

## Letter from the President Declarations (Covenants) July 31 2023

Dear all,

I recently sent out the initial revision of the Declarations (Covenants) together with a redline version to make it easier for anyone who wanted to look at the changes in detail to be able to do so. Jeff White took the time and effort to do this and raised some interesting points and suggested some changes. All of Jeff's analyses have been forwarded to Vince Dongarra, the TOCCA lawyer, for his review and comments and will be incorporated into the Declarations as appropriate. I hope to have these revisions back before the next Board meeting so that they can be discussed.

Unfortunately I was not as clear as I should have been about the process to be followed before the Declarations went to the community for approval. It was the Board's intention to have a complete discussion of the revised Declarations so that everyone would have a clear idea of what they were voting on and we will take as long as is necessary for this to happen.

It is also important to understand that a good lawyer will follow the instructions of the client but will also point out the possible risks and pitfalls of one course of action over another which is why he proposed an alternative to the 2/3rd vote for approval. From past experience he has seen HOAs paralyzed because they could not get the required 2/3rds because of disinterest on the part of the homeowners and this was a way to avoid this for TOCCA if we could not get 40 people to vote. The Board has always felt that the 2/3rd vote requirement for expenditures from the Reserve and for changes to the Declarations was appropriate which is why we will continue to have that in the Declarations. I believe our homeowners are committed to TOC so participation should not be a problem.

The Board would like the final Declarations to be complete and not need revision for a long time. In addition we wanted them to be free of historical references which were no longer pertinent and would therefore be easier for a potential buyer to understand and simpler for a purchaser's lawyer, mortgage company and Title Company to review.

The section on the Reserve Study is intended to allow a would be purchaser to know the potential liability they will be assuming and how these financial needs will be met. This is a new law and it is not clear how the law's requirements will be achieved and what the regulatory requirements will be, but the Board will be sure that the law and its requirements are fully understood before finalizing the Declarations for your vote.

Finally I would ask that we approach these discussions in an objective and calm manner and avoid personal attacks which serve no useful purpose but only complicate the discussion and may result in a less than ideal document. It may be that my fears that selling property in an HOA is going to be more difficult are misplaced but I worry that purchasers are going to be much more likely to assess whether the HOA can meet its financial liabilities and how much of a risk they, personally, are taking on. This may well be a significant part of their final decision and I want to ensure that we have demonstrated a complete and smart approach to the problem, that our liabilities are adequately funded, and that our HOA is a well managed development so that they make a favorable decision.

Ian