

HURET LAW FIRM PLLC

November 10, 2021

ATTORNEY-CLIENT PRIVILEGED COMMUNICATION

VIA E-MAIL ONLY (pamdverm@hotmail.com)

Stanley and Pamela Vermillion Living Trust Date October 31, 2014
c/o Mrs. Pam Vermillion, Co-Trustee
149 Lake Meadow Drive
Gray, TN 37615

*RE: Advice to Stanley and Pamela Vermillion Living Trust Dated October 31, 2014 on
Neighbors Not Abiding by Recorded Covenants, Conditions, and Restrictions of
Lake Meadows Subdivision*
Our File: 00014-2021

Dear Mrs. Vermillion:

Thank you for your phone call on Monday, November 8, 2021 during which you informed me that there is some discussion among the Board of Directors of Lake Meadows Homeowners Association, Inc. (the "HOA") to use reserve money to purchase playground equipment for the purpose of erecting a playground somewhere in Lake Meadows Subdivision. As a past member of the Board who established and built up the money in the HOA's reserve account, you asked my opinion about whether the HOA's governing documents allow for its Board of Directors to spend reserve money for the foregoing purpose.

On page four of the initial Declaration of Restrictive Covenants, which were executed and recorded in 1982, it states that the covenants and restrictions shall run with and bind the land for a period of fifty (50) years from the date the declaration was recorded on July 9, 1982, which means July 9, 2032. After the foregoing expiration date, the covenants and restrictions will be automatically extended for successive periods of ten (10) years. The covenants and restrictions may be amended at any time by an instrument signed by no less than seventy-five percent (75%) of the lots within the subdivision. The initial Declaration of Restrictive Covenants does not contain a definition for "Common Area".

The initial Declaration of Restrictive Covenants was amended in March of 2004 by the Lake Meadows Subdivision Restrictive and Protective Covenants. The 2004 amendment expressly defines "Common Area" as the area that "includes, but is not limited to, the swimming pool area, the tennis court area, the boat dock, boat ramp and parking

area.” There is no mention of a playground, however, because one does not exist. Article VI titled "Protective and Restrictive Covenants Enforcement", Section J titled "Changes to Addendums" states that the Board of Directors may from time to time make changes but only to those addenda documents listed in Article VII titled "Attachments/Addenda", which does not include either the initial Declaration of Restrictive Covenants or the 2004 amendment thereto. The 2004 amendment does not specify the percentage of lot owners necessary to amend the restrictive covenants, which means the amendment process remains controlled by the seventy-five percent (75%) of all the lots within the subdivision requirement contained in the initial Declaration of Restrictive Covenants executed and recorded in 1982.

Since the definition of "Common Area" contained in Article III, Section C of the Lake Meadows Subdivision Restrictive and Protective Covenants does not reference a playground, changing the definition of Common Area to include a playground, which will become the responsibility of the HOA to maintain and repair, requires formally amending the protective and restrictive covenants using the seventy-five percent (75%) of all lots voting in the affirmative for any proposed amendment to prevail in my opinion.

The HOA is already responsible for maintaining the swimming pool area, the tennis court area, the boat dock, and the boat ramp and parking area. Practically speaking, anyone who has experience with a swimming pool, tennis courts, or a boat dock understands that maintaining these facilities and structures is neither easy nor inexpensive. These facilities and structures can also be enjoyed by HOA members, their families, and their guests of many different ages while playground equipment is mainly intended for the enjoyment of children of a certain age range. Purchasing playground equipment when the HOA is already obligated under its governing restrictions and covenants to maintain and repair so many other facilities and structures is not the best use of this money since spending on playground equipment now means no money for maintenance and repair of the other facilities and structures later. If there is less money in the HOA's reserve account than what is needed for future maintenance and repairs of the existing facilities and structures, this will likely cause the Board to impose special assessment(s) on the HOA's members to cover any shortfall.

Since this letter is addressed to you in your capacity as Trustee of the Stanley and Pamela Vermillion Living Trust Date October 31, 2014, which is my firm's client, it constitutes an attorney-client privileged communication. I understand that you choose to share the contents of this letter with the members of the HOA's Board of Directors, fellow Lake Meadows residents, or both. While it is your prerogative to share this letter as you see fit, please understand that that doing so may constitute a waiver of the Attorney-Client Privilege, the Attorney Work Product Doctrine, or both.

Thank you again for contacting my firm for assistance on this matter. If you have any questions about anything, please let me know.

Very truly yours,

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