

**EXPLANATION OF PROPOSED AMENDMENTS TO DECLARATION OF
LAKEWOOD RIDGE TOWNHOMES**

DEAR OWNERS:

The Board wanted to provide an explanation of the purpose and intent of the recommended amendments to the Declaration, to assist the owners in understanding the reasoning behind these, and TO URGE YOU TO PLEASE REVIEW AND COMPLETE THE ENCLOSED PROXY FORM FOR VOTING ON THESE IMPORTANT ISSUES AS SOON AS POSSIBLE. WE WILL BE FOLLOWING UP WITH OWNERS WHO HAVE NOT RESPONDED WITHIN 2 WEEKS AND IF YOU WISH TO ASSIST IN THIS EFFORT PLEASE LET US KNOW BY CONTACTING A BOARD MEMBER OR MANAGEMENT.

The Amended and Restated Bylaws were approved at the prior membership meeting, but there were not enough votes to approve the changes to the Declaration due to lack of participation. These amendments are therefore being re-submitted for another vote at the meeting which has been scheduled for September 12, 2015. Please return your proxy even if you plan to attend the meeting since you can always change your vote if you wish until the voting is closed at the meeting.

PROPOSED AMENDMENTS TO THE DECLARATION

A number of proposed changes have been drafted, based on communications among Board members and with legal counsel. Each item will be briefly summarized.

Item 1- This proposal clarifies the maintenance responsibilities of the lot owners, to avoid disputes and to address some concerns. Minor repairs are defined, and the procedures for making roof repairs are also clarified and revised, to protect the Association and the owners.

Item 2- The Declaration currently requires owners to insure their lots, and to provide proof of insurance to the Association. Legal counsel has stressed how critical this is, since if any owners fail to insure and are not able to repair or rebuild their unit this could drastically affect property values in the community, and especially those units in close proximity to the damaged unit. Enforcement procedures have been added to allow the Association to attempt to require all owners to provide proof of insurance. Owners should be aware that before fines can be imposed, multiple notices are generally sent and the owner has an opportunity for a hearing before the fine can become final.

Item 3- This amendment again strengthens and clarified the enforcement authority of the Association when owners fail to make repairs for which they are responsible for.

Item 4- This change addresses the circumstances and procedures under which the Association will indemnify board members, officers, and committee members for actions taken on behalf of the Association. The original wording prepared by the Developer did not protect the Association from actions which might be taken by Board members which were against the interests of the Association, or even criminal in nature, unless the person personally benefitted.

Item 5- This section is being revised to improve the ability of the Association to collect from lenders and third parties in connection with foreclosure proceedings. This should benefit all owners.

Item 6- Similar to Item 5, this new wording attempts to maximize the ability of the Association to collect from lenders and third party purchasers in connection with foreclosure proceedings.

Item 7- This amendment is being proposed to confirm that the Board of Directors has the final decision-making authority on alterations and on community guidelines, and that any Architectural Control Committee will only have the authority to make recommendations unless the Board gives additional responsibility to the Committee.

Item 8 – This section is being entirely rewritten to address circumstances where major damage is done to a unit and Lot, and what the owner’s responsibilities are regarding repair or reconstruction of the unit.

Item 9 - Wording relating to satellite dishes was changed, since federal law permits certain dishes and antennas under guidelines which may be adopted by the Association. This also applies to solar collectors.

Item 10- This is the first of two amendments relating to leasing restrictions. This change would increase the minimum rental period from 7 to 12 months.

Item 11- This proposal addresses multiple issues regarding leasing: (a) New purchasers would not be able to lease their unit for 12 months from the date of purchase unless they meet the requirements for a hardship exception. This is intended to discourage investors from purchasing and leasing units; and (b) New leases would need to go through an approval process. There are very limited grounds under which a lease can be disapproved, and this is primarily to protect the community from people with criminal records, including sexual offenders, who may pose a risk to the health, safety and welfare of other residents.

Item 12- These changes clarify and improve the enforcement options of the Association in the event of violations.

Item 13- References to roofs were deleted from the section relating to shared walls between units since roofs are dealt with elsewhere in the Declaration. Responsibilities of owners to bear the costs arising out of negligent acts taken by those whom they are responsible for have been clarified.

THIS IS THE END OF THE EXPLANATION. PLEASE COMPLETE YOUR PROXY FORM AND RETURN IT TO THE ASSOCIATION. THE BOARD OF DIRECTORS RECOMMENDS APPROVAL OF THESE AMENDMENTS, AND THE PROXY FORM ALLOWS YOU TO INSTRUCT YOUR PROXY HOLDER HOW TO VOTE ON EACH INDIVIDUAL PROPOSED CHANGE, OR TO VOTE IN FAVOR OF ALL PROPOSED AMENDMENTS.

Thank you for your time and attention to this important matter.

Sabrina Martin, President,
for the Board of Directors