

Proposal #1

SETTLEMENT PROPOSAL
LAKE PARK RESORT, INC. BOARD OF DIRECTORS
April 10, 2024

Restore Corporate Structure:

The not-for-profit corporation, Lake Park Resort, Inc. AKA LPRI, AKA Lake Park, is and always has been a separate entity from the LPRI Property Owners' Assoc. and has been since its inception in 1972. The corporate by-laws and POA rules and regulations attest to this separation. The corporation was originally tasked with property sales and development of the Lake Park subdivision. The corporation and the POA each had its own board of nine (9) officers plus a corporate Chairman of the Board, bringing the total offices to 19. From Day 1, the developers were unable to secure 19 members in good standing to populate the boards separately, so they amended both boards to seven (7) officers, which still required 15 members in good standing. As a fix, the founders began holding dual offices, i.e. the president of the corporate board of directors also served as president of the POA. Even doing this, the number of officers was eventually lowered to five (5) in 2021, which is how it currently stands.

We propose returning to the original hierarchy by separating the two entities again. This would allow for the replacement of all five (5) POA officers with the current POA officers retaining their **corporate** board of directors' titles in order to transact property sales. All property sales monies shall belong to LPRI to be utilized for taxes, fees, infrastructure and recreational areas maintenance. The corporation's end goal is the eventual dissolution of the non-profit entity once all properties have been sold. The day-to-day park operations would be handed off to a like non-profit property developer/manager.

The current members in good standing (a list of which will be provided to plaintiffs' counsel) may nominate and elect the new POA officers at a specially called meeting the date and location of which will be determined by the plaintiffs and conveyed to the membership at large via USPS mail. Member mailing information will be provided in the disclosure files.

The following will be retained by the LPRI Board of Directors:

1. Corporate Charter
2. Corporate By-Laws
3. Business Banking Account (current balance \$2,757)
4. Deeds to all Lake Park-owned properties including recreational areas

Corporate Responsibilities will be:

1. Marketing and sales of LPRI properties by a sales agent(s)
2. Maintaining roads, ditches as it affords
3. Inspecting and maintaining dams, except annual clearing on front and back of both dam roads
4. Paying property taxes on unsold properties and all recreational areas
5. Paying charter filing fees, annual corporate reporting

POA Responsibilities will be:

1. Add new names to PO contract, \$100 rental pre-paid through September 30, 2024
2. Collection of member dues, fees, and arrearages and keeping financial records
3. Maintaining member mailing list for communicating with members via quarterly newsletters and/or notices
4. Scheduling and conducting member and POA meetings
5. Keeping records of meeting minutes, attendance, and correspondence
6. Publishing quarterly financial reports to the corporation's board of directors and membership
7. Holding annual elections of POA officers via nominations of and by members in good standing
8. Continue rolling out the Neighborhood Watch sign-up campaign
9. Maintain accurate incident reports to aid law enforcement and Neighborhood Watch
10. Maintaining a clean and safe neighborhood by enforcing park Rules and Regulations
11. Maintaining and updating the Lake Park website and official Facebook page

POA retains the following authority:

1. POA will operate autonomously, according to their Rules & Regulations
2. POA rules may be amended by POA officers after a publicized member meeting and subsequent vote
3. POA membership votes on any changes to membership dues amounts, as well as assessment values and fees, and ratified by the members in good standing at a specially called meeting
4. Full use of recreational areas is granted
 - a. No structural changes to ANY amenity permitted without prior written approval from the corporation board
5. Workday committees may be created to assign clean-up tasks to resident volunteers such as dam brush removal, mowing, and keeping the front lake overflow cleared of debris caused by beavers, whose population must be controlled
6. POA may submit work orders to the corporation for large repairs or maintenance issues that may be outside of the POA purview

The plaintiffs' two-years arrearage fees* should be collected and used as the opening deposit to fund a new checking account in which access shall be restricted to POA officers only

All POA files, both hard copy and digital formats, which pertain to POA affairs will be made available to plaintiffs. They may be picked up at the offices of McClanahan & Winston in Crossville.

In the event that any How-To instruction is sought, Jerri Lynn will be available upon request for a 30-day transition period beginning the next business day following settlement.

These are our terms; if accepted in whole, we implore the Court to summarily dismiss this case with prejudice.

* The following are the names of all plaintiffs with arrearages and corresponding annual assessment amounts:

Plaintiff	Owned	Annual	Total	7-Year	2-Year	Net Loss
R. Pesson	2015	\$70	\$630	\$490	\$140	\$490
B. Belcher	2006	\$100	\$1,700	\$700	\$200	\$1,500
J. Hendrix	2008	\$75	\$1,125	\$525	\$150	\$975
A. Jackson	2005	\$150	\$1,250	\$1,050	\$300	\$950
A. Johnson	2006	\$135	\$2,295	\$945	\$270	\$2,025
L. O'Leary	2020	\$65	Paid-Member	--	--	\$0
J. Voss	2015	\$110	\$1,080	\$840	\$240	\$840
Z. Burgess	2021	\$65	\$195	\$195	\$130	\$65
M. Holdsamback		--	Non-Owner	--	--	\$0
P. Turner		--	Non-Litigant	--	--	\$0
			\$8,275	\$4,745	\$1,430	\$6,845