

NOTICE
OF SPECIAL MEETING OF DELEGATE
DISTRICT NO. (' ')
MEMBERS

MARINA HILLS PLANNED COMMUNITY ASSOCIATION

Dear Fellow Homeowner:

This Notice is being sent to advise you of the upcoming Special Meetings of the Delegate District Members for your District. This notice is being given and the Meetings are called by Members, according to California Corporations Code Section 7510(e), after the Directors failed to do so upon request. The purpose of these Meetings will be for Members to vote on approval to amend the Bylaws of the Marina Hills Planned Community Association.

Date, Time and Location of the Meetings:

DATE: Friday December 3, 2004

TIME: 6:00 P.M.

**LOCATION: near the front door of the Marina Hills Clubhouse 31461 Pare Vista West,
Laguna Niguel, CA 92677**

There are three proposed amendments:

- 1) Amendment for "Limitation of Number of Terms for Directors"
- 2) Amendment for "Elections rather than Appointments of Vacancies on the Board."
- 3) Amendment for "Immediate Effectiveness of Term Limitations for Directors"

The details of these proposed amendments are all more specifically set forth in the three enclosed REVOCABLE PROXY forms. Please review that information regarding the proposed amendment language.

Instructions:

Step 1: Review this letter and the enclosed Revocable Proxy forms

Step 2: Fill out and sign ALL three colored Revocable Proxy forms

Step 3: Mail all three colored Revocable Proxy forms in the enclosed return envelope as soon as possible

Thank you for your prompt attention to this matter. If you have any questions, please feel free to contact the undersigned at (949) 218-7408. We look forward to meeting you the evening of the Special Meetings.

On behalf of the petitioning homeowners of the
MARINA HILLS PLANNED COMMUNITY ASSOCIATION



Hans Strupat
October 24, 2004

Why is this notice sent by a homeowner and not by the Board and/or Keystone Pacific?

On September 8, 2004, at the monthly Board Meeting, several homeowners formally presented three petitions, each signed by more than 5% of all Marina Hills homeowner, to the Secretary of the Marina Hills Planned Community Association. According to our Bylaws, the '**Directors have the duty to call a Special Meeting within 20 days**' of receipt of such petition. The Directors failed (as they did on several petitions before these latest petitions) to fulfill their duty, thus they are consistently preventing the Marina Hills homeowners to vote on these matters. As an alternative to suing the Association in Orange County Superior Court to compel the Directors to fulfill their duty and notice the meeting, the petitioning homeowners legally have the right (California Corporations Code; the Marina Hills Planned Community Association is a California Mutual Benefit Non-Profit Corporation) to send out the notice for the Special Meeting.

What are the general procedures for voting on amendments within the Marina Hills Planned Community Association?

Marina Hills has 1538 homes in eleven Districts, ranging in size from 58 homes to 290 homes. Each homeowner is automatically a Member of the Association and a Member of the their respective District. All matters, except for the elections of Directors, are decided in a two-step process, much like the electoral college voting process for national presidential elections. In the first step the Members of each District vote (typically by mailing in the Revocable Proxy form) on the subject matter. In order for any votes in the district to be counted in the second step, a 25% quorum for each individual district is required. The submitted votes are counted and then scaled up in proportion of the full size of that respective district. In the second step, the elected Delegates for each District formally present the voting results for each district to the Board. Finally the results of all Districts are tallied up; this count is the final result of the vote. For any amendment to be adopted by the association this final count needs to be greater than 50%, that is greater than 769 votes.

How many people do actually come to these meetings?

Typically there only about 8 to 25 homeowners at these Special Meetings, thus the "real" voting is done by mailing in the Revocable Proxy. Even those homeowners who attend the meeting typically did mail their Revocable Proxy form earlier.

Please return your proxies today, so your vote can be counted! Your vote is important.

What are the specific procedures for voting on these proposed amendments ?

All Districts will hold their Special Meeting of the Delegate District Members on the same evening of December 3, 2004. According to proper procedure for the Special Meeting of the Delegate District Members, voting will be done by secret ballot, and only one (1) vote per household is allowed. After the voting the votes for each District are counted. The results will be presented to the Delegates at or after the Special Meeting. The Delegates shall then meet shortly after the Special Meeting of December 3, 2004, and cast their votes according to the procedure set forth in the governing documents. The date, time and place for this meeting has not been set.

What can I do help democracy in Marina Hills?

- 1) Vote! Fill out the Revocable Proxy Authorization forms and return them TODAY!
PLEASE COMPLETE AND MAIL THE ENCLOSED PROXY IMMEDIATELY WHETHER OR NOT YOU INTEND TO BE AT THE MEETING. All Revocable Proxy forms must be received at SaveMarinaHills, 30251 Golden Lantern, Suite E263, Laguna Niguel, CA 92677, **before 3 P.M. on Friday, December 3, 2003, to be counted.** Failure to reach the required quorum may result in additional cost to Association Members, so we strongly encourage you to mail your completed Revocable Proxy forms **today** to fulfill the requirements
- 2) Talk to your neighbors and motivate them to vote as well.

How should I fill out the Revocable Proxy form? What if am not sure what to vote for?

If you have an opinion on the subject matter and would like to have someone vote on your behalf, you may designate another homeowner who you know will be attending the Meeting as your proxyholder. This person would then have the authority to use your vote not only to establish a quorum, but also to vote for the ballot measures as you so direct. Additional information to form an opinion can be found on the link below. If you change you mind at any time after you have mailed in the Revocable Proxy form, you may request or download another copy of the form from SaveMarinaHills.org. This new Revocable Proxy form will then replace your first Revocable Proxy form.

Where can I find even more information?

www.SaveMarinaHills.org/Resources.html links to the full text of the existing Bylaws.
www.SaveMarinaHills.org/Termlimits.html gives pro and con arguments for term limits.
Call 949-217-7408. We will help!