

HISTORY OF RIVER OAKS STREETS

River Oaks subdivision was developed by Northshore Investors with the first homes being built in Phase 1 starting in 1992. There are 6 phases with approximately 3.17 miles of streets which were built out by 1998. The ownership of the streets and common areas were transferred by the developer to the River Oaks Owner's Association by 2003. The developer did not dedicate the streets to the Parish upon their completion and are owned by the Association.

Since 2007, one of the main issues confronting the Association has been the need to maintain and repair the subdivision streets. In March, 2009 at the annual meeting, the Board of Directors proposed a special assessment to borrow the funds to overlay and repair all subdivision streets at one time. The property owners voted against this proposal. Subsequently in August, 2009 at a special meeting, property owners voted to dedicate the streets to St. Tammany Parish (by a vote of 106 to 69). There are 295 lots in the subdivision and each lot owner has one A share to vote. In 2010 the BOD commissioned an engineering study to determine work and cost needed to bring the streets up to Parish standards. The Parish reviewed the study and agreed with the recommended scope of street repair with some additional work to improve drainage, and to replace the existing signage with a Parish standard design.

In the fall of 2011, a special meeting was held for the purpose of voting on a special assessment for work necessary to dedicate the streets. The Association voted in favor of the assessment (93 to 61) which included the estimated cost for the repair and replacement of the signage. The road repair work agreed to by the Parish engineers was conducted during 2012. There were some areas that required additional work above that shown in the original scope, but the added cost was covered in the collected assessment. At the 2013 annual meeting, our attorney advised that the Restrictive Covenants need to be amended to allow street dedication. Article X, Section 4 of the Covenants prohibits the dedication of the streets. We have previously operated under the assumption that the Articles of Incorporation for the Association, which allowed street dedication, was the controlling authority. However, a local court had recently ruled that a subdivision's Restrictive Covenants were the governing authority since they act as a contract between the owner/members, the developer and the Association. As a result of this ruling, it was our attorney's opinion that the Restrictive Covenants need to be amended to allow dedication. Moreover, in accordance with the provisions of the current Restrictive Covenants, our attorney concluded that a higher voting majority of lot owners, (151 votes or 51% of the 295 A shares) is required to approve an acquisition, sale, transfer or dedication of Association (real) property. The 2009 street dedication vote approving dedication (106 for and 69 against) was based on a simple majority of the votes cast at the meeting being in favor of the measure. The 106 votes represented about 36% of the A shares, below the 51% threshold set forth for real property measures in the Restrictive Covenants.

The Restrictive Covenants were amended in November, 2013 (14th amendment) to provide for the dedication of the streets if approved by a majority of the River Oaks property owners. Road repairs, those required by the Parish to bring the streets up to Parish standards in 2012, and new signage installations were completed in 2013. A preliminary inspection by the Parish in January, 2014 indicated that several additional areas needed to be addressed to meet their standards. This additional work was delayed pending a vote on street dedication.

At a Special Meeting in February, 2014, property owners voted 71 for dedication with 66 against. Total eligible voters for the election were 245 and the number needed to dedicate is 125 votes in favor of dedication (51% of the eligible voters). The dedication vote failed and the streets remained private.

In January, 2015 Pinnacle Engineering was commissioned to investigate the streets and to provide an estimate to repair and overlay. The total cost was estimated to be \$971,436. A Special Meeting to vote on a special assessment (\$3,520 per lot) for the work was held on February 25, 2016. Property owners voted 94 against and 58 for the assessment. At the Annual Meeting immediately following the Special Meeting, a motion was passed to call a Special Meeting to vote on street dedication within 90 days if the special assessment did not pass. A second motion also passed to call a Special Meeting to vote on a special assessment of \$200 per year dedicated to street repair if the dedication vote did not pass.

On May 26, 2016 a Special Meeting was held to vote on street dedication. It failed to pass. There were 275 eligible voters of which 106 voted for dedication and 72 were against. To pass it would need 51% of the eligible voters or 141 votes for dedication.

The Board of Directors convened a Special Meeting on August 25, 2016 to vote on a special assessment of \$200 per year per lot. The vote on the special assessment of \$200 per year passed at the special meeting held on August 25, 2016. The vote was 69 for and 27 against. A special assessment requires a simple majority of the shares voted at a meeting where a quorum is present. There were 102 ballots cast of which 6 were ineligible because of delinquent accounts. The first \$100 will be collected with the regular assessment due in January 2017. The Board of Directors wishes to thank all who participated in the vote.