

Overlook Bay Home Owners Association (HOA) Meeting Minutes  
10/13/2012

Minutes reviewed and approved by BOD

The HOA meeting was convened (Called to Order) at 10am at the Horse Barn on the development property by Pete Lombardi, the President of the Board of Directors for the Association.

The first order of business after the call to order was the tally and validation of ballots which is required to verify if the meeting meets quorum requirements to be an official meeting and needed in order to hold an election of officers. *Background to explain this is that the bylaws require a quorum of paid up owners (current in payment of the annual dues) in order for the meeting to be official and for the ballot results to be used for an official election of officers. Even with additional mailed reminders, we failed to obtain the needed quorum and the board will be discussing additional measures that can be taken to educate the owners on the importance of returning absentee ballots and proxies if they are unable to attend so that an official election can take place and we can get into the intended election term limit and officer rotation process as defined in the by-laws for the development. It is apparent that many of our owners have not belonged to developments with Home Owner Associations before and apparently do not understand the importance of participating in the process.* Bill Yri, VP and acting Secretary provided the ballot count. We have 172 owners which makes the quorum 87. This year we have 113 paid up owners and a good portion of the lots held by banks which are current on dues. We received 53 ballots (3 more came in the mail after the meeting, not soon enough to be counted). Given this count Pete stated that we did not have enough votes per the rules for a quorum and this would be an informal meeting. *Another editorial comment – we have banks holding a number of lots they have obtained through foreclosure/bankruptcies. In some cases, with great encouragement by our treasurer, they are paying the annual dues on the properties. One local bank holds 19 of the lots and is current on the dues for all of them and while they pay the annual dues on a lot-by-lot basis, they are reluctant to provide a proxy to us on a lot-by-lot basis. We are unable by rules to accept a single document for the total of the lots which prevented them from being counted last year and this. We will continue to work with the bank to try and convince them to provide a separate submission for each lot which would greatly help us in obtaining a quorum. We will also be working to help educate the owners on the importance of returning ballots/proxies to enable us to obtain a quorum.*

Pete then asked Bill Yri to review minutes from one of our last Board of Director (BOD) meetings. Bill Yri explained that the BOD meets using teleconferences as required to discuss needed business matters for the development. The minutes of these meetings are all posted on the Overlook Bay web site for review by owners. Bill read the minutes from the 23 Aug 12 teleconference to provide an idea of the business conducted in the teleconferences.

#### COMMITTEE REPORTS

**Financial Report:** Ken Taylor provided a summary of income and expenses and provided hard copies of the independent accountants report on our 2011 finances. He commented on the fact that we had to pay taxes for the first time of \$201 for 2011.

Thus far for 2012:

We have 113 owners paid up on dues

Of the max potential of \$91,400 if all lots were paid up, we have collected approximately \$76,288.75 (which includes a couple of checks which came in while Ken was at

Overlook Bay for the owners meeting)

All bills are current and paid

We have had \$21,370.54 in expenses as of 7 Oct 2012

We have an aggressive collection process for past due dues

We have about \$55,481 delinquent (all years) from current owners

We have about \$33,796 delinquent from non-owners, this includes balances from property sales prior to the Association taking control and some after where POA liens were not picked up by the attorneys or title company plus the bank foreclosures.

**Secretarial Report:** Bill Yri reiterated that all minutes are posted on the web site for review by the owners.

**Architectural Review Board:** Pete Lombardi reported that all builders are current in their building application paperwork and he will be working with the newest owners who are planning to build in the near future to review the requirements for the building application.

**Law suits and collections:** Ken reviewed the status of the law suit with Flat Hollow Marina. They are still in violation, but have blinked and had removed the cables that came up on our owners lots. But there has been some backsliding recently where some new cables have been attached to owner's lots. TVA has not been very helpful but at least has put a moratorium on the construction of new float houses.

Aggressive collection activity is continuing and we are making progress on the delinquencies. The most recent activity concerns a foreclosure on waterfront lot 103. There is a \$4,000 lien on the property and Ken is talking with the bank trying to convince them the lot will be much more sellable if they pay off the \$4,000 lien to us.

**Grounds Equipment:** Jack Koenig commented that in general our equipment is in good shape, we have been doing the prudent maintenance to keep it in good shape. We currently have a broken fitting on our side cutter attachment which we are determining how best to fix. Our big tractor has a high center of gravity which provides some challenges on our steep terrain and we are looking at extending out the rear wheels and adding fluid to the tires to make it safer to operate. Our newest piece of equipment is a portable generator which has already been very useful for work on our dock and at the front entrance.

**Overlook Bay Maintenance Report:** Pete reviewed the great work being done by Bob Smith, our maintenance person with some occasional help from others. Pete communicates weekly with Bob to review issues and tasks and, at the end of each week, gets a summary from Bob concerning how many hours were worked and what work has been done. Pete uses this information to create the expense splits which are provided to the Treasurer for the expense reports for the development. Based on our experience since the development was transitioned to the current board, seasonal task lists have been generated and are used in the planning process

for the maintenance work across the development. This list is updated based on lessons learned to keep it current.

**Marina Report:** Jack reviewed the work done to create a prototype reinforced hinge to replace the substandard hinges that were used on the dock and are frequently breaking. He brought a prototype with him to be used for a fit check and to determine hole placement so that we can have replacement hinges made up. He also reviewed the efforts to place a reinforced strap on the main dock runway where another current linkage is failing. The new swim ladder has been mounted at the end of the dock and signs have been placed on the end of the dock to let boaters know that the dock is a private dock, not a public dock available for public use.

**Campbell County drainage repair:** Lisa Combs reported on her discussions with Dennis Potter (County Road Maintenance). We have asked the county to come out and evaluate the needed maintenance/repair for erosion that is occurring on our road edges in the development. They sent out three of their road department people to examine our roads and we were hoping to have a representative at our meeting to detail their findings. We have not yet received that report and will continue to work with them on the issue. Other owners were encouraged to also call in the hopes of creating a squeaky wheel situation to help them decide to use some of their very limited budget to help our development.

**Old Business:** There was no old business that had not already been discussed in the above reports.

**New Business:** Discussed the new entry sign which was erected by a board of directors work party on the Thursday preceding this owners meeting. Those present agreed that the sign looked very nice.

Also discussed security options that the board has just started looking into that could potentially help mitigate the thefts/vandalism and issues we have had with non-property owners using the dock and leaving garbage behind.

As part of renewing our insurance on the development this year, the company asked if we were boarding horses in the Barn. If we were, the Barn becomes a Stable and it would mean a \$3,500 increase in our insurance. We discussed this in one of our teleconference meetings and decided there was not current need for this coverage given we do not current have any owners wanting to board horses. We have posted the barn stating no boarding of horses and will review this policy each year to determine interest in boarding of horses.

Also given issues with locals hunting illegally on the property, we have posted no hunting signs in a number of locations on the property. The police have been called and provided license numbers in one case where people were caught hunting.

**Correspondence:** Again referred to correspondence with Banks and the correspondence with the owners working to obtain ballots/proxies. A request from the floor asked if a list of property owners could be posted on the web site. We checked the government rules on personal information. Given that our web site is a public site, we can list names and states which are not

considered personnel information. In order to list addresses or phone numbers we would have to have permission of the owner.

### **Open Discussion from Floor:**

Tom Lavene ( Lots 107 &108) had three concerns to discuss:

1. **Drainage** -- He is concerned about drainage from the tack trail. He had submitted a letter to the board asking for an accounting of the extra \$100 in dues that owners with gravel road accesses on their property pay and stating that maintenance is needed on the portion of the tack trail that crosses his property. The board will reply in writing to his letter. We have had a number of **unusually** heavy rains this summer which has resulted in a number of drainage issues throughout the development. Bob has done an exceptional job with the tractor and rock rake keeping up with drainage issues on the gravel access roads and trail. These roads and trail have received increased attention all summer. The board is actively working maintenance issues caused by the drainage and will continue to work to maintain the trail to its original design and conditions per the covenants. Following the meeting, Pete Lombardi and Bill Yri accompanied Tom to his lot so he could explain the drainage issues that he was concerned about so we could see first-hand his concerns. *A point of clarification concerning the gravel tract trail and access roads in the development. The paved roads in the development are county roads and the county is responsible for their maintenance. However, the gravel roads and trail are the responsibility of the owners through the HOA that have them as an access to their property. These owners pay an extra \$100 per year in dues which is put into an account by the HOA for each of these gravel roads and trail which is used to pay for maintenance the HOA performs on them. The covenants state that if these owners desire improvements beyond what is needed to maintain them to their original design and condition, these owners can agree to a special assessment on these owners to fund those improvements*
2. **Community Center** -- He expressed concern that the board had purchased out of bankruptcy the lot at the entrance for potential use in the future as a maintenance center and community building. He expressed concern that an acting board could make such a purchase without a full vote of all the owners. He made repeated statements that the board was unofficial and unelected during his statements. *Tom should be aware that the original developer requested resumes from owners that would be interested in serving on the board of directors and, from those resumes, selected the individuals that they appointed as the acting (**official**) board of directors who were designated to serve when the developer handed over the property to the owners. The by-laws direct the process on how the owners are to elect the officers and that the officer term periods and rotation of officers **begins with the first official election** (quorum needed). So while Tom is very unhappy about having to pay an extra \$100 on his dues because of the tack trail and has personal issues with the current board because of this, the current Board of Directors is completely official and there is nothing we would like better than to be able to obtain a quorum for our election process and get into a normal operating mode instead of this continuing start-up mode.* The board explained that the opportunity to obtain this lot at the

entrance was too good to pass up and that we had obtained it for pennies on the dollar because of the bankruptcy. We also explained that our exploration of options for a combined maintenance facility/community building fully recognize that the community is very much in its infancy and slowly growing at this point. But from a strategic planning standpoint we are prudently exploring options for a phased approach toward such a combined facility. **The board has full authority to act in the best interest of the owners.** As a number of the objectives of the project were discussed, a number of members present stated approval of various objectives being considered.

3. Status of construction on Lot 76—Tom again this year asked about the status of construction on Lot 76 which just happens to be owned by Bill Yri, the VP and acting Secretary on the board. He asked why the construction was taking more than 1 year, a requirement in the covenants. Bill responded that the answer was exactly the same as he was given last year. The building application had been submitted to the land developer when they were still running the Architectural Review board and, knowing that construction of the buildings could not be completed in one year, requested a phased construction process that would exceed one year. That application was approved by the developer and signed by Steve Neff who was running the building application process for the developer. Progress may be slow, but it is being done in phases, progress is being made each year and the quality of the materials/work is very high. It will be an asset to the development.

The meeting was adjourned at 11:45 AM and preparations were completed for the picnic lunch at 1:00 PM.

During the afternoon, maintenance work was done on some of the equipment and the hinge prototype was taken down to the dock for the needed verifications before production of the new hinges can be done.

**A Post script on an e-mail follow-up meeting** in the week following the meeting: When Jack took back the broken fitting for the side cutter and had it welded, the result did not appear to be adequate to function long term when installed. The e-mail meeting was a request by Pete to approve purchase of a replacement part instead of using the welded repaired part. That request was approved by the board.

Respectfully submitted,

Bill Yri  
VP & Acting Secretary