



**GNO Property  
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May 9, 2016

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Dear River Oaks Property Owners:

Special Meeting  
Street Dedication

The Board of Directors is calling a special meeting for **May 26, 2016 at 7 PM** in the clubhouse to vote on dedicating the subdivision streets to the Parish. The vote for a special assessment to repair and overlay the streets failed to pass at the special meeting held on February 25, 2016. At the Annual Meeting held immediately following the special meeting, a motion was passed calling for a special meeting to be held within 90 days to vote on street dedication if the special assessment failed to pass. The ballot for street dedication is attached. If you cannot attend, please complete and give your proxy vote on the reverse side of the ballot to a member of the Board or to an owner who will attend the meeting. For street dedication there must be a majority of the eligible Class A shares voted in favor of dedication. There are a total of 295 Class A shares. It is very important that you vote on this issue.

Starting in 2007 the Board has been seeking ways to maintain the streets. The history of this effort is detailed on the reverse side of this letter. Additionally the BOD has asked Marty Dean our Parish Council Representative, speak about the Parish street program and answer questions from the residents at a meeting scheduled for May 19, 2016 for 7 PM at the clubhouse.

If property owners approve the dedication of the streets, the Board will ask Mr. Dean to request an Ordinance from the Parish Council to accept the streets into the Parish system. If the Ordinance is adopted, the Parish Engineering Department will inspect the roads and accompanying street drainage to determine if they currently meet Parish standards. The streets and drainage will not be accepted into the system until they are brought up to Parish standards. The repair work done through the 2012 special assessment was designed to meet parish standards, however if the streets or drainage system require further work, it will be the Association's responsibility to pay for the repairs, which may necessitate another special assessment from each property owner. The amount of the individual assessment will not be known until the Parish makes its final inspection and the Association receives competitive bids for the work requested by the parish, if any. In addition, even after dedication, the Association will be responsible for any repairs to streets or drainage work that is required by the Parish for two years after acceptance into the parish system. A meeting of the Association would be called on to vote on any future special assessment if needed.

River Oaks Board of Directors

Ed Conway, (985) 892-4785  
Annette Curren, (985) 809-3005  
Bennie Daigle, (985) 893-1318  
Bradley Hayes, (985) 302-5203  
Donnie Pate, (504) 241-4400  
Jim Rowalt, (985) 867-8305  
Kevin Seal, (504) 756-2296

Enclosures

(Over)

## HISTORY

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 (14<sup>th</sup> 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 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.

**Revised 5.20.16**