

Annual Meeting Minutes
Sassafras Mountain Estates Property Owners Association, Inc.
May 22, 2010, 10:30 AM.
Pickens County Library, 100 Library Lane, Jasper, Georgia 30143

President Mike Moran called the meeting to order with a welcome to all, saying we welcome varied opinions. He stated that we will always have a need for communication within the neighborhood; there is room for this organization to survive beyond the court ruling against SMEPOA. The ruling stated that we do not have the authority to assess owners for road Maintenance.

LEGAL UPDATE: Mary Beth Priest, our defense attorney from State Farm, spoke to explain that the Pickens Court had ruled against us, and that was followed by an unfavorable ruling from the Court of Appeals. She then announced that the Walter and Janet Gould v. SMEPOA case settled yesterday, “dismissal with prejudice.” Details could not be discussed because the documents have not yet been filed. The Carolyn and Sammy Hawkins v. SMEPOA case is also still pending. Mike Moran said that defense costs and settlement costs are being paid by State Farm, our liability insurer. Mrs. Priest went on to say that she had presented numerous legal precedents for being able to assess for road maintenance based on the equitability of everyone paying a portion who accesses their property by the roads. But the court denied that argument.

Herman Clark, our retained legal counsel, gave a brief history of the subdivision, explaining that there are 18 different sets of covenants for the lots within Sassafras Mountain Estates Subdivision. He further explained that this Property Owners Association was organized by the Atlanta firm Weisman and Nowack, attorneys for the developer Sid Corliss, who paid Nowack. The organizing committee of property owners then retained Herman Clark to represent the new association, and that is how he became associated with the subdivision. Mr. Clark stated that Additional Covenants were drawn up by Nowack to clarify the confused situation created by the 18 different sets of covenants, but owners must choose to submit their lot to them, thus creating a membership for SMEPOA. He went on to say that now that the courts have given judgment that denies our right to assess for use of roads, builders and mortgage companies are reluctant to lend money for lots in SME.

Mr. Clark further stated that we are a legal corporation in Georgia, but we are not a legal POA, He believes we must have some plan to maintain the roads. Mrs. Priest said that owners are bound by the original covenants that they bought under; in addition, owners could submit their lots to the Additional Covenants. Mr. Clark said that you cannot close a VA or FHA loan without a road maintenance agreement.

Mike Moran summarized by saying that we are in a quandary: we have a duty to maintain the roads, while constrained by court order not to carry out that duty. He said we need to consider all options to accomplish the functions that will benefit the community. Mr. Moran invites all voices so that we can know how to move forward for the good of all.

In response to a question, Secretary Bonnie Lovejoy said that 83 lots have been submitted to Additional Covenants.

TREASURER: Mark Buchheim summarized the finances by stating that we have approximately \$48,000 to carry forward from last year, about \$58,000 having been paid by owners on a voluntary basis. We have about \$12,000 in accounts receivable from “long-term non-payers” (owners who never pay). Legal fees (for retainer, collection attempts and other legal actions) were about \$11,000. Mowing will cost \$6,000 for the year (done by volunteer owners), while a one-time cleanup of severe ice damage cost \$4,400 paid to Garcia’s Tree Service following our taking bids from several companies. Regarding the proposed budget, he said that we plan to do no further mowing or anything else beyond the end of this fiscal year June 30, 2010. No assessments are to be made. Any payments now are voluntary. Mr. Moran asked Herman Clark if we could send out assessment notices asking for a strictly voluntary donation. Both Mr. Clark and Mrs. Priest said “Yes.”

ROADS:

Road Chairman Dennis Leath stated that mowing has been done by a number of volunteers for years. They have been given small reimbursements for their machinery maintenance, gas and oil. Tom Betts volunteered to help with mowing. Diane Buchheim suggested we amend the budget to include mowing for the new year. The existing contracts total \$6,000 (\$3,000 for Kris Lovejoy, \$1,500 for Mike Jolly, and \$1,500 for Dennis Leath). Mr. Moran asked if anyone objected to allowing the board to renew the independent contractor contracts for mowing, using money that is in the bank account now, either at \$6,000 or a at a slight increase. All attendees indicated agreement with the proposal.

PUBLIC SAFETY:

Neighborhood Watch Chairman Tim Lambert was not in attendance, but it was reported that the Neighborhood Watch program is in place and functioning well.

FIREWISE AND DAWSON COUNTY ROAD UPDATE:

Clayton Preble reported that a new fire station is open on Monument Road. He received a round of applause in appreciation for the tireless work he and John Edwards gave to get the station from the Dawson and Pickens County governments. Several owners reported how pleased they were when they received reduced homeowner’s insurance premiums because of the new Class 5 fire rating, reduced from a Class 10.

Mr. Preble reported that he has, at the board’s direction, gone to Dawson County to ask them to take over our private roads and make them county roads. He said that Dawson representatives visited and assessed the road conditions. They found that Upper Sassafra and Lower Sassafra meet their basic criteria. They said that if we will complete resurfacing those two roads, or we pay them and they pave it for \$96,000 plus 10% contingency, totaling \$105,600, that they would take over those roads. Dawson County would then maintain the roads in the future. This would also include winter clearing. Mr. Preble said that this decision acknowledges that the work we have done during our nearly

completed Seven-Year Road Maintenance Plan has been the right thing to do. There would be one more big assessment to be paid by all who would pay. We would then deed over our roads to the county. Jimmy Moss suggested we all pay \$1000 “and be done with it”. There was a big round of applause. Other discussion centered around concerns about the roads that run off of Upper and Lower Sassafras, and what their future might be. Mr. Moran said that the board has not taken any action on this except for asking Mr. Preble to investigate and make this presentation. He said that 75% of the lots in SME are on Upper and Lower Sassafras Parkways. Mr. Clark said that having received an offer from Dawson County, we might not ever get such an offer ever again. Mr. Preble said that Dawson County has told us to move quickly, by the end of the summer, if we wish to accept the offer. Board Member Pat Davis said that he will recommend that the board pursue the road proposal quickly and then have a called meeting of all owners.

ELECTIONS: Bonnie Lovejoy certified that we do have a quorum, having received 19 proxies in addition to the 24 lots represented at the meeting. There are 188 lots, and a quorum is 10%. Mr. Moran explained that due to a big mix-up with the P.O. Box, we have decided to extend the voting period to May 31, with a letter/email notice going to all owners to explain. Mr. Moran called for nominations from the floor for board members, and the following were nominated: Jerry Carter, Tom Doran and Mike Jolly. Ballots were executed for board members and the budget, and then counted by Bonnie Lovejoy, Herman Clark, Chris Preble and Don Holyfield. Bonnie Lovejoy announced interim voting results had re-elected Dennis Leath, Mike Moran and Bonnie Lovejoy, plus Jerry Carter. The budget was approved 34 yes, 6 no. The final count will be made after the May 31 voting deadline.

The meeting was adjourned at 12:50 PM.

Submitted by Bonnie Lovejoy, Secretary

Current Board Members, Fiscal Year 2009-2010:

Mike Moran, President
Jeff Kirves, Vice President
Bonnie Lovejoy, Secretary
Mark Buchheim, Treasurer
Dennis Leath, Road Chair
Tim Lambert, Safety Chair
Pat Davis
Anita Jolly
Clayton Preble