

INFORMATIONAL MEETING OF
THE MEMBERS
OF
OAK PARK LEISURE GARDENS

April 1, 2014

This meeting was held as an open forum with the Board and Attorney, Christopher Guenther present to answer homeowner questions. Each homeowner was allowed 1 question. The following is a summary of the questions and answers:

Please see the homeowner question and comments below with Chris Guenther's response:

1) Do you need 67% of the homeowners vote to achieve the 51% provision?

A: Yes, you are correct.

2) Is it 67% of homeowners or 67% of the vote?

A: 67% of the homeowners have to vote in favor to pass the provision.

3) If someone owns 6 units do they get 6 votes or 1?

A: 6 votes or 1 vote per unit.

4) Will this provision provide advantages to investors over residents?

A: No. It allows Members to make needed changes and maintains a majority rule. The Board will have options to amend documents to assist the association in enforcement against renters.

5) Why are the documents being amended?

A: The documents are antiquated and pre-date the Davis Stirling Act, which is the law. There have been significant changes in the law and many provisions of the current documents conflict with current law and are unenforceable and many are unclear. Circumstances have changed since 1979 and Oak Park is now a fully developed PUD community and the developer is no longer around. OPLG wants to update their documents to follow the law and implement provisions to correspond with the current mature community and the changed circumstances since 1979.

6) Do the homeowners have a say in the document revision?

A: An advisory vote will go out to all homeowners for their suggestions as to changes and additions to be included in the proposed amended documents. Ultimately, membership approval of changes is necessary.

7) Comment: Concern about homeowners owning more than 1 unit.

A: Response: This concern can be addressed with the advisory vote and the homeowners will have a say in their document changes. In many respects, the members

with more than one unit have a greater investment in the community and should want to facilitate efficiency in Board oversight and management, reduce the potential for future litigation between HOA & members, and most importantly increase property values and marketability. A well run HOA attracts more buyers and lenders, all of which is in everyone's interests, homeowner and investor alike.

8) Do CCRs require 67%, Bylaws require 51%, and Rules and Regulations require 51%?

A: No. CCRs require 67%, Bylaws 51% and Rules and Regulations are controlled by the Board. The focus of this meeting is on the CCRs.

9) Recommendations by the Attorney: In order to achieve the super majority membership approval, it is recommended that the resident owners go door to door and telephone non-resident owners to encourage them to vote. Also, non-resident owners and their tenants should be required to sign a lease addendum to allow the association to enforce rules against tenants and make them subject to the same disciplinary procedures as owners.

10) If we can't change the voting percentage how will we change the CCRs?

A: The California Legislature has provided a statutory safety net to allow an association to obtain court approval of amendments to CC&Rs with a 51% membership vote in cases where an association is unable to get a super majority vote under certain circumstances.

11) Comment: It will benefit homeowners to be able to make changes to CCRs and Documents.

a. Agree

12) What is the safety net? If we don't get 67% of the vote how do we go to court?

A: If we get over 51% of their members to vote in favor but can't get the required percentage written within their CCRs we can file a petition with the court.

13) What is so terribly wrong with the documents and OPLG? Comment: Doesn't think 67% will be a problem.

A: See answers to 5 and 7 above.

14) If it doesn't seem broke why fix it?

A: See answers to 5 and 7 above. Many provisions in the documents are unenforceable. It opens the HOA up to potential litigation. Good documents can prevent disputes and litigation.

15) Comment: The roofing discrepancies in the documents were noted as a good example.

A: Homeowners have an opportunity to make this responsibility clear. Current documents on maintenance and repair responsibilities are unclear and very poorly written. Buyers look at these unclear documents, so this will help tremendously.

16) Why were the documents written so poorly?

A: The developer wrote the original documents. 1979 predates the Davis Stirling Act, so the laws were different and the existing Oak Park community has changed significantly.

17) Were the CCRs written for the developer? Is this true?

A: Yes. For example, the documents refer to Class A and B voting classes, which is so the developer can control everything for the first 3 years. It's time to get rid of these.

18) Is there ways to stipulate how many Board Members can be investors versus owner occupied?

A: Not directly. Currently every owner is entitled to be a candidate and if elected, serve on the board and each member is entitled to one vote for each lot owned. However, following the meeting, the attorney did some research and has determined it may be possible to require a minimum residency requirement for a member to be qualified to be a director. This may be a provision the members want to be included in the amended CC&Rs.

19) The documents were approved by the DRE when the development was completed. Who's going to approve these documents besides the homeowners? Comment: Most older CC&RS require a super majority membership vote to amend.

A: Only membership approval is required. The DRE did not necessarily require 67% approval, but many older CC&RS have super majority voting requirements. Also, circumstances have changed, and this was previous to the Davis Stirling Act. The DRE is involved with protecting consumers and the sale of houses not necessarily the long term aspects of a mature common interest community.

20) Aren't the scales tipped to the investors?

A: Yes and no. Good documents will benefit homeowners and investors alike. See answer to 5 and 7 above.

21) Have the documents been revised?

A: Preliminary drafts to bring the language up to speed have been completed. The next step is to get homeowner input. Really important things are coming up.

22) If we change the percentage will a single homeowner be subjected to higher assessments or other changes?

A: Every unit gets 1 vote and pays equal assessments for each unit. All homeowners have equal input as to what gets put into the documents. Investors do not want increased assessments any more than a single homeowner.

23) Comment: Homeowner thinks we should try to get documents done at 67% because she thinks it will work.

A: Based on previous experience the attorney disagrees. 67% vote hamstrings the HOA and makes it almost impossible to amend the documents.

24) Comment: There was a request for an overview of the timeline.

A: Board slowed the timeline down to give homeowners a chance to digest and ask questions. Ballots will go out next week and straw vote (advisory vote) will go out shortly after. The ballots will be counted at the May meeting and the straw vote will be reviewed during that same meeting.

25) Comment: Bringing the attorney was very helpful and thank you to the Board for making this happen.