

From: Mercedes Herdrich <merceherdrich@icloud.com>
Date: February 2, 2019 at 10:54:14 AM EST
To: Art Wieland <president@7lakeswest.com>
Cc: Michael Zmuda <communitymanager@7lakeswest.com>, Mercedes Herdrich <treasurer@7lakeswest.com>
Subject: Re: Original Developer Lots

On Feb 1, 2019, at 3:39 PM, Art Wieland <president@7lakeswest.com> wrote:

Mercedes and Sharon:

Below are Stephen's comments regarding the developer lots....I went through the list with him but this is very "woolly." With regard to who gets to vote, Stephen's position is basically....if you're not paying dues, you don't get to vote. Thus, Lakeside, Grand Pines, Seven lakes, Lot 5707 and Meadowbrook should not be entitled to vote.

Then there is an issue of whether some of these "non-dues paying lots" should in fact be paying dues. For example, Lot 5709 should have been paying dues since 2010. GP Partners should have been paying dues since 2005...Meadowbrook gets even more complicated. BTW, Stephen thinks that, by law, we should be able to go retro 10 years on GP Partners...and so on. Mercedes, you may have some knowledge of some of these...or not. My suggestion is that we get Stephen on a call early next week to go through what we want to do next in terms of getting the lots that should be paying dues into the system and also whether we want to have Stephen pursue some of these retro.....oy.

Best regards,

Art

----- Forwarded message -----

From: **Stephen Later** <sflater@rmrattorneys.com>
Date: Fri, Feb 1, 2019 at 2:08 PM
Subject: RE: Original Developer Lots
To: Art Wieland <president@7lakeswest.com>

Art,

1. Lakeside Development LLC. Lakeside Development LLC is exempt from assessments on its lots as the successor developer at Beacon Ridge and Seven Lakes West.
2. Grande Pines LLC. GS Communities, LLC, the successor developer to Seven Lakes Development Co. and Beacon Ridge Development Co., conveyed these (and other) "unbuildable" lots to Grande Pines LLC in 2004 with provisions in the deed that states that "[a]nnual dues will become payable once a Lot is transferred to an individual Property Owner." The provision appears to be an inartful attempt to provide that no assessments are due until Grande Pines sells the lot to a third party. GS Communities, LLC often conveyed lots with an assignment of "developer rights" in an effort to sell lots to builders and relieve them of dues until the lots were sold. I don't think that there was any basis, in law or in the declarations, for this then or now, but, after almost fifteen years, it would be complicated to argue the claim. .
3. Seven Lakes Development Co. Seven Lakes Development Co. (Don Billings) was the original post-bankruptcy developer. It is questionable whether he was able to retain a dues exemption after he conveyed his rights as developer to GS Communities.
4. John Garner. Lot 5709 was annexed in 2010 and is owned by James and Kimberly Tagliareni rather than John Garner (the Tagliarenis bought it in 2009). Per the terms of the annexation agreement, assessments began on the earlier of (a) sale of the lot to a third party or (b) twelve months after issuance of a building permit. It would thus appear that Lot 5709 should have been subject to annual assessments since 2010 since it appears that the house predated the annexation (though the Tagliarenis might attempt to argue, if feeling creative, that the ambiguous provision refers to a future building permit).
 - a. I don't see any record that John Garner owns any lot in Parkwood and just owns (i) a small square just to the south of Lot 5714, Parkwood, which is not part of SLW, and (ii) Lot 3441.
 - b. Please note that Parkwood, of which Lot 5709 is a part, was annexed in 2010 except for Lot 5707, which was owned by Edward and Pat Sammann. The Sammanns refused to participate in the annexation, so Lot 5707 is not part of SLW and is not entitled to SLWLA membership, but I see that Lot 5707 was sold in 2015 to Atenogenes Benitez Maximo for \$10,500.00. I would find out whether SLWLA is billing them

for assessments, which it should not, or extending membership benefits, which it also should not, and it would make sense to see if they are interested in annexation. If not, we might want to file a notice in the Registry of Deeds stating that it is not part of SLW.

5. Meadowbrook Ventures, Inc. Meadowbrook Ventures, Inc. (Aaron Garner) conveyed its six Pine Knoll (a/k/a Aaronwoods) lots to Landmark Homes of Pinehurst, LLC, which he appears to own as well, on October 12, 2018. Pine Knoll has not, in fact, ever been annexed into SLW (so, of course, the lots owned by parties other than Landmark Homes of Pinehurst, LLC that are indeed paying dues present some issues). Therefore, since it's not actually part of SLW, there is no basis on which Landmark Homes of Pinehurst, LLC is obligated to pay dues at this time. This is an issue that should be resolved in the interests of clarity even if the current effective arrangement is continued.
6. G&P Partners. G&P Partners, which was a general partnership of Jon Giles and Frankie Page, conveyed the Lot 107, Gateway, to G&P Partners, LLC, a North Carolina limited liability company managed by Frankie Page, on January 9, 2013. The 2003 development agreement between G&P Partners and SLWLA states that dues commence upon the earlier of (a) "issuance of a building permit for the construction of a residence on a lot or the conveyance, sale or lease of a lot, improved or unimproved, to another entity other than the Partners." It appears that a house was built in 2005 based on review of historical aerial photos of the site (428 Longleaf Drive) and that assessments should have been collected for the past fourteen years.

Stephen

From: Art Wieland <president@7lakeswest.com>

Sent: Thursday, January 31, 2019 12:59 PM

To: Stephen Later <sflater@rmrattorneys.com>

Subject: Fwd: Original Developer Lots

Some additional information.

----- Forwarded message -----

From: **Community Manager** <communitymanager@7lakeswest.com>
Date: Thu, Jan 31, 2019 at 12:52 PM
Subject: RE: Original Developer Lots
To: Art Wieland <president@7lakeswest.com>

Art,

Yes all of the Lots on the Spreadsheet are non-dues paying. Only those in yellow are not in Caliber, therefore more than half will still make the mailing if that is the case.

Sharon

From: Art Wieland <president@7lakeswest.com>
Sent: Thursday, January 31, 2019 12:48 PM
To: Community Manager <communitymanager@7lakeswest.com>
Cc: Mercedes Herdrich <merceherdrich@gmail.com>
Subject: Re: Original Developer Lots

Sharon:

Two questions:

- Are these all "non-dues paying lots?"
- I assume if they are not in Caliber they would not make the mailing?

Thanks,

Art

On Thu, Jan 31, 2019 at 10:51 AM Community Manager
<communitymanager@7lakeswest.com> wrote:

Art & Mercedes,

Please take a look at the spreadsheet I have compiled and note if you see any changes to be made. Those in Yellow are not in Caliber and some are not even on the map.

Sharon C. Hodges

Community Manager

Seven Lakes West Landowners Association, Inc.

<image001.jpg>

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<Original Developer List.xlsx>