

INFORMATION RE: PROPOSED BY-LAW AMENDMENTS

Fines for Violations of By-Laws & Declaration (Amendment # 1)

Question: Why do we need the amendment?

Answer: The BOD needs to ensure that provisions of the By-Laws & Declaration can be enforced when necessary. For example, the possibility of fining strongly encourages off-site owners to provide copies of the leases. We need to know who is authorized by the lease to be able to protect safety AND to be able to provide mortgage lenders & guarantors with an accurate ratio of rental units to total units.

Maximum Deductible for Master Insurance Policy (Amendment #2)

Question: What is the deductible currently prescribed?

Answer: \$1,000.00

Question: What is the maximum deductible allowed by law in Maryland?

Answer: \$5,000.00

Question: Why is an increase in the deductible beneficial?

Answer: There are several reasons:

- 1) Insurance coverage with a \$1,000 deductible will cost the community APPROX. \$5,000/MO. & WILL RESULT IN A SIGNIFICANT INCREASE IN MONTHLY HOA FEES
- 2) If the community MUST pay the large premium for insurance coverage, there will be a LONG delay in taking on projects such as additional parking for the Braxton and Tilden Way areas
- 3) Few insurance carrier will even write a master condominium policy with a deductible as low as \$1,000;
- 4) Insurance coverage with a \$5,000 deductible will keep the insurance premium at a level which will allow a modest increase in HOA fees to fund the replacement of reserves and to fund projects & improvements in the community

Increase in Minimum Duration of Lease (Amendment #3)

Question: Why is it beneficial to increase the minimum duration of a lease from 30 days to 6 months?

Answer: An increase in the minimum duration of a lease will ensure that homes in River Oaks are not rented to transients, a situation which could prove to be dangerous and minimize the value of our homes. A longer lease period will allow residents to get to know their neighbors, and it will assist the BOD & Property Management Company in tracking the leases.