Hello DBR Sisters.   Happy Summer! (Finally!) or is it...?

This is the (loooonggg) followup to a (looong) letter I wrote to you a little over a year ago regarding DBR/DBLA governance structure issues. (For those of you that are new to the park or need a refresher, I took the liberty of attaching the "Original Letter" to this email. You might consider reading it first to get caught up on the issues.) The gist of the original letter was that we had recently changed attorneys and CPAs and they had both pointed out that we had been behaving as a HOA but that we didn't qualify as one due to the fact that we don't own our lots, we lease them. This had various implications and our professionals felt that we should consider restructuring our governing documents. (Remember that pile of documents we sent you when you were first interested in moving here? The Articles of Incorporation, the Declaration and the Bylaws of DBLA) Our professionals proposed a solution of becoming a 501(c)(7) Social Club.

We formed The DBR Definition Project and they did an amazing job of getting participation in a park wide survey on what leaseholders perceived as the values and vision of DBR. This culminated in the group producing a document that is basically the answer to the first question of the IRS application for a Social Club which is basically - What is the club's purpose? (I'm happy to send you a copy of it.) We provided this document to our attorneys and tasked them with providing new governing documents that would do two things for us.   1) Provide harmony with the various governmental entities thereby reducing our exposure and 2) preserve our unique culture for the foreseeable future.

Fast forward a year and we finally have some drafts of the three new documents for you to look at. They are attached to this email. This is the fourth draft that the board has worked on and we think it is finally in good enough shape to send out to you. These are not final documents in that they have not been through a proofing review at the attorneys office and the board has a few notes that didn't make it in, but I wanted to get them out to you as soon as we felt they were close enough to what we feel would work as a final product. We will also need to change our leases and every other form we use, but we need to get these foundational documents in place first. They are the basis for all the other documents.

The plan is to give you a couple of weeks to read and digest these documents and then have a community wide meeting, tentatively July 14 or 15, to talk about it. Then edit as needed, then vote on it. If it passes with 60% of the votes, we will sign it and record it with the county and carry on with the next phase of applying for 501c7 status. Speaking of signing, if it passes it would be very cool if we could sign it at the Annual Meeting in August. If not, we have other options.

I don't know how many of you will actually take the time and put yourself through the misery (at least to me!) of reading and understanding these documents. I hope many of you will. The board has worked diligently to make these documents set us up for the next 25 years of awesomeness at DBR.   I know that some of you will read the documents and I would like to ask a favor of you. The first time you read these documents, harken back to the time when you were getting ready to buy here and try to pretend that these are the documents we sent you. Is there anything in there that gives you more pause or would have precluded you from becoming a leaseholder? If so, please let me know.

I'm sorry this is so long! Below is my list of changes that I would like to point out and I think they may require some community discussion. There is no way to do a ~~strikethrough~~ comparison to the old docs because these are totally new, bespoke documents, just for us. Most of the changes were done because of an attorney's suggestion to accomplish our goals of becoming a tax exempt social club and preserving our culture or the new Nonprofit Corporations Act of 2022. (NPCA) Anything you have questions about, send them to me or the office. We'll compile a list and that's how we can start our community wide meeting, tentatively set for July 14 or 15. That gives you a two week window of opportunity to look at the documents. For planning purposes, I would suggest setting aside several hours to read through them.

The document hierarchy is Articles, Declaration, Bylaws, then our Club Rules. (Club Rules coming soon!) If there is a conflict, the higher document takes precedence. If you notice a conflict, please let me know.

Big things that aren't changing?

- *Discovery Bay Resort,* DBR, the name of the place we live and laugh and love, is not changing its name.
- The *amount* we LHs pay each month isn't changing, other than what it would have changed anyway.
- We are still leaseholders, but now we are called “RV *Members”* which ties in with our Club purpose.
- There are still 115 sites and we still vote and split the cost of running DBR that way - 115 ways.

Big things that are changing? Here is some of what we are proposing-

- Right now, you make out your checks each month to "Discovery Bay Leaseholders Association." (DBLA) This is the organization that owns and operates Discovery Bay Resort.(DBR) I am currently president of the board of directors of DBLA and that's the reason I am the person writing you. "Discovery Bay Leaseholders Association" is becoming "Discovery Bay Women's Club" (DBWC), a Social Club, with the organization name change at the suggestion of our attorneys. They both felt that a name change would be cleaner and would help us in the 501c7 application process. And it makes our purpose pretty clear. "Discovery Bay Women's Club" Social clubs are exempt from federal income tax under IRC 501(a) if they are "organized for pleasure, recreation, and other nonprofitable purposes." (Think "sorority with berms.")

The attached "DBWC Articles" deal with our name change, purpose and intent to operate as a tax exempt social club. It clearly states that "The corporation is prohibited from discriminating on the basis of race, color, or religion." Again, think sororities, which are organized as 501c7s. With this one big name change, we are on the road to getting our tax status in compliance with how we have been operating and keeping our culture at the forefront of our reorganization.

- Leaseholders are now called "RV Members." To rent, one must become a “Social Member.” Renters are now called "Social Members" and must reapply each year and pay (minimal) dues to retain membership for the next year. They do not have voting rights, but can attend club meetings at the invitation of the board. They go off the Club's membership list at the end of the year if they don't reapply for membership or aren't renting anymore. “Occupants” who stay more than 30 days but are not named Leaseholders (i.e. girlfriends) need to become Social Members so that they are bound by the rules of the Club. “Guests” can stay up to 30 days and do not need to be members.

- What we pay each month will now be called "Rent." A bunch more budget lines will be renamed, but it's still the same money we all put in that runs the park.

- Becoming an RV Member - The way it would work is that when a new person decides to take the plunge and purchase a lease, they will first need to apply for membership in the club (DBWC), which is open to women over the age of 21 as a minimum qualification. Once approved by the board, they can move forward with the process of transferring a lease on a Site. (Formerly “Lot”) So - the Lease follows Membership and the "Right of First Refusal" no longer exists. The process is pretty much the same from then on. Our lease format will change, but again, we need to get these three documents done first, then figure out the new leases and what to do about the existing ones.

- **Declaration Article 3.10** The hardest thing to figure out! We will require all leases to list a "Qualified Beneficiary" at the time of the transfer - a person that meets the minimum qualifications as a social member. If no QB is listed, the lease transfers to the Club upon the death of the Member. This has always been a point of exposure to our culture and I think this goes a long way toward solving it, but we need to talk about it as a group as it is a substantial change. (This deals with the lease on the Site only, not the personal property on top of the Site.)

- **Declaration Article 3.7** What happens at the end of the 99 years? New leases. (This document will be redone before the 99 years is over.)

- **Declaration Article 3.8** We can only sell (more accurately *transfer)* the remainder of our 99 year lease. We talked about this a lot in board meetings last fall - buying more years, reissuing new 99 year leases.

- **Declaration Article 6.4** Pets. Knowing that many of our difficult situations stem from pets, I would like to call particular attention to this change. This language is in the new docs at our attorney's suggestion. Part of 6.4 is "The Board may at any time require the removal of any animal that it finds is a risk or hazard to persons or property, unreasonably disturbing the peace or a nuisance to Members, their Renters, Guests, or occupants, and may exercise this authority for specific animals even though other animals are permitted to remain." This gives the Board broad powers that we do not currently have. (It's sort of a CYA, I think.) Apparently, there are a group of (very aggressive) attorneys in Seattle that specialize in representing pets that have been kicked out of HOAs and condos. (dog chasers?) They can cost associations tons of money in court and it is her suggestion that we include this language. She says that we don't *have* to use this clause in practice and that we can still use the process that we have in place in our Rules, but if there is a huge problem, having this in our Declaration protects us. Do you want to give the board this new power?

- **Declaration Article 7**. The Architectural Landscape Review Committee ALRC (pronounced "arc") Committee would become the LARC (pronounced "lark") Committee. I ran this name change by the current ALRC Committee a couple of weeks ago and they thought it would fly. (pun intended...) Wouldn't we rather this committee be a bunch of LARCs (meaning "care fee and having fun") than (Joan of) ALRCs? (It didn't turn out too good for her...)

  Also, under LARC other changes per attorney- need two Board Members on the LARC Committee, LARC has 30 days to reply to a request and the decision of LARC is final. "7.7 Finality. All decisions of the LARC shall be final and binding. No Member or Occupant shall have recourse against the Club, the LARC, or any Member thereof for the approval or failure to approve any Site alteration. In case of dispute about LARC decision making procedure or decision, the Board shall determine whether the procedure was in accordance with the Governing Documents, and whether further committee action is required."

- **Bylaws 2.3.2 1 and 2 Termination.** As it stands today, we can only terminate a lease for nonpayment. We are suggesting a substantial change in this policy. Beyond termination for nonpayment, we are adding "(b) the Member has been properly cited and fined for at least three (3) violations of the Governing Documents within any twelve (12) month period and has failed to cure the violations; or (c) the Member has engaged in illegal activity on the Property; or (d) the Member is subject to a court-issued restraining or anti-harassment order involving another Member of more than fourteen (14) days' duration. The decision of the Board regarding termination is final. " I think many of us would have liked to have had this in existence in the not so distant past.

- **Bylaws 7.1 Committees of the Board.** "The Board may, by resolution, create "**c**ommittees of the Board" to assist in carrying out the duties of the Board, and may appoint any number of persons to such committees, provided that at least two (2) Directors shall serve on the committee, and further provided that only the Director members are entitled to vote. However, the Director members are encouraged to vote in accordance with the will of the majority of the committee members. " Uh... Not how we roll.

To reiterate, the board and I think that these changes to our governance structure will solve the problems that our tax and legal professionals pointed out to us (we HAD to get those fixed) plus give us a way to keep our unique culture alive and thriving for the next 26 years of our existence. (Might as well take care of that while we are at it.) We have spent considerable amounts of time and money to create these documents. We are happy to answer any questions you have about them.

Thank you for taking the time to read this.

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President, DBLA (for now…)