

The goal of the new consolidated covenants is not to simply provide benefit to the Board of Directors, but to give value to each resident by providing a more efficient governing body that can truly enforce the rules and regulations of the community.

Residents have complained that the current Board is not effectively enforcing the current covenants, but there are restrictions and there is ambiguity in the rules that leave too much wiggle room for residents to not be held accountable when they do something that is not good for their neighbors.

Plus, not having everyone under the same umbrella, with the same rules, is not productive for each resident. We also need one board, which serves the entire community, not two different halves of River North. The current covenants are 50 years old. It's time to modernize the rules of our community.

The River North Board of Directors acknowledges the draft of the new consolidated covenants needs additional work. The goal is not to over-regulate the residents, and we need to make the covenants more resident-friendly.

The attorney did label the covenants as a draft, and consequently, after hearing feedback from residents and discussing many of the specific items ourselves, we have proposed the following amendments to the draft that should be put forth to the residents:

ARTICLE 1

A – Persons appointed to the Architectural Review Committee (ARC) NEED be Lot Owners or persons so appointed by the Board of Directors shall serve at the pleasure of the Board of Directors.

- We want the people who decide on these matters to be residents

ARTICLE 2

D – Says the board can unilaterally impose changes to the covenants. There should be a vote of the residents of any change.

Recommendation – If a group of residents consisting of 10% of the total number of residents in River North sign a petition for a change in a covenant, then the board should then put a potential change on the ballot of the entire community to vote.

Then, if a majority of the residents – 50% of the total residents plus one – votes affirmative on the proposed change, it will then be pass.

Or – do we have instead the number of people who vote be the determining factor? Second option is to have 80% of the people who vote in the election vote for the change for it to pass, granted that the number of residents who vote equals 1/6th of the total number of residents of River North.

So, one-sixth of the residents would have to vote, and of those residents, for a change in the covenants to pass, 80% would have to vote in the affirmative.

ARTICLE 6

B – The members of the architectural committee will consist of five members, which will all be residents (compared to having a non-resident, as was in the first draft). The members will be appointed by the board and consist of no more than one board member and four non-board members.

- This changes the drafted covenant recommendation to include a non-member, which is something we do not want.

If the ARC does not approve any requested action by a member in a unanimous vote, the member shall then have an appeal to the Board of Directors.

The ARC will have in its discretion the ability to speak with any neighbor of the applicant to deem the appropriateness of any change to a property in the area of the neighborhood. So, if the ARC doesn't care about any change, is it okay with the people who live around the applicant?

If this is something that might be deemed upsetting by others but not by the ARC, they can, if desired, check with the neighbors. As long as it is okay with the majority of the neighbors, the ARC should strongly take this into consideration.

The BOD would then have to rule in the majority (4-to-3) to overturn the decision by the ARC in the event of an appeal.

I – Right of Inspection – A member of the ARC shall set up a meeting with the member in the event additional inspection is required. That is only allowed with the acceptance and agreement of the member. No ARC member can enter a property without the approval of the member.

J – ii – Clarity is needed on the right to make the changes if the member ignores the rulings of the ARC and/or the BOD.

ARTICLE 7

D – Is this too much? So, a resident cannot put an awning on the back of their house without the ARC's permission? That seems too much. Perhaps we restrict any changes to the front of the house, which will be visible to the road and residents.

- Here is an issue – New construction contractors do not NOW have official rules and regulations regarding what is allowed in this neighborhood. The new construction is being made at a whim. This would guarantee any new construction would have to go through the ARC.

ARTICLE 8

H - Is this something we should check with neighbors about? If, for example, a resident wants to park his travel trailer in his yard, should the ARC be okay with it if the neighbors are okay with it?

I – Is that too strict for potentially dangerous pets? Should there be some additional recourse for the residents to remedy an issue with a pet?

The board shall remove the pet? That's an issue. That won't happen.

However, issues with pets can be a nuisance. For example, in the last few years, a resident had its pet outside at night, keeping a neighbor awake late into the night. There should be a time restriction, perhaps 9 pm, for dogs to be put inside so to not bark at other animals or sounds all night long. In the event this is ignored, and a resident continues to allow a pet to be an issue, there should be accountability and the Board should have the ability to fine a resident.

K – Camping in the back yard of a house should be allowed. If a father wants to go camping in the backyard on their property, they should be allowed to do that.

S – This is an overreach.

“Additionally, no awnings, shades or window boxes shall be attached to, hung, or used on the exterior of any window or door of any house.”

So, a resident can't construct a window box or have an awning?

ARTICLE 14

D – Should we make this 51% instead of 2/3rd of residents?

ADDITIONAL THOUGHTS

The Board has discussed the possibility of having a three-member executive committee, which should consist of at least one minority and one female, that could have oversight on the Board of Directors. However, how would this be selected? You can't have the Board select it? What's the point? Should it be elected by residents when the Board is elected? What responsibilities would the Executive Committee have? What ability would it have to overrule the Board of Directors. What power would it have to remove a Board member?

Perhaps the new construct of the proposed board – seven members instead of an even-numbered six board members – would help make it more unlikely for a board to have an overreach or to be deemed out of control – and at the same time make the need for an executive committee redundant.

The proposal is to make the board a seven member-board, consisting of residents from any area of River North. They would serve a two-year term. No member of the board shall have the right to make unilateral decisions. The voted-on President of the new board shall only have the same voting rights as any other board member, and shall speak for the community and lead each board meeting.

One of the biggest issues of the current makeup of the six-man board is that it should not be an even-numbered board, but an odd-numbered board. Seven people will be more representative of the current makeup of the community, which has substantially grown since the current covenants were written 50 years ago.

Along with the ARC, the Board of Directors shall construct and approve a budget committee, made of residents with a business background, that shall make recommendations to the board regarding financial matters and the budget. The Board shall then vote on all recommendations.

The Board shall also select committees that include residents with experience in infrastructure, and also select residents that can help in other areas of the community, like a welcoming committee. These committees report to the Board of Directors.

Over the last several years, we have had several Board members move away or resign during their term. In the event this happens, the Board shall have, in lieu of another election in the middle of a term, the ability to select a new Board member. There must be a 6-0 vote on the selection of the new board member to protect a Board member simply inserting a friend on the Board that some might not agree with.

The Board also asks for any additional recommendation to have checks and balances on the Board of Directors.

We ask that you review these current recommendations, along with provide any additional ideas that can be placed in front of the residents for review. The first draft was obviously hard-handed, which may have been a good thing to get the attention of the residents. These recommendations hopefully provide a more tempered tone to make the residents know they are not being over-regulated, yet protected, as the covenants are supposed to do.

There is not a desire to have a HOA Nazi, or to have a Board that will be looked at as having too much power. That was not the goal of constructing new covenants. The goal was to simply update and to create less ambiguity than exists in the current covenants. This is 2023. The current covenants are 50 years old. We are a growing community and need updated rules, which will, in turn, benefit each resident and make it worthwhile to be in a covenant community.

This community was, unfortunately, hamstrung financially by having the monthly dues kept at \$50 for far too long. Simple inflation, along with the larger community we now have, produces a need for more revenue. The infrastructure of this community is not in good shape. The security needs attention. When we have discussed the HOA with HOA property management companies, they have been shocked the monthly amount is only at \$75. This needs to be addressed with business leaders that can be on a budget committee, and decided on expeditiously.

We look forward to any recommendations from residents.