

LFA DISCLOSURE STATEMENT TO REALTORS, SELLERS, AND POTENTIAL BUYERS

From the Lake Forest Association to Realtors and property owners selling property in Lake Forest Estates and other Chapel Hill neighborhoods near Eastwood Lake:

1. LFA collects funds from property owners to maintain the 48-acre lake, the dam that created the lake from Booker and Cedar Fork Creeks, the private park adjacent to the lake and other commonly owned LFA properties. However, we do not operate like many other home owners' associations; we do not enforce most deed covenants (exceptions noted below), architectural guidelines, deal with feuding neighbors, barking dogs, etc. or represent Lake Forest property owners on matters affecting the entire neighborhood. Town of Chapel Hill zoning and other requirements apply to all homeowners, but LFA does not enforce these either.
2. The IRS considers the Lake Forest Association (LFA) a Home Owners' Association under Section 528 of the tax code. LFA enforces deed covenants regarding dock size and placement in our Eastwood Lake, and access to and use of the lake and park and other commonly owned LFA properties. However, Lake Forest Estates is not a "planned community" as defined in North Carolina law, and as noted above, LFA's scope is more limited than many HOAs.
3. LFA members are sent an annual statement with dues (presently \$250 per year) and assessments. The latter occurs when larger expenses like lake dredging become necessary; this has happened approximately every 15-20 years.
4. LFA does not put liens on properties for unpaid dues and assessments. However, access to the lake, the adjoining park and other privileges like voting on LFA business are limited to paid members only (Participating Members). We encourage all residents in the LFA area to support the neighborhood and their property values by paying dues and assessments whether or not they boat, fish, swim or entertain at the lake and park. Residents that choose not to pay LFA Dues/Assessments are considered Non-Participating Members. It is the expectation of LFA that any seller of a property in Lake Forest Estates disclose to all prospective buyers of the property of the Seller's Participating or Non-Participating Member Status. Residents that choose not to pay LFA dues/assessments are deemed Non-Participating Members. A Non-Participating Member may be reinstated as a Participating Member by payment of all unpaid dues and assessments during their ownership of the property. New property owners may become Participating Members by paying an Initiation Fee (currently \$1,250) and agreeing to pay dues and assessments during their ownership of property in Lake Forest Estates. It is the current policy of the LFA Board to waive payment of the Initiation Fee for new members who have purchased their property from a Participating Member if the new member joins LFA in their eight weeks of ownership of a property in Lake Forest Estates.
5. Lastly, please note that some subdivisions and individual properties are identified as "Lake Forest Estates" on deeds but are not in the LFA service area and cannot be regular members. LFA defines the geographical territory for Associate membership and these properties can apply for a limited number of associate memberships by paying an initiation fee (currently \$1,400) and paying dues which are presently \$350 per year.

For additional background information on our unique neighborhood, please visit our website:

www.lakeforestassociation.org

To check on the current financial status of a property, contact the LFA Treasurer or other board member listed on our website.

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