

AGREED-UPON PROCEDURES

LONGLEAF COMMUNITY ASSOCIATION, INC.

AUGUST 31, 2015



**AGREED-UPON PROCEDURES  
LONLEAF COMMUNITY ASSOCIATION, INC.  
AUGUST 31, 2015**

Independent Accountant's Report..... 1



DOUGHERTY  
MCKINNON & LUBY

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Association members of Longleaf Community Association Inc. :

We have performed the procedures enumerated below, which were agreed to by the association members of Longleaf Community Association, Inc. (the Association) solely to assist you in these matters. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

Cash

1. We reviewed bank reconciliations prepared by the prior accountant for the BB&T Money Market Account ending in 1148. We mathematically checked the bank reconciliations and compared the resulting reconciled cash balances to the respective general ledger account as well as to bank statements.

<u>Bank</u>	<u>General Ledger Account Balance as of August 31, 2015</u>
BB&T Money Market Account 1148	\$ 215,118.61

We found no exceptions as a result of the procedures.

2. We verified that \$38,500 that was withdrawn in February 2015 from the money market account and transferred into the CROA operating account had been repaid by June 30, 2015. We reviewed the money market account and operating account bank statements to confirm the withdrawal and subsequent repayment.

We found no exception as a result of this procedure.

3. We verified that check numbers #100032 and #100063 in the amounts of \$7,976.70 and \$11.72, respectively, have been reimbursed to the Association. We reviewed the May and June BB&T bank statements, for the checking account ending in 5076, to verify that deposits were made to reimburse the following:

<u>Check #</u>	<u>Repayment date</u>
100032	June 22, 2015
100063	Not Repaid

We found that there was no reimbursement for check #100063 in the amount of \$11.72 as a result of the procedures.

#### Capital Reserve Fund

4. We reviewed the Capital Reserve Fund general ledger detail provided by the prior accountant, and prepared a summary of the account by year, including annual contributions from property owners and the developer, annual interest earnings, other contributions and annual expenditures for Capital Reserve Items. For all other transactions, we inquired of the prior accountant as to the nature of these transactions. For the 2015 owner and developer capital reserve amounts, we verified that all capital reserve amounts were transferred from the owners into the Capital Reserve Fund.

Based on the procedures described above, we found no exceptions.

#### Members' equity

5. We reviewed the account history of the members' equity account provided by the prior accountant, and summarized the annual activity beginning with 2003 and showing for each year the beginning balance, net income, other transactions and ending balance. We inquired of the previous accountant as to any differences in the ending balance at August 31, 2015.

We found no exceptions as a result of these procedures.

#### Intercompany Account

6. We reviewed the activity in the Longleaf Intercompany account balance with the CROA as of August 31, 2015.

We were unable to verify the balance in the Intercompany account at this time. We reviewed the activity for 2014 and 2015, noting no exceptions relating to the activity for 2014 and 2015. However, most transactions, whether income or expense, flow through this account. As discussed with the Executive Board, Heritage Property Management will try to look into this further to verify if there was an initial developer cash deposit for the benefit of Longleaf. As of August 31, 2015, the intercompany account reflects that the Association is due \$71,816.54 from the CROA.

We reviewed transfers out of the intercompany account to the separate account that Longleaf Community Association established as part of the transition, noting \$10,000 was transferred on August 28, 2015, and an additional \$50,000 was transferred on August 31, 2015, clearing September 1, 2015.

Subsequent to August 31, 2015, \$10,000 was deposited into Longleaf Community Association's account in November, 2015 and \$61,392 was deposited in January, 2016, bringing the total payment from the CROA to \$71,392. Based on the balance of the intercompany account at August 31, 2015, the Association may still be due \$424.54.

#### Operations

7. We verified that all 2015 common expenses and Callaway Community Council fees have been paid. We reviewed the prior invoices and contracts for these common expenses.

We found that all 2015 amounts have been paid and noted no exceptions.

8. We reviewed the Estes Landscaping contract for 2014 and verified the payments that were made for 2014. We reviewed a copy of the contract as well as the invoices and checks paid to Estes Landscaping for 2014 services.

The contract included a \$5,000 budget item for irrigation services. The contract stipulates that if services exceed this budget, those services would be billed separately. If services were under this budget for the year, the vendor would refund the difference. We have seen no accounting for the \$5,000 irrigation budget item. There were 2 invoices for irrigation services totaling \$700.00 that were paid in 2014, rather than being applied to the irrigation budget. We recommend that the Association investigate whether these invoices should have been paid, or if they should have been applied to the \$5,000 budget item. In addition, if these invoices should have been applied against the \$5,000 budget, the Association may be entitled to a refund for these two invoices totaling \$700 as well as the unspent portion of the \$5,000 budget.

#### Delinquent Accounts

9. We verified the current status of all delinquent accounts through inquiry of association members and the prior accountant. We reviewed liens in place, copies of judgments issued, copies of payment plans and any foreclosure/bankruptcy actions.

Through inquiry we found that \_\_\_\_\_ is making monthly payments, but no specific payment plan was disclosed to us, nor were any legal documents regarding the payment arrangements provided to us. We recommend that the Association request a copy of the payment agreement for its records. No additional payments have been made to Longleaf since September through the date of this report.

10. We examined delinquent accounts to verify that late fees and interest were charged to each account as necessary through August 31, 2015.

We found that no late fees were assessed for July 2013. Also late fees were incorrectly assessed for March 2013, March 2014 and March 2015, as fees were assessed at \$21.55 instead of at 10%. We also noted that interest was not charged for some owners for the following months:

- July through September, 2009
- April, 2010
- July through September, 2010
- January, 2011
- March through October 2011
- January through February 2012
- July, 2012
- December, 2013
- February, 2014

11. We reviewed a detailed listing of charges and payments made on the following members accounts:

- a. #123 Maple Trace
- b. #160 Maple Trace
- c. #304 Loblolly Court

We found that the balances for \_\_\_\_\_ and \_\_\_\_\_ have been collected and/or settled as of the date of this report. See number 9 above for details regarding the \_\_\_\_\_ account.

12. We received a summary of owners with uncollected assessments from Heritage Property Management as of August 31, 2015, which is as follows:

<u>Owner</u>	<u>Balance at August 31, 2015</u>
1	\$15,456.92
	1,314.24
	1,314.24
	1,507.94

As noted in number 9 above, we found that \_\_\_\_\_ is currently working to repay her balance through monthly payments, however no additional payments have been received since September through the date of this report.

We also noted that the amount due from \_\_\_\_\_ is in error, as well as the corresponding prepaid dues payable amount due to \_\_\_\_\_ as of August 31, 2015. \_\_\_\_\_ paid this balance in June, 2015, but \_\_\_\_\_ payment was incorrectly applied to \_\_\_\_\_ As a result, interest and late fees were incorrectly charged to \_\_\_\_\_ account. The balance reflected above, less the interest and late fees included therein, should be offset against the prepaid dues payable amount listed as due to \_\_\_\_\_. All other balances have been collected subsequent to August 31, 2015.

**Service Area Assessments**

13. We examined the general ledger detail for the Longleaf Service Area Assessment receipts from January 2, 2014 through August 31, 2015, to determine that the receipts are recorded in the proper year. The amount of the assessments was provided by the prior accountant, as was the general ledger detail, to determine the period and amounts that should be recorded.

Based on our review, we noted no exceptions related to the recording and collection of receipts for the period of January 2, 2014 through August 31, 2015.

**Developer Shortfall Balance**

14. We reviewed the detail of the developer shortfall balance as of December 31, 2014, and compared the account activity to the Community Covenant for compliance purposes.

We recalculated the 2014 shortfall and noted that it was subsequently collected on March 19, 2015. The Board has agreed to defer the calculation of the 2015 shortfall until December 31, 2015.

**Accounts Payable**

15. We requested a detailed accounts payable listing as of August 31, 2015, from the prior accountant.

We found that the prepaid dues amount payable to \_\_\_\_\_ of \$1,358.50 was the result of an error, as well as the uncollected assessment for \_\_\_\_\_ of \$1,507.94, as discussed in number 12 above. The balance reflected as being due from \_\_\_\_\_ less the interest and late fees inappropriately included therein, should be offset against the prepaid dues payable amount recorded as due to \_\_\_\_\_.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Association's members and is not intended to be and should not be used by anyone other than these specified parties.

*Rougherty McKinnon & Selby*

Columbus, Georgia  
January 22, 2016



# Longleaf Community Association, Inc.

December 14, 2015 7:00 p.m.

A called meeting of the Longleaf Community Association Board was held at the home of Keith Pendergrass. Keith Pendergrass, Ken Haas, Jim Morgan, Tom McCann and Don Whiddon were present. Fran Rogers was unable to attend.

The 2 agenda items were first, to resolve the Board of Directors election tie between Tom McCann and Don Whiddon and second, to elect officers for the coming year.

Association attorneys having been consulted to assure legally correct procedure, the candidates agreed to a coin toss as the fairest and simplest method of decision. The coin decided in favor of Tom McCann's selection for the Board. Don Whiddon withdrew his candidacy.

The 4 board members present then elected officers with the following result:

President	Keith Pendergrass
Vice-President	Tom McCann
Secretary	Jim Morgan
Treasurer	Ken Haas

The setting of a date for the Annual Meeting of the Longleaf Community Association in mid February was discussed. The exact date is to be set later.

The meeting was adjourned at 8:00 p.m.

Respectfully submitted,

James Morgan



Approved by

Date

12-15-15

## Waiver of Notification

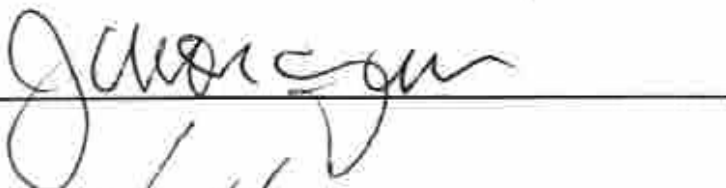
I hereby waive my notification of the called meeting of the directors of the Longleaf Community Association, Inc.


Purpose of this meeting: To resolve the tie that arose from the meeting of the director election of December 12, 2015, and to elect the officers for the Longleaf Community Association, Inc. for the 2015-2016 term of office.

  
\_\_\_\_\_ 12-14-2015

  
\_\_\_\_\_ 12-14-2015

  
\_\_\_\_\_ 12-14-2015

  
\_\_\_\_\_ 12-14-2015

  
\_\_\_\_\_ 12-14-2015

I withdraw my name from nomination and election of the December 12, 2015,  
called election meeting.

Signature  Date 12/14/15

LONGLEAF COMMUNITY ASSOCIATION, INC  
SPECIAL MEETING

December 12, 2015 10:30 am First United Methodist Church of Pine Mountain

Keith Pendergrass, the LCA Transition Board President, called the special meeting to order at 10:30 am. Including the 55 proxies and those owners in attendance, there was a quorum present. Keith indicated that the purpose of the meeting was to elect four Directors to serve on the LCA Board. If the term limit proposal is approved, the two nominees receiving the most votes will serve until the 2018 annual meeting while the nominees coming in third and fourth place will serve until the 2017 annual meeting. Keith expressed appreciation for the SAC member and Transition Board service of Bob Mulder and Peggy Elder and asked those in attendance to complete their ballots as there were no nominations from the floor. The ballots were collected and turned over to Peggy Elder, Arnie Canada and Margaret Kee to tally. While they were counting the proxies and ballots, there was some discussion regarding the 2016 budget and landscaping contract. Peggy Elder came out and thanked all the nominees for taking part in the election process. She then announced that the term limit proposal has passed overwhelmingly and that Keith Pendergrass and Ken Haas received the most votes so they will serve as Directors until the 2018 annual meeting. Jim Morgan came in third place and will serve until the 2017 annual meeting. Tom McCann and Don Whiddon tied for fourth place. Since the by-laws do not address what happens in the event of a tie, Keith will reach out to our attorney for clarification on how to proceed with determining who will serve as the fourth Director. Keith then adjourned the meeting at 11:55 am.

Respectfully submitted,

Peggy Elder  
Transition Board Secretary

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Approved

Date

LONGLEAF COMMUNITY ASSOCIATION, INC  
BOARD OF DIRECTORS MEETING  
November 30, 2015 7 pm Longleaf Post Office

Keith Pendergrass, the LCA Transition Board President, called the meeting to order at 7:10 pm and stated that the primary objective of the meeting tonight was to adopt the 2016 budget. A quorum was present as Keith Pendergrass, Ken Haas, Bob Mulder, Peggy Elder and Fran Rogers were in attendance. Others in attendance were Peggy Roblyer, Bill Weincke, Don Whiddon, Gail Shoop, Jan Pylant, Judy Jenks, Jim Halling, Pamela Pendergrass, Tom McCann and Demetria Hendrix.

Fran Rogers made a motion to approve the minutes from the 8.27.15 Board Meeting with a second from Bob Mulder. The motion carried.

Discussion then ensued on the proposed 2016 budget. Keith asked Judy Jenks to update the Board on the landscaping bid process. Judy stated that the companies invited to bid were given the scope of work along with a neighborhood tour. Once this was completed and all bids received, the committee decided to recommend that Outdoor Detail be awarded the landscaping contract for 2016. Keith then asked Jim Halling about the upcoming pine straw application. Six trailers of straw will be brought in to ensure an oversupply of second pull straw which is cleaner straw. This should eliminate some of the issues with bad pine straw that have occurred in the past. The 2016 budget calls for a full application of pine straw in June along with a partial application in December.

Ken Haas said that he would like for future boards to meet with the committee chairs before approving large contracts such as landscaping and pine straw rather than relying on email communication to discuss pending contracts. Bob Mulder recommended that there be one line item for the landscaping contract instead of trying to break it out into maintenance and pruning. Peggy Elder asked if the Tree Removal line item could be reduced down to \$3,500. Outdoor Detail has given us an estimate to remove 14 trees for \$1,800 so that will allow for an extra cushion if additional trees need to be removed. The Directors reviewed the proposed Capital Reserve expenditures and there was some discussion regarding the request for a new sink and hot water heater in the post office with a decision being made to leave it in the budget for 2016. In the future, capital reserve will be included as part of the budget as the total amount of capital reserve contributions from owners and the ICCF will be divided by twelve and accrued each month to the capital reserve balance.

Fran Rogers then made a motion to adopt the proposed 2016 budget with the changes noted above which result in a total Operating Budget of \$274,230. LCA association dues will be \$2,177 plus \$175 for capital reserve. The motion was seconded by Peggy Elder and approved.

Peggy Elder gave a brief update regarding the upcoming association dues mailing by Dougherty McKinnon & Luby. Invoices will be printed and mailed on January 4, 2016. She recommends that the LCA Treasurer follow up at 30 days with a phone call to those members who have not paid. At 60 days, a letter from the Treasurer should be sent to the member, followed by a certified letter after 90 days of non-payment of dues. Hopefully, this will keep members current and avoid the expensive legal fees that result when turning over to the attorneys. There was some discussion regarding whether to use "Due Upon Receipt" or a specific due date on invoices. Fran Rogers felt having a specific due date was important as there could be some confusion as to when the member actually received their invoice. The decision was made to have a specific due date on the invoice so there would be no question about the date due. It was also decided that there should be a Memorandum of Understanding between the LCA and CROA regarding the collection efforts of the one

remaining large outstanding member balance so that all parties are in agreement of how payments will be applied.

The Directors discussed the current status of the review being done by Dougherty McKinnon & Luby. There continues to be a slow response from Heritage to requests for information. Fran Rogers will reach out to Jeff Quinn to see what can be done to get this completed as soon as possible. Peggy Elder requested that current Directors no longer on the Board after the upcoming election, be allowed to participate in the final Review meeting with DML since the current Directors are familiar with the review scope.

There were some suggestions made regarding the proposed Contact Preferences for Communications Form. The Communications Committee will have the forms available at the special meeting on 12.12.15. There has been good feedback regarding the roads. The Landscaping Committee will work on trying to smooth down some of the large mounds along the road before the pine straw is spread. We will need to work on getting the blue reflectors back in place so the fire department can easily identify fire hydrant locations.

With there being no further business, the meeting was adjourned at 8:20 pm.

Respectfully submitted,

Peggy Elder

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Approved

Date

# Longleaf Community Association

2016

## Longleaf Landscape Maintenance

### Scope of Work

(126 Homes and Common Area)

The Longleaf Community Association presents the following Landscape Maintenance Scope of Work for 2016. The Scope of Work is separated into two areas. Therefore, bids will be accepted for each Scope of Work and two separate contracts will be offered.

- 1) Scope I - General Landscape Maintenance
- 2) Scope II - Pruning of Trees, Shrubs and Ornamentals

### General Information

1. Any and all work requested by homeowners beyond the Scope of Work outlined below is NOT to be completed by the Contractor. For such work, homeowners may refer to the Preferred Providers list for recommendations of companies or persons who can be hired for personal yard work.
2. A notebook will be provided to the crew manager that will include a map of the neighborhood with homeowner names and contact numbers coded to the map.
3. The neighborhood will be divided into grid work sections. These different sections will be numbered and will facilitate in communicating work locations. A Landscape Committee member will be assigned to each grid section to enhance communication between the committee and the crew manager.
4. The crew manager may communicate with homeowners and the Landscape Committee Chair (or designee) as needed.
5. Homeowners are given the option of opting out of some services (i.e. pruning, weed control, irrigation Spring start-up and Winter shut-down) included in the Scope of Work. These names and addresses will be provided and marked in the crew manager's notebook.
6. The Longleaf Community Association shall have no responsibility for any sprinklers or other irrigation equipment installed by the Owner or occupant of any Longleaf Unit" (Declaration: Article 5.2c)

# Longleaf Community Association

## SCOPE I - GENERAL LANDSCAPE MAINTENANCE

### Scope of Work for Individual Homes

1. Contractor will perform all scope of work described below every week Monday through Friday.
2. Blow front and back walkways, open porches, patios and driveways once per week with a preference of Thursday or Friday.
3. Pick up yard debris placed at curbside (streets and alleys) by owners one day per week with the preference of Monday.
4. Visit each Longleaf home (entire lot) a **minimum of once each month** to:
  - a. Pick up debris and dead limbs (year round).
  - b. Apply pre and post emergent herbicide during growing season to control weed growth in yards. Hand pull those weeds that are clearly overgrown.
  - c. Inspect property for landscape problems such as dead trees, damaged trees, flooding, etc. and notify owners or chair of Landscape Committee (or designee) of unusual situations.
5. Repair ruts and wash out areas within one week.
6. Ant Control
7. Maintain weed control, remove volunteer trees and keep pine straw and debris from all "storm" gullies and drains.
8. Maintain weed control, remove volunteer trees and pick up debris from within four foot (4') easement of roadways and alleyways.
9. Prune trees, shrubs and plants so that street and street sign visibility is clear to pedestrians, cyclists and vehicle drivers.
10. **Irrigation Services at Individual Homes** – Irrigation maintenance of both individual homes as well as the Longleaf Common Areas are part of the scope for General Landscape Maintenance although these expenses will be tracked and coded to separate line items in the budget. As irrigation related issues arise the following will be the procedure for the Contractor to address and correct each issue. **NOTE:** Spring system start-up and Winter system shut-down will be provided to individual homeowners interested in this service as part of the General Maintenance budget. (These homeowners will be noted in the crew manager's notebook).

\* Contractor-identified issue with an estimated cost of less than \$50 – Contractor is authorized to complete the work to correct the issue with no further approvals required.

\* Contractor-identified issue with an estimated cost of greater than \$50 – Contractor must contact the Landscape Committee Chair or designee to present the issue including the estimated cost to correct the issue. Upon approval, the Contractor may proceed with the work to correct the issue.

\* In both cases, the Contractor must bill the Longleaf Community Association for the work completed for payment.

\* Please see LCA Irrigation Disclaimer under General Information #6

# Longleaf Community Association

## Scope of Work for Common Area – Entrance & Post Office

1. Mow and edge once per week
2. Blow once per week with a preference of Thursday or Friday, or as required after storms, etc.
3. Control weed growth on property.
4. Debris and dead limb removal weekly (more frequently when required after storms, etc).
5. For grass areas, Contractor to establish a Turf Management Program (which would include the use of fertilizer, fungicide, and pre-emergent herbicide – contractor choice as to what and how much) doing what is necessary to establish and maintain an attractive lawn area without crab grass and weeds. Contractor to overseed all turf areas with Rye grass in the fall.
6. Irrigation system (this applies to all Common Area irrigation);
  - Irrigation system will be monitored by Contractor and the controller(s) will be checked on a weekly basis for appropriate watering.
  - Spring start-up and winter shut-down will be provided as part of general maintenance.
  - Contractor will check the irrigation system weekly from May through September for proper operation and coverage as part of general maintenance.
  - Irrigation repairs for Common Area issues will be handled exactly like those of individual homes. (See above SOW for Individual Homes #10)
7. Repair ruts and wash out areas within two days.
8. Prune trees, shrubs and plants that interfere with lines of sight at all intersections and along roadways and alleyways so that street and street sign visibility is clear to pedestrians, cyclists and vehicle drivers.
9. Ant control.

## Scope of Work for Common Area – Pool

1. Mow and edge one day per week (growing season and when necessary).
2. Blow pool deck, picnic patio, and walkways one day per week and as necessary after storms, etc., during season and walkways only during the off-season.
3. Control weed growth on property.
4. Debris and dead limb removal weekly (more frequently when necessary)
5. For the grass area, contractor to establish a Turf Management Program (which would include the use of fertilizer, fungicide, and pre-emergent herbicide – contractor choice as to what and how much) doing what is necessary to establish and maintain an attractive lawn area without crab grass and weeds. Contractor to overseed all turf areas with Rye grass in the fall.
6. Ant control.
7. Maintain flowering plants and ornamentals by fertilizing, dead-heading, etc., as necessary.

# Longleaf Community Association

## Scope of Work for Common Area - Pool (Continued)

### 8. Irrigation system;

- Irrigation system will be monitored by Contractor and the controller will be checked on a weekly basis for appropriate watering as part of the irrigation budget.
- Spring start-up and winter shut-down will be provided as part of the general maintenance budget
- Contractor will check the irrigation system during the months of May through September for proper operation and coverage.
- Irrigation repairs for Common Area issues will be handled exactly like those of individual homes. (See above SOW for Individual Homes #10)

## Scope of Work for Common Area – Playground

1. Control weed growth on playground and surrounding area.
2. Debris and dead limb removal weekly (more frequently when necessary).
3. Inspect playground surface weekly and level it out with a rake if needed.
4. Ant control

## Scope of Work for Common Area – Bike Trail

1. Blow one day per week.
2. Control weed growth on property.
3. Debris and dead limb removal weekly (more frequently when necessary).
4. Clip or remove branches that might encroach on the path, with the safety of a bike rider in mind.
5. Ant control.

## Scope of Work for Common Area – Roadways & Alleyways

1. Blow one day per week.
2. Debris and dead limb removal weekly (more frequently when necessary).
3. Repair ruts and wash out areas within two days.
4. Maintain weed control, remove volunteer trees and keep pine straw and debris from all "storm" gullies and drains.
5. Maintain weed control, remove volunteer trees and pick up debris from within four foot (4') easement of roads and alleys.
6. Clean pine straw and debris from road drains when necessary.
7. Prune trees, shrubs and plants that interfere with lines of sight at all intersections and along roadways and alleyways so that street and street sign visibility is clear to pedestrians, cyclists and vehicle drivers.
8. Ant control.

# Longleaf Community Association

## **SCOPE II – TREE, SHRUB and ORNAMENTAL MAINTENANCE**

### **Scope of Work for Individual Homes**

Not less than twice per year, each individual home (entire lot) will receive:

1. Full walk through and review to determine pruning needs for shrubs, ornamentals and small trees, according to specific plant needs. Hand prune said shrubs, ornamentals and small trees to conform with natural growth habit.
2. Pruning will be done at the appropriate time of year for the species.

### **Scope of Work for Common Areas**

Not less than twice per year, all Common Areas will receive:

1. Full walk through and review with a Landscape Committee member or members to determine pruning needs for shrubs, ornamentals and small trees, according to specific plant needs. Hand prune said shrubs, ornamentals and small trees to conform with natural growth habit.
2. Fertilize shrubs and small trees with slow release fertilizer (once per year in the spring).
3. Pruning will be done at the appropriate time of year for the species.



LCA OPERATING BUDGET 201€							
(11-30-15)							
	Budget	Actual	Budget	Actual	Budget		
	2014	2014	2015	2015/Aug	2016		Comments
<b>INCOME:</b>							
Service area assessments:	273,240	244,300	251,160	222,500	274,302		(2177 X 126)
Interest:	0	1,400	0	2,400	0		
<b>TOTAL INCOME:</b>	<b>273,240</b>	<b>245,700</b>	<b>251,160</b>	<b>224,900</b>	<b>274,302</b>		
<b>EXPENSES:</b>							
Legal & professional:	0	0	0	1,100	7,000		
Insurance premiums:	0	0	5,100	0	7,200		
Taxes & licenses:	0	0	0	0	1,400		
Postage & Box rent:	0	0	0	0	400		
Printing & office supplies:	0	0	0	0	200		
Bank charges:	0	0	0	0	30		
<b>Total G&amp;A:</b>	<b>0</b>	<b>0</b>	<b>5,100</b>	<b>1,100</b>	<b>16,230</b>		
Operations & management:	7,300	6,800	7,800	7,400	7,050		
Repairs:	800	0	1,800	2,000	2,600		
Supplies:	1,500	1,200	1,000	600	1,500		
<b>Total Pool Area:</b>	<b>9,600</b>	<b>8,000</b>	<b>10,600</b>	<b>10,000</b>	<b>11,150</b>		
Contract:	122,000	125,300	112,800	68,200	129,500		
(pruning included in contract)	0	0	0	0	0		
Pine Straw:	81,000	62,800	65,500	38,200	68,000		
Irrigation:	6,250	3,200	6,200	200	1,000		
Tree removal:	3,500	3,100	3,000	4,400	3,500		
Improvements:	4,000	3,500	2,000	100	1,000		
Seasonal color:	1,650	0	2,000	900	2,000		
<b>Total Landscaping:</b>	<b>218,400</b>	<b>197,900</b>	<b>191,500</b>	<b>112,000</b>	<b>205,000</b>		
Electricity:	7,200	9,300	9,000	6,100	9,000		
Water:	5,000	3,500	4,500	2,000	3,500		
Trash removal:	21,400	19,700	21,500	14,300	21,500		
Phone (pool):	900	900	900	600	500		
<b>Total Utilities:</b>	<b>34,500</b>	<b>33,400</b>	<b>35,900</b>	<b>23,000</b>	<b>34,500</b>		
Janitorial services:	3,000	2,900	3,000	2,000	2,600		
Repair & maintenance:	7,000	8,100	3,500	1,400	3,900		
Pest control:	700	400	400	500	300		
<b>Total M&amp;S:</b>	<b>10,700</b>	<b>11,400</b>	<b>6,900</b>	<b>3,900</b>	<b>6,800</b>		
Web site:	0	0	0	0	250		
Welcome baskets:	0	0	0	0	300		
<b>Tot. Communication</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>550</b>		
<b>TOTAL EXPENSE:</b>	<b>273,200</b>	<b>250,700</b>	<b>250,000</b>	<b>150,000</b>	<b>274,230</b>		
<b>GAIN or LOSS:</b>	<b>40</b>	<b>-5,000</b>	<b>1,160</b>		<b>72</b>		
Annual Assessment:	1,980		1,820		2,177		(274,230 div. by 126)
(lot divisor)	138		138		126		

LCA OPERATING BUDGET 201€			
LINE ITEM NOTES			
EXPENSES			
(11-30-15)			
<b>G&amp;A</b>			
Legal & professional: (3400) + (3480) = 688C	Legal (WNCW): Acctg. (DML):	\$1200 retainer (Jan.) + \$200/mon. (Feb-Dec) \$265/mon. + \$300 for tax return/1095	
Insurance premiums: (total 7128)	Package:	(Property - buildings, playground, entrance sign, etc. + General liability, Crime, and Roads & Pathways)	5,807
	Umbrella Liability:		375
	Directors & Officers:		946
Taxes & licenses:	Property tax 1332 +		
Postage & Box rent:	\$375 postage + \$50 P.O. box annual rental	(total \$425)	
Printing & office supplies:	\$150 to \$200		
Bank charges:	\$30 per year if get safety deposit box		
<b>Pool</b>			
Operations & management:	5 @ \$1100 + 7 @ \$100 + \$850 for opening & closing (pool cover) = \$705!		
Repairs:	\$1800 + \$650 for new sand for filters + \$135 gate code change = \$258!		
Supplies:	\$300/month for chemicals during 5 open months: \$150!		
<b>Landscaping</b>			
Contract:	Jan. - Cut Above: \$8841 + Feb.-Dec. Outdoor Detail: \$120,587		129,423
(pruning included in contract)			
Pine Straw: (plus \$2000+)	June: 10,215@4.50 = 44,946    Dec: 4575@4.50 = 20,588		65,534
Irrigation:	Repair for residential and common area systems:		
Tree removal:	Includes funding to take down trees near roadways:		
Improvements:	Common area planting enhancements:		
Seasonal color:	Entrance Sign and post office area enhancement:		
<b>Utilities</b>			
Electricity:	Looked at history. Sept.-Dec. should bring less usage (cooler)		
Water:	Looked at history. Sept.-Dec. should bring less usage (cooler)		
Trash removal: (total \$21,421)	\$14/month/container 127 X 14 X 7 mons. = \$12,44€	(1 for pool for 7 mons. & 2 for 5 mons.) 128 X 14 X 5 mons. = \$8975	
Phone (pool):	Switched to ATT; Est. monthly charge: \$25 + \$9 +\$5 taxes (assume \$39		
<b>M&amp;S</b>			
Janitorial services:	Champagne Cleaning: (26 wks. @ \$40) + (26 wks. @ \$55) = \$247C		
Repair & maintenance:	Annual cleaning and maint. for P.O. and pool/playground area: \$3885		
Pest control:	Terminix: Charge start-up of \$1050 to 2015 exp.; \$299 will be annual fee		
<b>Communications</b>			
Web site:	Arnie Canada set it up and is monitoring and updating for free.		
Welcome baskets:	For new residents - resale or new construction.		





## Longleaf Community Association, Inc.

August 27, 2015 7 p.m.

A called meeting of the Longleaf Community Association Board of Directors was held on August 27, 2015 at 7 pm in the Longleaf Post Office. Keith Pendergrass, Ken Haas, Bob Mulder, and Peggy Elder were in attendance while Fran Rogers was unable to attend. Terry Upton and Ken Coolik were also present.

Terry Upton, Chair of the Infrastructure Pool and Safety Committee, indicated that the IPS Committee had met recently and wanted to express their concerns to the Board about liability exposure regarding the current pool gate locks in use. The gate locks are not self-latching/self-closing so they do not meet insurance requirements. They would like the Board to approve a magnetic lock which would be self latching at a cost of approximately \$1,000/each. Ken said that the gates would be unsecure with the proposed magnetic locks if the power goes off. The Board decided that it would be best to do further research on the gate locks before spending more funds. Ken is going to check with his locksmith at work.

Ken Coolik, the insurance representative from Hutchinson Traylor, gave a presentation about proposed insurance coverage. The package presented indicated a total annual premium amount of \$4,760, but it was discovered that some key elements were missing such as the pool and pool deck so Ken will provide the Board with a revised package. He will also check with Jeff Quinn regarding how the insurance works with the LCA being a sub-association under Callaway Residential Owners Association. We are curious as to if their coverage provides us with additional protection. Ken mentioned some optional coverages, such as Worker's Compensation and Roads/Pathways, but the Board decided to hold off on those coverages for now until we get the final updated estimates. Ken mentioned the importance of making sure we deal with bonded and insured companies when possible to limit liability exposure.

The minutes of July 16, 2015 were approved with the addendum of the Bank Signatories Resolution which is required to open up the account at First People's Bank.

There was discussion regarding the duties and responsibilities of the officers. Peggy expressed concern about the President approving and coding all invoices as she felt it was the responsibility of the Treasurer and that it was important for duties to be shared among the officers and not centralized in one position. The decision was made to have the accounting firm scan invoices for payment to all officers and the President would approve and code the invoices. Peggy will revise an Officer Responsibility List and send it out for approval.

Discussion then centered around the 2016 budget time line and election time line and voting procedures. All agreed that it was very important to abide by the by-laws regarding the budget and election, but felt that there were some timing issues involved in trying to do so. Bob is going to clarify election procedures with our attorney before we move forward. He is also going to follow up with our attorney regarding the recent property foreclosure and the impact it might have on delinquency follow up and responsibility.

The meeting was adjourned at 10 pm.

Respectfully submitted,

Peggy Elder

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Approved by

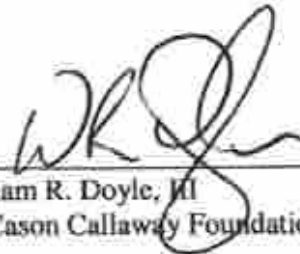
Date

August 24, 2015

Longleaf Community Association, Inc.  
Board of Directors:

Ida Cason Callaway Foundation, Inc. ("ICCF") as the owner of Lots 56, 57, 60, 61, 62, 63, 64, 65, 66, 106, 110 and 111 within the Longleaf community ("ICCF Lots"), and as an affiliate of Cousins/Callaway, LLC, the "Founder" under the Community Charter for Callaway Resort Residential Properties, hereby requests that Annual Assessments and Special Assessments be waived as to such ICCF lots in the manner and for such period as provided for under Section 8.7(b) of the Declaration of Covenants, Conditions and Restrictions for Longleaf at Callaway.

Respectfully submitted,



William R. Doyle, III  
Ida Cason Callaway Foundation, Inc.



## LONGLEAF COMMUNITY ASSOCIATION, INC

July 16, 2015 7 pm Longleaf Post Office

An organizational meeting of the Longleaf Community Association, Inc was held on July 16, 2015 at 7 pm in the Longleaf Post Office. Keith Pendergrass, Ken Haas, Peggy Elder, and Fran Rogers were in attendance while Bob Mulder was unable to attend.

Arnie Canada gave a brief overview of the website he has been setting up for the community. The website address is [www.thelongleafcommunity.com](http://www.thelongleafcommunity.com) and the initial cost would be around \$60 for the first year and \$250 per year afterwards with Arnie volunteering to be the webmaster of the site. Concerns regarding owner information being made public will be addressed by Arnie.

Peggy gave an update on the Transition timeline as Jeff has indicated that David Herigal has prepared the necessary legal documents that need to be filed with Harris County. We have just received the June financials from Heritage and are currently working with Jennifer Jones of Dougherty, McKinnon & Luby to finalize the areas of concern for the Agreed Upon Procedures Review. DML has prepared a Certification of Election Results document for the three parties to sign as required by the Transition Agreement. Keith signed on behalf of the Longleaf Community Association and Fran will get signatures from Callaway/Cousins, LLC and Callaway Residential Owners Association. Jeff has also indicated that one of our longtime delinquencies has sold and closed recently, while the other delinquency is up for a foreclosure sale. Jeff is also working on the Paving Agreement that has to be executed by August 28, 2015.

The decision was made to elect officers and divide up some of the transition responsibilities since the transitional board will serve from September 1 through December 31, 2015 until elections are held. Keith will serve as President, Ken as Vice-President, Peggy as Secretary, and Bob as Treasurer. After reviewing the information Bob had previously gathered regarding post office box and banking fees, a decision was made to ask Bob to open up a small post office box in Pine Mountain for an annual fee of \$50 so that we could get an established address. Those present also decided to establish a banking relationship with First People's Bank and open up an account there. Bob will take care of gathering the needed documentation.

Peggy gave an overview of the bookkeeping services that DML can provide for \$265/month which would include checking for mail, making deposits, preparing checks after receiving an approved invoice from an association officer, reconciling the bank statement, and preparing monthly financials. There would be an additional fee of \$50 for preparing and filing any 1099s and \$250 for preparing and filing the income tax return. The consensus was to use a local company for bookkeeping so Peggy will contact DML about getting an engagement agreement. After some discussion about who and how many would sign checks, all agreed to require only one signature on the check and for the DML rep to be the primary check

signer. We will hold off opening a safe deposit box for now and Keith will work on getting a lockable file cabinet for the Longleaf post office in order to store association documents.

Ken has contacted Rebecca Drube at Weissman Nowack Wilco & Curry about serving as our attorneys. A retainer fee of \$1,200 will not be required until 2016. Ken will contact Rebecca about filing the 2015 Corporation Annual Registration with the state of Georgia as we had postponed doing so until after the election. He will also check to see if there is anything we need to do regarding the existing CROA liens on delinquent owners.

There was some discussion about different solutions to the issues surrounding the pool gates. The group felt that it would be best to see how the new locks work during the remainder of this pool season. The Pool and Structures Committee will then be asked to review and possibly come up with some alternative suggestions during the winter. It was decided to make the Pool Rules sign more visible and to ask Arnie to post the pool rules on the website.

The group decided that at present three committees would be needed to carry on the day to day work of the community. They will be based on the current committee structure in place now with some expansion of responsibilities. The Communication Committee will be responsible for the owner email notification, the monthly newsletter, the community website, updating the owner directory and recommended vendors list, welcoming new owners, and social gatherings. The Landscape Committee will be responsible for determining the scope of landscape services needed; preparing landscape contracts; oversee entrance, pool, and common area beautification projects; and address the pine straw application and contracts. The Infrastructure & Safety Committee will survey all buildings and infrastructure including streets, signs, pool, and playground for needed repairs and/or replacement/restoration; and will work with the Board to address all safety issues within our community.

The meeting was adjourned at 8:45 pm.

Respectfully submitted,

Peggy Elder

**LONGLEAF COMMUNITY ASSOCIATION, INC.**

**BANK SIGNATORIES RESOLUTION**

It was unanimously resolved in an addendum to the Longleaf Community Association, Inc.'s board meeting held on July 16, 2015 that:

1. Bank account(s) be opened with First People's Bank, 105 Chipley Street, Pine Mountain, Ga. 31822 ("The Bank") will become the depository for banking purposes for said corporation and that any type and currency as may be subsequently required, be opened with the Bank.

2. Instructions relating to banking transactions may be given by fax to the Bank for execution and to this end the fax indemnity letter authorizing the Bank to act upon such instructions will be signed by the signatories designated hereunder:

\*Residing President plus residing Treasure at the time of the transaction and with signatories listed at Bank.

3. May enter into, make, sign, execute the Agreements and generally perform and do all acts, deeds and agreements necessary in connection with the Agreements and; perform the functions of "Administrator" and to that purpose appoint and revoke any such person/s as he/she deems fit, as "Authorized User", according to the terms and conditions of the Agreements.



PLACEMENT COMMITMENT - EAST TOWN (PART 2)  
BANK FINANCED BY - EAST TOWN

It was agreed that the amount of the loan to be provided to the Community Association shall be \$100,000.00. The loan shall be provided in the amount of \$100,000.00.

The loan shall be provided to the Community Association on the basis of a promissory note to be executed by the Community Association and the Bank. The note shall be in the amount of \$100,000.00 and shall be payable in 12 equal monthly installments of \$8,333.33 beginning on the first day of the month of January, 1988.

The interest rate on the loan shall be the prime rate plus 2% per annum. The interest shall be payable in arrears on the first day of each month. The loan shall be secured by a first mortgage on the property described in the deed to the Community Association.

The Community Association shall be responsible for the payment of the loan and shall provide the Bank with all necessary information to enable it to make the loan.





The Community Association shall be responsible for the payment of the loan and shall provide the Bank with all necessary information to enable it to make the loan. The Community Association shall be responsible for the payment of the loan and shall provide the Bank with all necessary information to enable it to make the loan.

**APPOINTMENT OF SIGNATORIES**

After due consideration, it was resolved:

1. That only one signatory will be necessary for banking purposes.
2. That the authorized signatories on the bank account shall be:
  - Keith Pendergrass, President  
Longleaf Community Association, Inc.
  - Bob Mulder, Treasure  
Longleaf Community Association, Inc.
  - Bethany D. Martin, DOUGHERTY, McKINNON & LUBY  
Designated Signator
  - Joan M. Reinacher, DOUGHERTY, McKINNON & LUBY  
Designated Signator

**CERTIFIED TRUE COPY BY LONGLEAF COMMUNITY ASSN. BOARD:**

	Keith Pendergrass, President
	Ken Haas, Vice President
	Bob Mulder, Treasurer
	Peggy Elder, Secretary
_____	Fran Rogers, CROA Board Appointee



**[jmhartenstine@gmail.com](mailto:jmhartenstine@gmail.com)**

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**From:** M.D. Roblyer <mroblyer@bellsouth.net>  
**Sent:** Friday, June 12, 2015 12:39 PM  
**To:** Roblyer, Peggy  
**Subject:** LONGLEAF EMAIL: Longleaf Sub-association voting results

To the Longleaf Community:

Please see the announcement below from Peggy Elder on behalf of the Longleaf SAC. Send any comments or questions to Peggy at [pegge79@yahoo.com](mailto:pegge79@yahoo.com)

Thanks!

-----Original Message-----

**From:** Peggy Elder [mailto:[pegge79@yahoo.com](mailto:pegge79@yahoo.com)]  
**Sent:** Friday, June 12, 2015 12:12 PM  
**To:** Peggy Roblyer  
**Subject:** Longleaf Sub-association Voting Results

Peggy - please send the following email out to our owners

Three members of the Longleaf Exploratory Committee met this morning along with Jeff Quinn, representing the Founder, at the Columbus office of Dougherty, McKinnon & Luby to observe as the consent forms regarding the proposed Longleaf Sub-association were opened and counted. We are very happy to report that the Longleaf Sub-association proposal has passed by a vote of 110 in favor and 6 against with 10 owners not voting. We appreciate the efforts of the contact group led by Judy Jenks and Jan Pylant as they played a huge role in the total vote turnout. We also extend a big thank you to our Longleaf owners who took time to review the proposed documents, ask questions, and make their voice heard by voting! Please watch for email updates in the coming weeks as we begin this transition process.

Peggy Elder  
Ken Haas  
Bob Mulder  
Keith Pendergrass



**TRANSITION AGREEMENT  
FOR  
LONGLEAF**

THIS TRANSITION AGREEMENT FOR LONGLEAF ("**Agreement**") is entered into by and between Cousins/Callaway, LLC (the "**Founder**"), the Callaway Residential Owners Association, Inc. (the "**Master Association**"), and Longleaf Community Association, Inc. (the "**Longleaf Association**") (collectively, the "**Parties**" and individually, a "**Party**").

Recitals

Longleaf at Callaway ("**Longleaf**") is presently a "**Service Area**" within that portion of the Callaway Gardens Resort referred to as the "**Residential Community**," and is subject to that certain Community Charter for Callaway Resort Residential Properties, recorded in the Office of the Clerk of Superior Court of Harris County, Georgia on December 3, 2003, in Deed Book 702, Page 439, *et seq.* (as amended and supplemented, the "**Community Charter**"), and that certain Supplement to the Community Charter for Callaway Resort Residential Properties, recorded in the Office of the Clerk of Superior Court of Harris County, Georgia on December 3, 2003, in Deed Book 702, Page 553, *et seq.* (as amended and supplemented, the "**Longleaf Supplement**").

The Founder is the developer of the Residential Community and is the "**Founder**" under the Community Charter.

The Master Association is the mandatory membership owners association responsible for administering and enforcing the Community Charter and other governing documents pertaining to all of the Residential Community, including the Longleaf Supplement. Pursuant to the Community Charter and the Longleaf Supplement, the Master Association owns, maintains, and operates "**Limited Common Area**" within Longleaf at the expense of and for the benefit of the "**Owners**" of "**Units**" within Longleaf (as such capitalized terms are defined in the Community Charter and/or the Longleaf Supplement) and is responsible for other owners association functions within Longleaf, such as covenant enforcement and assessment collection.

The Parties desire for Longleaf to be governed by an additional mandatory membership sub-association with primary responsibility for owning, maintaining, and operating those areas presently assigned to Longleaf as Limited Common Area and to assume other owners association functions within Longleaf, such as covenant enforcement and assessment collection, all subject to the Community Charter and the rights and authority of the Founder and the Master Association under the Community Charter. The Longleaf Association has been created for this purpose.

NOW, THEREFORE, based on the foregoing and in consideration of the mutual promises and covenants contained herein, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

**1. Contribution to Review Costs; Audit.**

Prior to execution of this Agreement, the Parties have agreed upon a draft Declaration of Covenants, Conditions and Restrictions for Longleaf at Callaway (including the By-Laws of Longleaf Community Association, Inc. and other exhibits) ("**Longleaf Declaration**") to be presented for approval by the Owners of Units within Longleaf in the manner described in Paragraph 2 below. The Longleaf Association has retained independent counsel to assist in the review of the draft Longleaf Declaration and the Founder shall contribute \$5,000.00 to the Longleaf Association to be applied towards the costs associated with such review. The Founder shall pay such amount within 30 days of its being presented with an invoice from such independent counsel to the Longleaf Association.

Prior to the Declaration Approval Date (described below), the Longleaf Association, at its expense, may conduct such examination and/or audit, as it deems appropriate, of the Master Association's accounts relating to operating expenses and reserves associated with the Longleaf Service Area. The Master Association shall cooperate by making available to the examiners/auditors the records, including all supporting material (e.g., check copies, invoices, etc.), for the time period in question. If the results of the examination/audit are disputed by the Master Association, the Master Association, at its expense, may cause a second audit to be performed by a mutually acceptable auditor and the decision of the second auditor shall be binding. In addition, so that the Longleaf Association may keep informed about the state of the Longleaf financials pending its taking control of them, the Master Association shall cause complete monthly financials related to Longleaf, including details on accounts receivable, to be delivered to the Longleaf Association no later than the 15<sup>th</sup> of the following month during the period between the execution of this Agreement and September 1, 2015.

**2. Declaration Approval Date.**

The obligations described in Paragraph 3 below shall be contingent upon approval of the agreed-upon (by the Parties) draft Longleaf Declaration by written consent of Owners representing at least 67% of the votes in the Master Association assigned to the Units within Longleaf. The "**Declaration Approval Date**" shall be the date of such approval, as evidenced by an instrument executed (a) by the Longleaf Association certifying that the requisite Owner approval has been obtained, and (b) by the Founder and the Master Association acknowledging that such approval has been obtained. The obligation of the Founder and the Master Association to so acknowledge shall be subject to their receipt of evidence sufficient, as determined in their discretion, to indicate such approval.

**3. Obligations Following the Declaration Approval Date.**

(a) Provided the approval required under Paragraph 2 is obtained, the following shall occur prior to August 28, 2015 or 30 days following the Declaration Approval Date, whichever is later:

(1) The Longleaf Declaration shall be fully executed and recorded by the Founder in the Office of the Clerk of the Superior Court of Harris County, Georgia;

(2) The Founder or the Master Association shall convey by limited warranty deed to the Longleaf Association title to those areas identified as Limited Common Area under the Longleaf Supplement;

(3) The Founder shall either (i) cause the paving of roads within Longleaf to be completed, or (ii) execute an agreement, binding upon the Founder and enforceable by the Longleaf Association, committing to pave such roads prior to May 20, 2016. The Founder's paving of the roads required hereunder shall be in conformance with the following specifications:

(A) Paving Contractor – An estimate for paving of the Longleaf roads has been provided to the Founder by Piedmont Paving, Inc. of Newnan, Georgia. The paving contractor engaged by the Founder to perform the paving of the roads required hereunder shall either be Piedmont Paving or another paving company, acceptable to both the Founder and the Longleaf Association, of generally the same capabilities and reputation as Piedmont Paving ("Contractor").

(B) Pavement Patching – The paving Contractor will repair all fractures to the sub-base and the mix used for the 1" on all roads will be new hot F mix asphalt.

(C) Roadway & Alley Way Resurfacing – The Contractor will adjust height of existing structures (manhole covers), sweep, apply a bituminous tack coat and place an approximate 1 inch new hot F mix asphalt. All parties understand for all intents and purposes the approximate 1 inch will be uniform throughout Longleaf.

(4) The Master Association shall assign to the Longleaf Association its rights and authority, including lien rights, to collect delinquent Service Area Assessment accounts relating to Owners of Units within Longleaf; and

(5) The Founder and/or the Master Association shall transfer to the Longleaf Association all books, records, and accounts relating to or held or maintained solely for Longleaf (*i.e.*, contracts, bank accounts, etc.).

(6) The Longleaf Association shall cause to be performed a review/audit of any accounts relating to operating expenses and reserves associated with the Longleaf Service Area, including those of the Master Association. The Founder shall contribute up to \$5,000.00 towards accounting firm fees incurred by the Longleaf Association in such review/audit and shall cooperate by making available to the examiners/auditors the records, including all supporting material (*e.g.*, check copies, invoices, etc.), for the time period in question. The Founder's contributions to the Longleaf Association's accounting costs shall be paid within thirty (30) days of the Founder being presented with invoices from the accounting firm engaged by the Longleaf Association.

(7) Following the audit referred to above, the Master Association shall transfer to the Longleaf Association all operating and reserve funds held or maintained solely for the benefit of Longleaf (the amount of such funds to be determined based upon the examination/audit described in Paragraph 3(a)(6) of this Agreement);

(b) Provided the approval required under Paragraph 2 is obtained, the following shall occur prior to October 1, 2015 or 60 days following the Declaration Approval Date, whichever is later:

(1) The Master Association shall require its management company, Heritage Property Management, to render a final accounting relating to Longleaf reflecting the balance of income and expense with respect to the Longleaf Association as of September 1, 2015; and

(2) The Founder shall pay to Longleaf any operating shortfalls relating to the Longleaf Service Area budget through September 1, 2015.

In addition to the above, the Master Association warrants and agrees that the amount of the Base Assessment (as such term is defined in the Community Charter) applicable to the individual Longleaf Association members set forth in the approved 2015 Master Association budget in place on January 1, 2015 shall be lower in the final quarter of 2015 than the amount of such Base Assessment in the first half of 2015, and that it will be computed and levied in the manner provided in the Community Charter; nor will the Master Association levy any Special Assessment (as such term is defined in the Community Charter) against the Longleaf Association members except as set forth in the 2015 Master Association budget in place as of January 1, 2015. The Founder warrants that the amount of the Community Council assessment applicable to the Longleaf Association members shall not be increased for the remainder of 2015 above the assessment amount in place as of January 1, 2015.

Furthermore, the Founder agrees and acknowledges that as of the date of this Agreement, the Founder has not paid the Master Association any subsidies pursuant to Section 12.2(d) of the Community Charter. Accordingly, the Founder further agrees and acknowledges that neither the Master Association nor the Longleaf Association are, or will be, liable to the Founder for any sums paid to the Master Association by the Founder as subsidies prior to the date of this Agreement.

#### **4. Release and Discharge.**

In consideration of the mutual covenants and agreements contained herein, by execution of this Agreement, the Longleaf Association releases and forever discharges the Founder and the Master Association, and their respective members, officers, directors, employees, agents, and committee members, of and from any and all past and present claims, demands, obligations, actions, causes of action, rights, damages, costs, loss of services, expenses, and compensation which exist or may exist as of the Declaration Approval Date and which relate to or otherwise arise out of the Limited Common Areas identified in the Longleaf Supplement and the operation of Longleaf as a Service Area in accordance with the Community Charter and the Longleaf Supplement. Notwithstanding the foregoing, nothing herein shall be deemed to release the Founder or the Master Association from any continuing obligations they may have under the Community Charter, the Amended and Restated Community Covenant for Callaway Resort, the Longleaf Declaration, and/or this Transition Agreement.

**5. Attorneys' Fees.**

Except as set forth in Paragraph 1 above, each Party shall bear its own attorneys' fees and costs arising from the actions of its own counsel in connection with this Agreement. In any action of any kind (including arbitration) relating to enforcement or application of this Agreement, the prevailing Party shall be entitled to and award of reasonable attorneys' fees and costs from the non-prevailing Party in addition to any other recovery to which the prevailing Party is entitled.

**6. Entire Agreement; Amendment.**

This Agreement contains the entire agreement between the Parties relating to the subject matter herein, whether written or oral, and there are no other representations, warranties, or agreements between the Parties not contained or referenced in this Agreement. This Agreement may not be amended except by the written consent of the Parties and is binding on each of the Parties' successors, transferees, heirs, and assigns.

**7. Severability.**

If any provision of this Agreement is held to be illegal, invalid, or unenforceable, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby: (a) said provision will be fully severable; (b) this Agreement will be construed and enforced as if said provision had never comprised a part hereof; (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by said provision or by its severance from this Agreement; and (d) in lieu of said provision, there will be added as part of this Agreement a legal, valid, and enforceable provision as similar in terms to said provision as may be possible.

**8. Representation of Comprehension of Document.**

In entering into this Agreement, each of the Parties represents that it has had the opportunity to consult with attorneys of its own choosing and that the terms of this Agreement are fully understood and voluntarily accepted.

**9. Governing Law.**

This Agreement shall be construed and interpreted in accordance with the laws of the State of Georgia.

**10. Notices.**

All notices, demands, requests, consents, and approvals desired, necessary, required, or permitted to be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been properly given if delivered in person, by United States mail, by private carrier, or by email at the addresses indicated below or at such other address as the Party shall designate by notice in writing to the other Party pursuant to this section.

If to the Founder: Jeff Quinn  
100 MEADOW VIEW LANE  
 Pine Mountain, GA 31822  
 Phone: 678 787 3164  
 Email: jeffquinn@blalocklakes.com  
jeffquinn@quinnterra.com

If to the Master Association: At the address of the President of the Master Association as shown on the records of the Georgia Secretary of State

If to the Longleaf Association: At the address of the President of the Longleaf Association as shown on the records of the Georgia Secretary of State

**11. Effective Date; Termination.**

This Agreement shall be effective, once all of the Parties have signed, as of the date of execution by the last of the Parties to sign. This Agreement shall terminate automatically and be of no further force or effect as of June 16, 2015 if the Declaration Approval Date does not occur prior to such date; provided, however, that the obligations under Paragraph 1 regarding the Founder's payment of attorneys' fees to Longleaf Association shall survive termination of this Agreement.

**FOUNDER: COUSINS/CALLAWAY, LLC**

By: William Bassett  
 Name: [Signature]  
 Its: Senior Vice President  
 Date: 5-14-15

**MASTER ASSOCIATION: CALLAWAY RESIDENTIAL OWNERS ASSOCIATION, INC.**

By: [Signature]  
 Name: JEFF QUINN  
 Its: PRESIDENT  
 Date: 5-18-15

**LONGLEAF ASSOCIATION: LONGLEAF COMMUNITY ASSOCIATION, INC.**

By: [Signature]  
 Name: KEITH PENDERGRASS  
 Its: [Signature]  
 Date: 5-20-15

## **Longleaf Town Hall Meeting March 20, 2015**

Harold Tarpley opened the meeting with a prayer. Ken Haas introduced the current Longleaf SAC members (Keith Pendergrass, Peggy Elder, and Ken Haas) along with Bob Mulder who previously served on the Longleaf SAC and has been part of the Sub-Association Advisory Committee. Ken also recognized and thanked Judy Jenks who chairs the Landscape Committee and Jan Pylant who chairs the Pool Committee along with their committee members. Peggy Roblyer, Margaret Kee, and Pat Shuman were mentioned as well for maintaining our email list serve, recommended service provider list, owner directory, and nametags. The work done by these volunteers is very much appreciated and very important in keeping Longleaf such a special place to live.

Ken then introduced Jeff Quinn (President of CROA), David Herrigel (Legal Counsel for the Joint Venture), and Rebecca Drube (Legal Counsel for Longleaf). Ken gave a brief recap of the 2014 financials. Actual Operating Income for the year was \$244,289 with Operating Expenses at \$250,641 resulting in a \$6,352 Operating Income Loss. After taking out the shortfall due to delinquency amount of \$3,960, there is a developer shortfall for 2014 of \$2,392. The total Operating Expense Budget for 2015 is \$250,016 which is lower than the 2014 budget of \$273,181 primarily due to reductions in pinestraw and landscaping expenses.

Peggy Roblyer asked owners about their thoughts on a monthly Longleaf newsletter to incorporate items that do not fit under the current email guidelines. A straw poll was taken and a majority of the owners present were in favor of letting Peggy proceed with the idea.

Jeff Quinn updated owners on the year end delinquencies which totaled \$23,699.78. Two owners make up all but \$148.86 of this amount and a judgement has been received on one owner and is being sought on the other owner.

During the last week, it was discovered that the Ida Cason Callaway Foundation is the actual owner of the twelve unsold lots in Longleaf and not Cousins Real Estate Corporation. This revelation led to last minute negotiations and the Founder agreeing to include POAA provisions in the proposed By-laws and Covenants. Rebecca Drube gave a brief explanation about the benefits of the Property Owners Association Act. She indicated that two main benefits involve future amendments to the documents and a greater ability to collect delinquencies. Under the POA, the adoption of a new amendment makes it binding on all homeowners. Another benefit is that under the POA, liens on all lots are statutory. The new owner and old owner are liable for fees if a closing occurs without a delinquency being paid. The POA gives the association the ability to foreclose and take title of that property; although the first mortgage does stay on the property. Also under the POA, covenants have perpetual duration. Currently, covenants automatically renew every twenty years unless homeowners vote to get rid of them. CROA also cannot make their covenants more restrictive.

The next portion of the meeting was spent with Pamela Pendergrass asking Jeff, David and Rebecca questions that had been submitted by owners. A list of these questions and answers has been attached.

Afterwards, questions were taken from the floor. Many of the questions were concerns expressed about the anticipated costs of the proposed sub-association. Information regarding these costs will be made available to owners prior to receiving the revised documents. Before the meeting adjourned, Ken explained that information regarding the 2014

Longleaf Financials would be emailed to owners along with the minutes and a compilation of the questions submitted by owners and the answers given by Jeff and the two attorneys. There will be a disc recording of the meeting available to anyone that would like to listen to it. Please contact a SAC member if you would like to listen to the recording. The attorneys will begin working on revising the By-laws and Covenants with the POAA provisions and those will be sent out to owners once the revisions are complete. Once the revised timeline is established, the Sub-Association Advisory Committee will notify the owners about voting guidelines.

The meeting was adjourned at 6:45 pm.

Respectfully submitted,  
Peggy Elder

## Answered Questions At Longleaf Homeowners Meeting

March 20<sup>th</sup>, 2015

Panel: Mr. Jeff Quinn ( Callaway Residential Owners Association)

Mr. David Herrigel ( Cousins/Callaway legal counsel)

Mrs. Rebecca Drube (Longleaf Community legal counsel)

### **Rebecca 1. Please explain the POAA – the plus and minus for as it pertains to our community.**

The POAA is a statute that applies to subdivisions and supplements the provisions of an association's declaration and by-laws. It is comparable to the Georgia Condominium Act, which applies to condominiums. Primary benefits include:

(a) **Amendment:** For those community associations subject to Section 44-5-60, and not the POAA, an amendment to a subdivision's declaration only applies to the Lots whose owners voted in favor of the amendment. This means that even if a majority of the owners are in favor of an amendment and vote to approve it, it will only apply to those owners who vote in favor of the amendment. However, since O.C.G.A § 44-5-60 does not apply to property subject to the POAA, associations that are subject to the POAA can amend their documents by obtaining a vote of 2/3rds of the owners in favor of the amendment, and the amendment will then be binding upon all owners.

For example, during discussion of the new covenants at the meeting held on Friday, March 20, 2015, an owner asked whether the new Longleaf documents could contain provisions restricting the types of homes that could be built in Longleaf to those of a certain standard. Even if the Founder were agreeable to inclusion of such additional restrictions on what Unit owners can build in the Community, since the Master Association and the Longleaf Service Area are not currently subject to the POAA, the new Longleaf documents cannot contain greater restrictions on what Longleaf owners can or cannot do with their Units than exist in the current documents that would be binding on all Longleaf owners without 100% approval of all Longleaf owners. However, if the new documents are adopted and Longleaf becomes subject to the POAA, the Longleaf Association (with the consent of the Master Association and possibly Founder), could then pass an amendment imposing such greater restrictions on building in the Community by 2/3rds vote of the Longleaf Owners, and such amendment would be binding on all Longleaf Owners.

(b) **Foreclosure:** Homeowner associations subject to the POAA have an automatic, statutory lien under the law. That lien is superior to all other liens on the unit or lot except these liens:

- ad valorem taxes;
- first priority mortgages;
- mortgages recorded before the declaration was recorded;

- lessor's liens (GCA only); and
- secondary purchase money mortgages given by someone other than the seller.

Typically, lien holders have needed a first priority lien in order to proceed with foreclosure, meaning the association had to pay off all liens which were superior to its lien. This usually meant that the association would have to pay off, at a minimum, the first mortgage. Because many associations could not overcome this financial hurdle, foreclosure was an impractical option.

Associations submitted to the POAA have the statutory ability to get court orders to foreclose their liens without first paying off superior liens, like first mortgages. Those liens still remain on the property after the foreclosure sale and become the responsibility of the buyer at the sale, but they do not have to be paid off before the foreclosure sale. This provides a much more effective foreclosure power for these communities struggling with serious delinquencies. There is a \$2,000 threshold prior to being able to obtain an order to foreclose.

(c) Statutory Lien. One of the biggest advantages to adopting the POAA is the automatic statutory lien provision of the POAA. After submitting to the POAA, the Association will no longer be required to file written liens for unpaid assessments or other charges. This automatic lien provision essentially safeguards the Association from losing money from delinquent Owners. However because some closing attorneys fail to call for payoffs and closing statements we still encourage filing notices of statutory liens. However, the Association is not required to under the POAA.

(d) Attorneys Fees. The automatic lien provided by the POAA includes the Association's costs of collection of the delinquent assessments, including reasonable attorney's fees actually incurred. If the community is not subject to the POAA, it is likely that the amount of attorney's fees awarded to the Association by a court will be significantly less than the amount actually incurred and will be the only amount that is recoverable from the delinquent homeowner. If this occurs, the Association will have to absorb the difference.

(e) Duration. By adopting the POAA, as long as the Declaration contains appropriate language, the covenants and restrictions contained within the Declaration are not subject to the terms of O.C.G.A. § 44-5-60, which allows for 51% of the owners to vote to terminate the covenants at the end of the first 20 years of the covenants' existence and the end of any subsequent 20 year period. In other words, the Association will not need to worry about the possibility of the covenants for the community terminating.

**Jeff**      **2. What entities are currently stockholders in Callaway Residential Association, Inc., and what percentage does each own?**

CROA is a membership corporation with no stockholders. Each owner in the residential properties is a member of CROA.

**Jeff**            **3. Who are the directors and officers? How long have they held these positions?**

Jeff Quinn (since 2007, Mike Guinan (pre 2007), and Bill Bassett (since 2013). The Secretary of State filing is being updated to reflect Jeff Quinn and President, Bill Bassett as Vice President, and we will be making a change with the third seat at the annual CROA meeting.

**Rebecca**      **4. If the new Sub-Hoa passes by 67% of eligible homeowners can CROA make covenants more restrictive**

CROA would not have authority to amend the Longleaf Declaration, so it could not amend the Longleaf Declaration to make those covenants more restrictive. Further, presently, the Community Charter is not subject to the POAA, so CROA would not be able to amend the Community Charter covenants to impose greater restrictions on the use of the Longleaf owners (or any owner of property subject to CROA) without the approval of that Owner. If the CROA did become subject to the POAA, then it would have the authority to pass more restrictive covenants that would be binding on Longleaf, so long as it obtained the approval of the required majority of owners (at least 2/3rds).

David indicated the covenants may be amended to become more restrictive provided the necessary amendment procedures are followed.

**Rebecca**      **5. Could CROA or Cousins or any other entity other than the Longleaf Association increase assessments or fees Substantially?**

CROA retains the right to set the base assessment applicable to all properties subject to the Community Charter, further, the Community Council and Callaway Club also retain the right to set their assessment/membership fees. So, yes, they could increase their respective fees. However, for owners who purchased their lots prior to October 16, 2009, the Community Council fees cannot be increased in any year by more than the percentage increase in the Consumer Price Index for the previous year. Further, the fees for the Master Association and the Community Council are based upon the budget for each entity's Common Expenses divided amongst the lots paying fees, so there should not be a substantial increase in fees without a substantial increase in Common Expenses or a decrease in lots paying fees?

David and Jeff said neither CROA nor Cousins will be able to increase Longleaf Association assessments. CROA assessments may be increased depending upon the budget.

**David & Jeff**        **6. If we vote yes will CROA be responsible for the same fees we as homeowners pay for our association fees or the shortfall?**

CROA does not pay assessments. Assessments are the responsibility of lot owners.

7. **If we vote no will CROA be responsible for the same fees we as homeowners pay for our association fees or the shortfall as they currently are now? What have the past 5 yr. shortfall been?**

With a no vote, Cousins/Callaway (not CROA) will remain responsible for the shortfall.

- Jeff & David 8. **If we vote yes after the post 120 day of election of our four property owners and one appointed Founder will each member, including the appointed founder have equal voting powers?**

Per agreement by Cousins/Callaway, the Founder will not be appointing a Longleaf Assn. director. The ICCF will be entitled to appoint one director for so long as it owns a lot in Longleaf. The ICCF director will have equal voting powers with the other directors.

9. **Will homeowners have a member on the CROA board?**

Jeff indicated the documents do not call for an owner on the CROA board until 50% of property sold based upon the Master Plan for Callaway Gardens. At 90% the owners take control of the CROA. However, one can be appointed if they so choose. Note: *Since Longleaf homeowners meeting, Fran Rogers was selected to the CROA board. She is taking the place of Mike Guinan (Pine Mtn. Builders). She is a trustee of the IDA CASON CALLAWAY FOUNDATION. She is also a homeowner in Longleaf.*

10. **If we vote yes and Cousins paves the streets and alleys will they also add curbs?**

No, that has never be a commitment to curbing.

**Do we need a written evaluation and recommendation about road curbing from a qualified, uninterested party?**

The Longleaf Community will have to decide since the cost would be the communities.

**If Longleaf decided they wanted curbing, would the Master Assn. allow us to pay for curbing at the time of paving?**

The question would have to be answered by the DRB (Design Review Board)

**11. If we vote no will Cousins continue to be responsible for repair of roads as they are now or is it Croa under Article 3a of the Longleaf Supplement to the Charter (with funding from Assessments against Longleaf Owners)?**

Under the current documents, CROA is responsible for maintaining all areas assigned to Longleaf as Limited Common Areas, and the costs of such maintenance is assessed against the Longleaf Owners as a Service Area expense. The Limited Common Areas are defined as any portion of Longleaf not contained within a Unit's boundaries, which would include the roads located within Longleaf. To the extent that any roads, pools, playgrounds, post office or any other area is not part of a Unit and is located within the boundaries of Longleaf, then the Master Association is currently responsible for maintaining those areas and the Longleaf owners pay the expense of such maintenance. So, the Longleaf owners are responsible for paying for maintenance of the roads under both the current documents and the new documents. It is my understanding that the roads are incomplete, and that is why the Founder has paid for some maintenance to the roads in the past.

David said CROA.

**REBECCA 13. IF we vote yes will Cousins/Croa be responsible for any assessments that arise for homeowners roads, pool, playground, post office, or any assessments made to homeowners?**

If the Founder owns any lots within Longleaf, then the Founder will only be responsible for paying for reserve contributions on those Lots during the Development and Sale Period. Longleaf will be solely responsible for paying the expenses associated with the Longleaf Common Area, which would include any of the roads, pools, playgrounds and other common areas located within the boundaries of Longleaf. The Master Association would not be responsible for those expenses.

David said ICCF, as the owner of Longleaf lots, will be responsible for the reserve component of the Longleaf assessments. Neither Cousins/Callaway nor CROA will be responsible for assessments relating to Longleaf facilities.

**14. If we vote no will they continue to be responsible for any Assessments that homeowners have as they are now?**

The Master Association is not currently responsible for paying the expenses associated with maintenance of the Longleaf Limited Common Areas, Longleaf pays those expenses as Service Area assessments. Under the current documents, the Founder can either choose to pay assessments on Units it owns in the same manner as other Longleaf owners, or the Founder can choose not to pay assessments but rather to fund the Service Area Budget Deficit (if any) and make reserve contributions on any Units that it owns within Longleaf.

**Jeff & David**      **15. Who are the present owners of the 12 lots in Longleaf that remain unsold? What percentage is owned by each?**  
The Ida Cason Callaway Foundation (ICCF) owns the twelve remaining lots 100%.

**Rebecca**      **16. If we vote yes, could change of ownership at the Master Association /HOA level be detrimental?**

This is a very broad question, but I do not see that adoption of the new Longleaf documents would make Longleaf any more vulnerable to an ownership change at the Master Association level than it would be as a Service Area.

David said Longleaf is subject to changes which may come from a change in ownership of the balance of the Callaway development regardless of a yes vote or a no vote.

**17. What would happen in the event of sale of Longleaf?**

There could not be a sale of the Longleaf community, only sale of individual lots in the Community. The sale of individual lots should not have any effect on the documents.

**18. What would need to happen for Longleaf to become a stand alone HOA?**

Longleaf could not practically become a stand-alone HOA that is not subject to the Community Charter. Under Chapter 18.1, once property is submitted to the Community Charter, it can only be withdrawn while it is unimproved and then only by the Founder. Other than this right reserved to the Founder, the only way that the Longleaf property could be withdrawn would be for the Community Charter to be terminated altogether. Except in the 2 years prior to the end of the initial 20 year period of the covenants or any subsequent period, this would require the vote of 100% of all owners and mortgage-holders of any property subject to the Community Charter. Note that this would still not terminate the obligations under the Community Covenant.

**Jeff**      **19. If we vote yes, in your opinion, will the new sub-hoa need a permanent office location?**

That is a decision that will have to be made by the Longleaf Board.

**20. Does Cousins/Croa or any affiliate have any loans or liens using The Longleaf Community as collateral?**

The answer is NO.

Jeff &  
David

**21. What is the asset capitalization policy today? What will it be if the sub-hoa passes?**

Jeff said there is no asset capitalization policy to speak of. The Founder is obligated to fund operating deficits and the lot owner (ICCF) pays the annual capital reserve fees.

**22. How often will the board meet if this passes?**

The Longleaf By-Laws require the Board to meet at least quarterly (i.e., four times per year). It may meet more often if they so desire.

**23. If this passes would board members be financially compensated?**

Only with Longleaf Association membership approval.

**24. What would the board decision authority guidelines be?**

The Board determines its decision making guidelines on matters within its authority.

**25. What would the spending and payment approval guidelines be, including use of Capital Reserves?**

The Longleaf board determines.

**26. Would competitive bids be required above certain dollar thresholds?**

The Longleaf board determines.

Jeff

**27. What duties will Jeff and Chrystal retain and what will they relinquish if this passes?**

They will have no duties.

**28. Would the relinquished duties be absorbed by the Board or what would it cost us to retain replacements?**

The new Board would have to answer that question.

**29. Would the Master HOA require us to retain qualified, licensed property manager of State of Georgia if we see management is needed?**

State law governs property managers and license requirements. The Master HOA does not require that Longleaf be managed by a third party manager.

**30. What would the term of a board member be, and will there be term limits?**

Board members terms are for two years. No one may serve more than three consecutive terms. See Section 4.2 of the Longleaf Assn. By-Laws.

**31. What would the procedure for nominating, vetting and electing board members?**

See Section 4.3 of the Longleaf Assn. By-Laws. The Board has discretion in determining nominating procedures; provided nominations from the floor at any election meeting shall be permitted.

**32. Is there merit in requiring board composition to include 1 or More non-resident owners?**

This is a question that Rebecca might answer.

**33. What happens if less than 4 owners are slated for election? Again, this would be a Rebecca question?**

*Rebecca said the by-laws allow the board to appoint a new board member. Any member selected shall be selected from eligible members or residents of Longleaf units. See 4.4 Removal of Directors and Vacancies in by-laws.*

**Jeff & David 34. What authority will the board/property owners have to change "guiding principles"?**

David said the Board has discretion to act within confines of Longleaf and CROA documents; provided, amendments may not be in conflict with the CROA documents. Any amendments impacting the Founder or the Master Association are subject to approval by the Founder or the Master Assn., as applicable.

- 35. What committee structure would support the organization? I would suggest communications, compliance, finance, pool, landscape, and contractual.**

The Board has the discretion in determining committees.

- 36. If a lot is sold to a present homeowner for an addition to their existing lot for such use as a garden or just additional backyard space would the new owner be required to pay Association fees and/or assessments on additional lots that they purchase or would our Association forever lose the income on that lot? Also can any purchaser of the remaining 12 lots be exempted from paying assessments?**

David indicated each subdivided lot is subject to a separate assessment (except for exemptions provided for the Founder, Founder Affiliates, and Builders.) Also, can any purchaser of the remaining 12 lots be exempted from paying assessments?

David said a Founder Affiliate or a Builder will be exempt from assessments (except for reserves) until a Certificate of Occupancy is issued for a dwelling on the lot.

- 37. Has Cousins, Croa, or Callaway posted bonds with the City, County or State for the Longleaf Community?**

No Bonds are in place.

- 38. What is the estimated cost to the new Insurance policies for liability with payables required by the new documents?**

Your SAC committee will have to answer that question.

- 39. What is Croa/Cousins now paying in taxes to city and county for all Longleaf properties including road, post office, pool, playground, picnic area, and other common areas?**

Jeff said the Harris County tax assessors' website shows the value given to the common area in Longleaf is \$95,433. Using their tax estimator the estimated taxes for 2015 should be \$948. That data needs to be confirmed by SAC.

**40. Since the founder was able to get tax breaks under the umbrella Callaway's prior agreement with both city and state will those Costs increase when given to us?**

Jeff said he doesn't know the answer but can tell you that Pine Mountain taxes are waived for the joint venture due to the fact that Callaway Gardens owns 50% of the venture.

*Rebecca responded they should go down if no we can seek a reduction.*

**Jeff & David 41. Who would be on the Board of the new Master Association by name and entity they represent please?**

Jeff answered the question by talking about the Longleaf board, not the Master Association.

**42. The Joint Venture between Cousins and Callaway what Percentage does each own of the Joint Venture and who Are the present board members.**

Cousins Properties owns 50% and Callaway Gardens owns 50%. There is no board.

**43. Re: Total Release of Liability being discussed:  
Do any parties involved in this contractual agreement presented to Longleaf any and all past and present claims, demands, Obligations, actions, causes of action, rights, damages, costs, Loss of services, expenses and compensation which exist by Any or all parties involved in the proposition?**

David responded by indicating he thought the question probably referred a release. He said there is no ongoing lawsuits and he did not expect any claims.

**44. Would Cousins/Callaway have the right to use or reclaim Our commons area for any reason other than an error in Property boundaries?**

Jeff indicated no.

Jeff

**45. What is the benefit to Longleaf other than immediate pavement of streets and alleys if proposal is accepted?**

For the most part Longleaf will have the ability to control it's own destiny.

*Rebecca said Longleaf will be in charge of budgeting for services and going forward will be able to change amendments. Longleaf will have more power even though Longleaf will still be subject to the Master Association.*

**46. Wouldn't it be better for Cousins to pave the roads at the time the last lot is built , won't future construction damage roads again? Will the transition from road to drive way be smooth so as not to create a lip bump?**

The agreement was when the last home was built to repave the streets and alleys. This was to insure no damage would occur due to construction. This has to be tightly managed and is always a concern when large trucks are involved.

Jeff said Cousins/Callaway will also give Longleaf the option of funding our reserve (around \$185,000) and let Longleaf do the contracting, or Cousins will contract the pavers and will oversee the project.

**47. Are the roads in such disrepair, or such an eyesore to potential buyers that it cannot be explained by realtors that they will be repaved at completion of build out?**

Jeff indicated the road issue rarely comes up when talking to potential home buyers. Then what is to transpire is explainable.

**48. The transition documents state that monthly financials will be provided in the months during transition by the 15<sup>th</sup> of each month. Financials have been notoriously late for most of the nine years I have been here. What guarantees do we have that we will be given these financials on time?**

Jeff accepted full responsibility for the problem and promised he would make a point to improve the situation.

- 49. Should this proposal pass, will the Longleaf Association be deeded the commons areas; i.e. post office, pool, and entrance areas? If not, why not? Who actually has ownership today of these areas?**

David indicated yes.

- Jeff**      **50. Concerning the unbuilt lots in Longleaf:**  
**a. Who owns the unbuilt lots in Longleaf – Cousins/Callaway or ICCF (Ida Cason Callaway Foundation)?**

Ida Cason Callaway Foundation (ICCF)

- b. If the lots are owned by ICCF is the Foundation the Founder rather than Cousins?**

David said the Founder is Cousins/Callaway, LLC.

- c. If the answer to 4. b. is yes, is the proposal on the table legal?**

- 51. If someone contracts to build a house in Longleaf, who will be the builder?**

Pine Mountain Builders will no longer be building at Callaway Gardens. Jeff indicated he is starting conversations with new builders, but this process has just started.

- 52. Should the proposal Pass, Longleaf will be free to seek another company to provide accounts payable, accounts receivable, and financial statements. If the proposal does not pass, what steps will be taken to ensure correct and timely financial statements? Wouldn't you agree receiving the yearend financials including The yearend delinquency report in mid-March is not acceptable?**

I (Jeff Quinn) take responsibility for the lack of timeliness of the financials and will make my best efforts to have monthly financials out (assuming that Heritage Property management has them to me) by the 10<sup>th</sup> of the each month and that year end financials will be out by the 20<sup>th</sup> of January. I apologize for the lack of consistency and timeliness!

- 53. The Estes contract for 2014 included two prepayments of \$2,500 each to cover irrigation expenses for the year and stipulated that any funds not used at the end of the year would be credited back to Callaway Gardens after December 2014. checks for \$450 and \$250 were issued to Estes for irrigation work done in May and July respectively. Please give us an update On this – if there is a refund due, shouldn't that money be Returned to Longleaf, and if so, where will it be reflected on the Income Statement? If no refund is due, would you provide the invoices to document that?**

Jeff indicated he is looking into this now and will get it resolved.

- 54. Under what circumstances can the Master Association or Community Council enforce a lien?**

David said the Master Association and the Community Council may record and enforce liens for payments due to them by lot owners or the Longleaf Association.

- 55. Why is it a good idea to give the Longleaf Association the right to open such facilities as the pool to the general public? There appears to be no limit on the conditions under which such a decision could be made.**

This simply provides the Longleaf Association the flexibility to do so if desires. The Longleaf board with the consent of the community would make that decision.