436-9211**

**The Association may accept forms after such date and/or may extend the date for accepting forms, as may be determined by the Board of Directors.*