

LAKE SOVEREIGN HOMEOWNERS ASSOCIATION, INC.

NOTICE OF ANNUAL MEMBERS MEETING

NOTICE IS HEREBY GIVEN, in accordance with the By-laws of Lake Sovereign Homeowners Association, Inc. (the "Association") that the Annual Meeting of the Association will be held as follows:

NEW DATE: Thursday, March 29, 2007
TIME: 7:00 p.m.
PLACE: Cherokee County Community Center—BridgeMill
9550 Bells Ferry Road
Canton, Georgia 30114

One important action will be brought before the owners for voting as follows:

ELECTION: Pursuant to the By-laws of the Association, there will be an election held to elect two (2) directors to the Board of Directors of the Association. The director candidates will be elected for a two-year term. The Board currently consists of five (5) Board members. Three of the directors will be serving the second year of their two-year term. Pursuant to the By-laws, the Nominating Committee has nominated the following persons to stand for election to serve on the Board of Directors:

Phyllis Lea
Peter Pauline

Additional nominations for directors will be taken from the floor during the meeting.

PROXY: Enclosed is a Proxy for your use if you are unable to attend the meeting. The Proxy, if granted for general use as specified therein, may be used to obtain a quorum at the meeting. To avoid the potential of the lack of a quorum, it is requested that you return your Proxy to the Secretary in the enclosed envelope unless you are certain that you will attend the meeting. If you return your Proxy in anticipation that you will not attend the meeting, but thereafter do attend the meeting, you may revoke the Proxy and vote on all matters before the Association.

Dated: March 7, 2007

LAKE SOVEREIGN HOMEOWNERS
ASSOCIATION, INC.

By _____
Rebecca D. Hudson, Secretary

LAKE SOVEREIGN HOMEOWNERS ASSOCIATION, INC.

March 29, 2007

7:00 p.m.

**Cherokee County Community Center—BridgeMill
9550 Bells Ferry Road,
Canton, Georgia 30114**

AGENDA

1. Call to Order
2. Calling of roll and certification of proxies
3. Proof of notice of meeting or waiver of notice
4. Approval of the Annual Meeting Minutes of March 7, 2006
5. Appointment of inspectors of election
6. Introduction of director nominees
7. Additional director nominations
8. Ballot for Director elections
9. Officer Reports
 - President's Report: Gary W. Copeland
2007 Association Goals/Objectives Challenges
Summary Budget Comparison
 - Special Report: Lake Restoration & Litigation
 - Treasurer's Report: Milt Aebi
Current account balances, financial controls
10. Committee Reports
 - ARC: Louis Tooker
Summary of 2006 committee approvals, rejections, covenant compliance, challenges
 - Common Grounds and Communications: John Krueger
2006 accomplishments and 2007 objectives
 - Community Relations: Gary W. Copeland
 - Lake Committee: Phyllis Lea
2006 accomplishments and 2007 objectives and challenges
 - Recreation Committee: Don Copeland
2006 accomplishments and 2007 objectives and challenges
 - Social Committee: Debra Pesta
2006 accomplishments and 2007 Social Events
11. Announcement of elected Directors for 2007/2008 terms
12. Appointment of 2007 Nominating Committee for 2007/2008 Director Candidates

Adjourn

Question and Answer Period

LAKE SOVEREIGN HOMEOWNERS ASSOCIATION

ANNUAL MEETING INSTRUCTIONS

Overview

Step 1) Complete and return the enclosed Proxy **if you do not plan to attend the meeting in person.**

Step 2) Fill out the Certificate of Appointment of Voting Representative Form if the property is owned by a corporation or partnership. Only one member can designate the proxy or vote on behalf of a partnership or corporation at the meeting. This certificate must be completed whether voting in person or by proxy.

Step 3) Return the proxy in the self-addressed envelope provided. Note your lot number in the space provided on the outside of the envelope as well as on the proxy. **Failure to use this envelope will result in your vote not being counted.**

ANNUAL MEETING MINUTES
Lake Sovereign Homeowners Association, Inc.
March 7, 2006

The Annual Meeting of the Lake Sovereign Homeowners Association was held on March 7, 2006, at 7:00 p.m. in the Cherokee County Community Center--BridgeMill, 9550 Bells Ferry Road, Canton, GA, 30114.

Directors Gary Copeland, Don Copeland, Peter Pauline, and Ginger Evans were present. Milt Aebi, Treasurer, was present. Becky Hudson, Secretary, was present to record the Minutes of the meeting.

President Gary Copeland called the meeting to order.

Homeowner Roll was taken by Secretary Becky Hudson and Nominating Committee members Debra Pesta, Sue Gross, and Rosie Flanagan as owners registered to receive their ballots. A quorum was established with 38 households being represented at the Annual Meeting. Mrs. Hudson stated that the Certification of Mailing for the Annual Meeting to all homeowners was completed on February 6, 2006. The quorum and the homeowner roll were certified by the Association Secretary.

Secretary Becky Hudson stated that the Minutes from the February 23, 2005, Annual Meeting were mailed in the February 6, 2006, Annual Meeting Package.

RESOLVED, that the Minutes of the February 23, 2005, Annual Meeting of the Lake Sovereign Homeowners Association be accepted. The Motion was presented by Sergio Leone and seconded by Ted Pesta. The Motion carried.

Debra Pesta, CPA and owner, presented the Third Party Audit Review. She found that the financial report and supporting records are fairly presented for the period ending December 31, 2005, in conformity with the accounting procedures specified by Generally Accepted Accounting and Auditing Standards & Procedures. Mrs. Pesta commented positively on the thoroughness of the recordkeeping and internal controls of the financial books and records.

President Gary Copeland presented service plaques to outgoing Directors Ginger Evans and Don Copeland thanking them for their service to the Lake Sovereign community.

Secretary Becky Hudson introduced the candidates for Director for 2006-2008. Candidates Sergio Leone and Louis Tooker presented their background and qualifications for the Director position. Candidate Jim Derr was unable to attend; however, his wife, Judy Derr, presented his background and qualifications.

President Copeland stated that Director Julie Murdock had submitted her resignation as Director due to personal reasons. President Copeland asked for nominations for Director from the floor. Since there were no nominations from the floor, Mike Flanagan moved to close nominations. The motion was seconded by Deborah Pesta. The motion carried.

RESOLVED, that the members of the Lake Sovereign Homeowners Association accept Jim Derr, Sergio Leone, and Louis Tooker as Directors for 2006 and 2007. The new Directors will replace outgoing Directors Don Copeland, Ginger Evans, and Julie Murdock. The motion was presented by Sue Gross and seconded by Deborah Pesta. The motion carried.

Milt Aebi, Treasurer, gave the 2005 Annual Treasurer's Report.

President Gary Copeland gave a presentation highlighting the 2005 achievements and the 2006 Lake Sovereign Homeowners Association goals, objectives, and challenges

Committee reports were given by Committee Chairpersons. **Louis Tooker** reviewed the Architectural Review Committee Report for 2005. **Louis Tooker** gave the Common Grounds and Communications Committee Report for 2005 in the absence of John Krueger and discussed plans for 2006. **Sue Gross** gave the Social Committee Report for 2005 and **Deborah Pesta**, new Social Committee Chairperson, discussed events planned for 2006. **Phyllis Lea** reviewed the 2005 Lake Committee Report and discussed plans for lake management in 2006. **Don Copeland** gave the Pool Committee Report for 2005 and discussed plans for 2006.

Director Peter Pauline announced there will be a community Yard Sale on May 5 and 6. The coordinators are P.J. Beer and Tiana Pauline. The cost will be \$10 per family. A flyer with additional details will be distributed before the event.

Director Peter Pauline distributed signup sheets for the Saturday, April 29, Work Day. Mr. Pauline mentioned several work day projects to be completed including cleaning street and information signs, painting several rooms inside the clubhouse, cleaning the exterior of the clubhouse, cleaning the interior and exterior of the cabana, painting the railings on the bridge, and working on the boat launching area.

President Copeland announced the web site for Sixes Road construction information. The web site is sixesroad.blogharbor.com.

Becky Hudson announced the members of her Nominating Committee who will serve for the next year. They are Sue Gross, Rosie Flanagan, and Deborah Pesta.

There being no further business to come before the meeting, upon Motion duly made, seconded, and unanimously carried, the meeting was adjourned at 8:25 p.m.

President Gary Copeland conducted a Question and Answer period immediately following the Annual Meeting. Questions were directed to all Board members and Committee Chairs.

President Gary Copeland called a meeting of the new Board after the Question and Answer period. Since one of the newly elected Directors was unable to attend the Annual Meeting, the new Board met and decided to elect the new President and Vice President of the Lake Sovereign Homeowners Association at the March 14 Board meeting.

RESOLVED, that the signing of these Minutes by the Secretary representing the Lake Sovereign Homeowners Association Board of Directors reflect ratification of all matters heretofore discussed and approved.

There being no further business to come before the meeting, upon Motion duly made, seconded, and unanimously carried, the meeting was adjourned at 9:05 p.m.

Rebecca D. Hudson, Secretary
Lake Sovereign Homeowners Association, Inc.

LAKE SOVEREIGN HOMEOWNERS ASSOCIATION, INC.

ANNUAL MEETING OF MEMBERS

CERTIFICATE OF APPOINTMENT OF VOTING REPRESENTATIVE

(This form is to be used if the property is titled in a corporate or partnership name whether present or voting by proxy. The designated property owner must be an officer of the corporate entity in which the property is titled. Any qualifying properties should submit this form to the Association Secretary prior to the opening of the Annual Meeting. If voting by proxy, it must be included with the proxy)

To: Secretary, Lake Sovereign Homeowners Association, Inc. (the "Association")

THIS IS TO CERTIFY that the undersigned, constituting all of the record owners of Lot No. _____, in Lake Sovereign Subdivision have designated:

(Name of Designated Property Owner must be one of the owners indicated below)

as their representative to cast all votes and to express all approvals that such owners may be entitled to cast or express at all meetings of the membership of the Association and for all other purposes provided by the Association's legal instruments.

This Certificate is made pursuant to the instruments thereto and shall revoke all prior Certificates and be valid until revoked by a subsequent Certificate.

Dated this _____ day of March, 2007

(Owner) _____
(print name)

(Owner) _____
(print name)

(Owner) _____
(print name)

(Owner) _____
(print name)

NOTE: This form is not a proxy and should not be used as such. This form must accompany a proxy submitted on behalf of a **CORPORATE** or **PARTNERSHIP OWNER**.

LAKE SOVEREIGN HOMEOWNERS ASSOCIATION, INC.

ANNUAL MEETING PROXY FOR

March 29, 2007

TO: Secretary
Lake Sovereign Homeowners Association, Inc.

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned hereby appoints:

(Print Name)

attorney and agent with the power of substitution for and in the name, place and stead of the undersigned, to vote as proxy at the Meeting of the Association, to be held beginning at 7:00 p.m. on March 29, 2007, at Cherokee County Community Center—BridgeMill, 9550 Bells Ferry Road, Canton, Georgia 30114, and any adjournment thereof, according to the number of votes that the undersigned would be entitled to vote if then present upon all matters which properly come before the meeting as may be authorized. If no individual is appointed, then the Secretary of the Association shall be appointed hereby.

(In no event shall this proxy be valid for a period longer than 90 days after the date of the first meeting for which it was given.)

DATED this _____ day of _____, 2007

Lot Owner(s)

Lot Number: _____

Street Address: _____

LAKE SOVEREIGN HOMEOWNERS ASSOCIATION, INC.

Nominees for Board of Directors for 2007 and 2008

Biographies of Director Candidates Running for Office:

**PETER PAULINE
CANDIDATE FOR DIRECTOR**

My wife Tiana and I, alongwith our two sons Kelvin (12) and Levi (8), moved to Lake Sovereign in 1998. We have enjoyed the family atmosphere and the setting of our lake community for more than eight years.

I graduated from the U. S. Merchant Marine Academy in 1976. I then served 20 years at sea and retired as Captain in July 1998. In 1999 I went back to college and two years later received a degree in Mathematics Education. I taught Algebra and coached wrestling at North Cobb and Woodstock High Schools for three years. Since then I have restored and remodeled several buildings in the area including Brenda's House of Flowers, Old Towne Animal Hospital, and Legacy Partners in Woodstock. I am presently restoring a 100-year-old building on Hwy. 20 in Lathemtown.

I have served as Director for the past two years. Since our community is in the final building stage, my background in building and remodeling has been helpful as we dealt with architectural and common area issues during that time. I would like to have the opportunity to continue serving on our board.

**PHYLLIS LEA
CANDIDATE FOR DIRECTOR**

Roy and I moved to Lake Sovereign in October of 1999 after living in our previous home in Cobb County for 28 years. With two adult sons and two grandchildren, we are enjoying our retirement in this beautiful community.

I have a degree in math with a minor in physics from the College of Mt. St. Joseph in Ohio. My work experience includes being employed by Western Electric, AT&T, Lucent Technologies and Six "R" Communications in the telecommunications, engineering, and information system areas for 22 years. I was also co-owner of an engineering and installation firm in the telecommunications industry for seven years.

My goal in serving on the Board of Directors is to help maintain our common areas and covenants for the benefit of our community as a whole. I was active in the pursuit to obtain remuneration from the upstream developers who caused excessive silt in our lake and would like to be involved in the process of removing that silt in the most economical and efficient but least invasive manner.

I served as a member of the Lake Sovereign Transition Committee in 2002 and as a member of the initial Board of Directors in 2003 for a one-year term. Currently, I am serving as Chairman of the Lake Committee and am working with the committee to gather information for the silt removal in our lake. I would like the opportunity to serve our community again as a member of the Board of Directors.

LAKE SOVEREIGN HOMEOWNERS ASSOCIATION, INC.

2007 Board of Directors Meeting Dates:

January 9
February 13
March 13
April 10
May 8
June 12
July 10
August 14
September 11
October 9
November 13
December 11

The monthly meetings are available to owners to discuss individual concerns or issues. Individual owner issues will not be considered for the Annual Meeting Agenda. The Annual Meeting is scheduled to inform owners of the goals and objectives for the year, to provide the Association financial report, and to elect officers or approve any other action requiring a vote by a quorum of Association members.

All Board Meeting owner items will be offered presentation time at 7:00 p.m. (local time) at the Club House for a period not to exceed thirty minutes. At the end of the thirty-minute period, the Board will convene their Executive Session.

Procedures for Owner agenda items:

- All owner items (with supporting documentation), for the agenda of a regularly scheduled Board meeting, are to be submitted to the Secretary of the Board ten calendar days prior to the meeting, otherwise the item will be placed on the following month's agenda.
- Owners will be allowed five minutes to present their items to the Board in a general discussion session, prior to the Executive Session.
- Individual owners will be notified of the Board decision within five business days after each monthly Board meeting.