



HWPOA INFORMATIONAL MEETING, June 16,2021

Lawsuit Timeline

1. On 16 April 2019, two members of the HWPOA board (Mary McClurg and Susan Vogel-Hudgins) signed an access easement with the Allgoods to allow an entrance to their defense highway property via Kingsway Drive across the HWPOA open space. The open space area, which is the subject of the lawsuit by Marvin and Judith Allgood, is collectively owned by all the homeowners in Hallmark Woods (check your deed restrictions). This easement did not meet the requirements of the Articles of incorporation of the HWPOA which required approval by 3/5 of the Board of Directors and at least 2/3 of the Hallmark Woods members entitled to vote.

2. On 2 May 2019, Mary McClurg and Susan Vogel-Hudgins held a board meeting with only approximately five homeowners in attendance. The access easement subject was raised, but was never voted on, which is contrary to the Amended Articles of Incorporation of HWPOA.

3. On 17 July 2019, the board (including Mary McClurg, President, and Susan Vogel-Hudgins, Treasurer) that signed this easement resigned and appointed Philip Mazza as President

4. On 19 July 2019, after recently learning of this easement, HWPOA held an emergency meeting to resolve the issue

5. On 23 July 2019, HWPOA sent a letter to the counsel for the Allgood's that the easement was invalid. Prior to that, on or around June 10, 2019, a resident of HWPOA contacted the Allgood's bankruptcy trustee, and informed her of the invalidity of the Access Agreement.

6. On 11 September 2019, at a Special Meeting called by Mr. Mazza, the Hallmark Woods homeowners voted 52-8 in opposition to the Access Agreement. Accordingly, HWPOA returned the \$1000.00 check provided by Allgood, which was a requirement of the proposed Access Agreement. At that meeting, a new Board of Directors was approved, Philip Mazza, President, Nancy Smith, Treasurer, Raechelle Washington-Bailey, Secretary, Andrew McGrath, Member and Ken Mlynarski Member.

7. In September 2019, the Allgoods filed a lawsuit against the HWPOA that alleged that the Access Agreement was valid and enforceable, and asked the Court to determine as such. A vote against the ratification of the Access Agreement on September 11, 2019 meant that the homeowner approves the

HWPOA to take all necessary actions to rescind the Access Agreement, which includes defending this lawsuit. Recently, the Allgoods attempted to amend their complaint, and claimed damages against HWPOA for over \$250,000. HWPOA counsel fought this amendment, and the Allgoods' counsel agreed to withdraw it; therefore, the issue before the Court is whether or not the Access Agreement is valid and enforceable.

8. On 1 June 2021, HWPOA lawyers filed a Motion for Summary Judgment. Counsel for the Allgoods will file an Opposition on June 15, 2021 and thereafter, the Court will decide whether to hold a hearing and grant our motion. If the Motion is granted, we will have won the lawsuit and the case will be over. However, if the Judge believes there are material facts in dispute, the Judge will move forward with a trial that is scheduled for July 13 and 14, 2021. Because we do not anticipate a ruling on the Motion for Summary Judgment until right before or at trial, our attorneys will need to prepare as if a trial is happening, which will increase legal fees. For example, there are multiple deadlines throughout June (ex: trial exhibits are due with the court on June 14, 2021) that our attorneys' have to meet regardless of the pending motion.

Financial Status of the Legal Fund

1. As of 5 June 2021, we have only collected 48% of operating requirements and 53% of legal defense requirements, from approximately 43% of homeowners, for the current year. Please note that 14 homeowners paid more than the \$100 requested. These homeowners' total contribution will be adjusted based upon the final legal billing.

2. Based upon the information we have now, the cost to complete the Motion for Summary Judgment process will be in the range of \$200.00 per every homeowner in Hallmark Woods. If we proceed with the trial process, the range will increase to approximately \$500.00 per every homeowner in Hallmark Woods. Pursuant to the governing documents of HWPOA, dues are to be set at a meeting each year by the Board of Directors, upon affirmative vote of the members. Because the members previously voted in favor of taking all steps necessary to rescind the Access Agreement, the Board is within its rights to increase the annual dues owed by each homeowner.

3. The alternatives other than the homeowners providing the funds directly and operating as a team are very limited (and this is not what we want to do), but the bills need to be paid. Under our governing documents, the HWPOA can create a lien on the property for failure to pay these assessments. Now this may provoke "hate and discontent" among the homeowners but we have no other choice to collect legal fees based on the membership's prior vote.

This a very costly path for those that have not paid, and we ask those that have not paid to follow the leadership and team spirit of those that have paid, and send that check in asap.

The HWPOA board appreciates the community support and is again requesting volunteers for membership to help navigate the community through these difficult times.