

From: info
Sent: Monday, November 23, 2015 11:33 AM
Subject: KPMA- First Town Hall Meeting results
Attachments: Partical Red line rewrite.pdf

KPMA E-BLAST

Dear Kensington Residents,

The first town hall meeting on our new documents took place on Tuesday, November 17, 2015 with 70 residents from the community attending along with your Board and our attorney, Mr. Steve Adamczyk of Goede, Adamczyk, DeBoest & Cross, PLLC. It was a very productive meeting with a number of good suggestions for improving some of the language, thresholds and process. Then your Board had their monthly Board meeting on Thursday, November 19, 2015 to review and consider the changes discussed at the town hall meeting. As a result, here are the highlights and some of the changes the Board has adopted that will be explained further at the next town hall meeting:

- 1. Redlining the documents so changes can be tracked. Mr. Adamczyk explained the reason there was no redline available was this was not the type of change where you can go along and compare changes side by side but rather a total rewrite of the documents where items that were in the by-laws are now in the declaration, or where language was added to incorporate points from the new legislation that has nothing to compare to and so on. Complicating the process is the old documents are in PDF format which can't be manipulated for redlining without a great deal of time and money.**

However, what is being done to help people compare the differences between the documents is several sections of the old document are being retyped so we can provide a partial "redline" comparison of the areas that appeared to have the most concern as determined by the comments at the meeting.

- 2. In the new documents the voting thresholds were communized into two categories, major amendment changes and lesser important or minor amendment changes. The thought by the Board in doing this was to leave the more important or serious issues with a 2/3 of the residents requirement to change the major amendments and having the lesser, more day to day amendments, require only 2/3 of a quorum voting at the meeting or by proxy. A quorum is 30% of the eligible voters (we have 566 eligible**

voters in our community so a quorum would be 170 and 2/3 of that would be 113). The feeling expressed at the meeting was people desired a larger number even for the less important amendments so this is what we are recommending:

An affirmative vote of two-thirds (2/3) of Regular Members present and voting in person or proxy, provided 51% of all Regular Members cast a vote.” This has the effect of raising the minimum number of required affirmative votes to pass a minor amendment to 192 ($566 \times .51 \times (2/3) = 192$) from the previous level of potentially 113, assuming minimal participation.

We will also be raising the notice period of a vote on amendments from the current two weeks to 60 days to allow for “snail mail” delays especially to our folks that may not be in the country.

3. The new documents have a section called Resale Capital Assessment, section 3.16 of the Declaration. This is a new section that was added as a means to supplement the reserve account for future projects within our community. Many of the communities around us have this provision as well. Two things will be changing from what is in the current documents. First, the current language says the money collected can be used by the Board for “any lawful purpose.” This will be changed to indicate the money can only be deposited into the capital reserve account.

Secondly, in order to change the resale capital assessment formula which is two quarters of the KPMA amount of your quarterly funds (currently \$714 per quarter, \$1,428 total), which is to be paid by the buyer at closing, we will be adding language as above for the minor amendments, “change of this assessment formula will require two-thirds (2/3) affirmative votes of Regular Members present and voting in person or proxy, provided 51% of all Regular Members cast a vote regarding the assessment.”

Attached to this is the red-line of the original 2004 Declaration compared to the proposed document. This red-line only includes those sections that were highlighted as significant changes in the summary cover memo accompanying the first draft of the proposed documents. After the third town hall meeting, you will receive a final document showing all changes to the proposed document taking into account comments and suggestions coming out of the town hall meetings. That final mailing will also include a proxy for your vote.

So, hopefully by the time you receive the final “clean” version (no redlines) of the documents to be voted on, the Kensington Community will come out in force either by being present at the voting meeting or by proxy so we can receive the 378 affirmative votes necessary to make these our new documents for many years to come.

Don't forget our next town hall meeting is scheduled for 1:00 PM, Tuesday, December 15, 2015 at the Club House for those that have additional questions or comments.

Finally, if you are receiving this e-mail and never received a hard copy of the new documents it probably means we don't have your proper mailing address so please contact Newell Properties at: info@newellpropertymanagement.com with your correct mailing address to insure you receive the clean copies in January.

Thank you,

Your KPMA Board of Directors