

PRESIDENTS REPORT MARCH 25, 2016

On Friday, February 19, 2016 the MSOA Board and the PARCEL PRESIDENTS met to approve a resolution to the Declaration that was required to settle the law suit with LR5A-JV, who had agreed to settle the suit.

Our attorney spent approx. 45 minutes explaining why both parties felt the settlement was the best for both parties. Many questions from the owners in the room were answered before the vote was taken.

The following parcel presidents Gary Taylor, SC1; David Sowers, SC2 ; Bill Clay, Lakeside and Karen Hegarty, Las Brisas voted against the resolution to settle the suit because they demanded that another resolution to change the election procedure for MSOA Board members be approved by the Board and LR5A-JV. The election procedure has only been used twice in 10 years and was not considered to be serious enough to supersede the law suit. Since 75% of the parcel votes are required to amend the Declaration the motion to approve the resolution failed. Our attorney advised against trying to add a second resolution to be approved by LR5A-JV as they had already agreed to settle.

I met with the parcel presidents prior to the vote to encourage them to vote to approve the resolution and we would address the election changes shortly thereafter. This was not acceptable to them.

On the following Saturday Bill Clay and I and some of the Parcel presidents met with the Duval group who wish to develop the property to discuss the various development criteria and how we could come to agreement on a mutually beneficial development plan which would have to be approved by the the MSOA Board.

It appeared to be a good meeting and Duval was to send to us a letter of intent to cover the items we discussed. This was done and sent to all of the parcel presidents for comments.

The comments received suggested that the parcel presidents were not satisfied with certain of the items offered including tap-in fees, Perk pond III trade-off and the number of Apartments and Houses planned.

On Saturday March 19, 2016 Members of the MSOA Board and Parcel representatives from SC2, SC3, Sea Colony, Lakeside, Las Brisas and South Commercial met to discuss changes to the CCR's on the election procedures for the MSOA Directors. A draft was sent to all participants on Monday March 21, for review and agreement prior to sending to the attorney. A copy is hereto attached.

Attached you will find the latest edit as of March 24, 2016, this proposed change must be approved by the Board as well as the Parcel voters, in order to be recorded. Once approved, it was agreed by all parties that the resolution to settle the law suit would be approved by the parcel voters who had voted against it.

A meeting would be called for the parcel voters to vote on both issues in the near future as well as a discussion on the offer made by the Duval Group and what the parcel voters feel would be in the best interest of both parties.