

Sassafras Mountain Estates Property Owners Association, Inc.

Special Meeting Saturday July 10, 2010 at 10:30 AM

Pickens County Library, 100 Library Lane, Jasper, Georgia

Purpose: A called Special Meeting of SMEPOA was held to consider the transfer of Upper Sassafras and Lower Sassafras Parkways to Dawson County.

President Mike Moran called the meeting to order. Secretary Bonnie Lovejoy certified that a quorum of at least 10% of the 188 lots was represented at the meeting:

40 lots represented by attendees

45 lots represented by proxies

Mr. Moran gave a welcome to all and invited all ideas and opinions to be expressed so that we can arrive at a proper conclusion of the issues before us. He summarized the legal situation and explained that the courts have, among other things, severely restricted our ability to enforce our Additional Covenants, so the distinction between member lots and non-member lots no longer exists. Bonnie Lovejoy reported that in the matter of deeding the two main roads of the subdivision to Dawson County, the proxy votes on hand were 38 Yes and 7 No. He said that owners who have not voted as of today essentially count as “No” votes. To the question if there can be more time allowed for gathering votes, Mr. Moran said no, that this meeting today is the deadline. He said that the Bylaws require a two-thirds affirmative vote of all property owners to turn over our two main private roads to Dawson County. The total lots are 188, so that would require 125 affirmative votes. A show of hands vote was counted, indicating that, including proxies, there were 78 Yes and 7 No at the time of the meeting.

Further explaining the legal situation, Mr. Moran stated that SMEPOA is a legal corporation in the state of Georgia with some responsibilities, but the Membership is no longer valid (Membership being a lot submitted to Additional Covenants). It still definitely is a legally constituted organization, but the court orders open up voting to every owner. The organization has more limited authority now. Kris Lovejoy said that the only reason people had for joining SMEPOA in the first place was to have the vote, and now everyone is allowed to vote.

A question was asked, “Where do we stand for the future?” Attorney for the Association Herman Clark said that part of the litigation has not yet been settled. Mr. Clark said the people who signed are still under the Additional Covenants. The Original Covenants still are in effect for all SME lots. He said that Judge Doss declared that we have no right to assess, though we have the responsibility to maintain the roads, which creates a very difficult situation. The Court of Appeals affirmed Doss. But our position on a number of issues was rejected; Mr. Moran said the ruling is nonsensical and flies in the face of common sense. Asked “How can we move forward?” he said that until that decision is made, we are stymied. One possibility is to dissolve and reorganize under the new Georgia Home Owners Association Law, which did not exist at the time our Association was being formed. Some sort of new organization needs to be designed before dissolving this one, however. Or could we amend what we have now and come under the law? The court required 100% of owners to agree, which is greater than the Georgia law requires. In

answer to a question, "Can this road matter be tabled to allow more time for votes to be collected?" Mr. Moran said, "This is a possibility." Mr. Clark said the court order says we "may" be responsible for road maintenance, and the ruling contains illogical orders within it. He believes that if we got two-thirds vote to turn over the roads that we would be "on fairly solid ground."

Board member Clayton Preble moved to table the issue indefinitely. Kelly Watson seconded the motion. Discussion followed, with a presentation by Andy Gothard, who passed out a handout. He gave an opposing view, expressing his objection to turning the roads to Dawson County and favoring retaining the roads as private. He is concerned that the 25% (his estimate) of owners not on Upper and Lower Sassafras give no guarantee for the future maintenance of the minor roads. His statement that taxes would be raised based on a Special Tax District was challenged as not correct. Mr. Gothard said that he had seen that in the board minutes. Clayton Preble said that Dawson County has no authority to place a Special Tax without an affirmative vote of the affected property owners and that the present proposal is not about that. Mr. Gothard therefore withdrew that statement from his presentation. A copy of Mr. Gothard's handout is entered into the minutes and is attached.

In further discussion Janice Edens expressed a concern about the many property owners whose property extends to the centerline of their road, and how those roads would be affected. Kris Lovejoy said the owners who own to the centerline would have to give away property that they own in order for them to be considered by the county. That would drop some lots to less than the required minimum of five acres. Tom Doran suggested that the board do a more effective job of communicating the various points of view on the road issue. Mike Jolly suggested that we use our website smepoa.com to continue the dialog. Mike Moran said he commits to a continuation of the discussion.

To the question of who will actually be willing to pay the requested \$750 for the current proposal, Mike Jolly said that the funds are voluntary contributions only. Board Road Chairman Dennis Leath pointed out that the poor portion of the county-owned Monument Road is paved with a gravel-tar mix, not the high-quality asphalt that we use on our SME roads. He said that SMEPOA has paved and resurfaced to improve and maintain our roads, and he gave some details of the paving of our various roads. Mr. Leath stated that if Upper and Lower become Dawson County roads, we will still be a subdivision. He made a case for turning the roads to the county. But he said the legal case remains to be settled first. He holds little hope that we can get 100% or even two-thirds of owners to vote "Yes." Mr. Preble said that 100% of all owners would have to deed over their right. Herman Clark said it is totally up to each county whether they will take a road or not. There was a call for the question, and the motion was restated: To table the vote to transfer Upper and Lower Sassafras Parkways to Dawson County and take more discussion on the matter. The motion carried, 32 Yes to 3 No. Mike Moran abstained on behalf of all proxies he holds. Proxies held by others were not voted.

Mr. Gothard suggested that the POA be amended or scrapped, and start with a fresh plan. He suggested that, now that this plan has been tabled, we could go back to the \$550 voluntary assessment as before, so as to keep going with road maintenance. Mike Jolly said that the Capital Campaign money must be kept completely separate from the general fund. Susan Catton expressed concern that part of Lower Sassafras Pkwy. has not been paved, as Bonnie Lovejoy stated, for over 15 years. Board member Anita Jolly said that though there is a lot of apathy among owners, we have dedicated owners who spend hours and hours

for the betterment of the community. She invited others to participate by volunteering. Board member Jerry Carter recognized Dennis Leath and Kris Lovejoy and others for the volunteer mowing and road maintenance they do to make our community better.

Mike Moran thanked everyone for coming and sharing opinions. He invited attendees to come forward and sign up to be on a committee that will explore ideas for the future of the organization. The meeting was adjourned at 12:30 PM.

Submitted by Bonnie Lovejoy, Secretary