

QUESTION ANSWERS



Amendment to the SBCA Master Declaration – FAQ's (frequently asked questions).

Q. HOW MANY VOTES ARE NEEDED TO APPROVE THE AMENDMENT?

- The South Bay Master Declaration **may be amended by obtaining approval of seventy five percent (75%) of the owners of platted lots.**
- There are currently 600 platted SBCA lots, so **450 (or more) YES votes are needed** in order to approve the amendment.
- Typically, less than 60% of SBCA lot owners vote on any issue.
- Progress to date: so far only 274 ballots have been received.

Q.WHY IS THIS IMPORTANT?

- The amendment **resolves gross inequity** that has been present for over 20-years.
- There are two classes of owners. Both classes have the exact same legal standing, benefit and privilege, with one distinct difference; the **SBCA owners with undeveloped lots have never shared in the obligation to cover the ongoing expense of running the HOA and to maintain its assets.**

Q.WHY NOW?

- The **SBCA** (South Bay) was **supposed to have 800** homes (**developed lots**) by 2020.
- The **SBCA** currently **has only 579 developed lots** (72% of the total intended) and 21 and other platted lots that are either vacant or under construction.
- After **waiting 22 years for** remaining SBCA lots to be developed, so **all SBCA Members pay their fair share** of HOA expenses, the **Master Declaration needs to be changed now.**

Q. IS IT UNUSUAL OR UNFAIR TO REQUIRE PLA AS DEVELOPER TO PAY DUES ON ITS UNBUILT PLATTED LOTS?

- No. It is neither unusual nor unfair.
- PLA has to pay dues to LMC on unbuilt lots it owns in the North Bay.
- PLA itself drafted the village CC&Rs for Olympic Terrace II in 2007, which require PLA to pay dues on unbuilt lots. PLA has been paying dues to the OT2 HOA on unbuilt lots for years, without objection.
- PLA recognized (after some persuading) that it had to pay the \$1,000 per lot 2016 special assessment for unbuilt lots it owned. There is no good reason why annual assessments should be treated differently.
- It is fair for all lots having the same rights and benefits to pay the same dues.

Q. WHY IS THIS VOTE NOT BY SECRET BALLOT?

- Under the SBCA governing documents **ONLY** the election of Directors must be by secret ballot.
- The new statute allowing voting by ballot without a meeting requires the HOA to be able to verify that the ballot is cast by an owner having a right to vote.
- When the ballot envelopes are opened, a record will be kept of who voted but not how they voted.

Q. DOES PLA PAY DUES ON LOTS OWNED IN THE NORTH BAY (LMC)?

- Yes, **PLA** pays **annual assessments** on each lot they own in the LMC (North Bay HOA).
- **PLA** also (allowed by ownership privileges) **uses the Beach Club**.
- **PLA** also **votes** on LMC HOA matters.

Q. DOES PLA USE THE BAY CLUB?

- **PLA** (its assigned employees) **uses the Bay Club** when **PLA has paid dues to the SBCA** on homes that were issued a certificate of occupancy, but not yet sold (OT II and LC II model homes).
- **PLA has voted** on SBCA matters consistently since 2016.
- PLA and its realtors advertise the Bay Club as an important amenity for people who buy lots from PLA, and its realtors typically show the Bay Club to prospective homebuyers.
- The existence of the Bay Club increases value of lots owned by PLA and allows PLA to charge higher prices for its homes.

Q. IF AMENDMENT
PASSES, HOW
DOES THE EXTRA
ASSESSMENT
INCOME IMPACT
THE SBCA?

- There are currently **5 individually owned undeveloped lots** and **16 additional undeveloped lots** owned by PLA. If twenty-one additional lots are required to contribute in the same way the other 579 SBCA lot owners do, the result will be **\$20,160 in additional revenue every year.**
- **\$20,160 is equivalent to a 3.5% dues increase** to obtain the same amount from our current 579 lot owners.

PLEASE VOTE!

- The current deadline for voting is June 1, 2022.
- The SBCA needs you to VOTE!
- Even if you are opposed to this amendment, please VOTE!