

Overlook Bay Home Owners Association (HOA) Meeting Minutes  
10/12/2013  
Minutes reviewed and approved by BOD

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

As the first order of business, Pete asked Secretary Bill Yri to explain the election process. *The bylaws require a quorum of paid up owners (greater than 50% of 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.* We have 172 owners for a quorum of 87. The BOD made extra efforts this year to include in the voting correspondence an explanation of the importance of owner participation to achieve a quorum so that the BOD could transition from the developer appointed temporary board to an official Owners board. We received ballots from 100 owners either by mail or at the meeting, but 4 of the ballots were received from owners who were not paid up and could not be counted leaving 96 owners participating. [One more ballot postmarked on 7 Oct was in the mail when I returned home, but that person is not current with dues so it will not be counted as part of the election.] Bill announced that we did have a quorum for the meeting and asked for a volunteer to tally and validate the ballots for the quorum. Owner Laurie Teisinger volunteered to review the ballots and verify the tally with Bill Yri.

Pete reminded owners that having a quorum makes this election official and starts the official process of term limits for the officer positions and the board will be looking for nominations over the winter to include on the ballot for those positions that will be open on the alternating cycle for the positions. The positions of President and Vice President will be filled by election at the meeting to be held in 2014; the positions of Treasurer, Secretary and ARB Liaison will be filled by election at the meeting to be held in 2015. Each officer serves a 2-year term and is limited to two consecutive terms in a given office.

Pete then asked Bill Yri to review the minutes from the last prior Board of Director (BOD) meeting which was held 6/20/2013. Bill explained that the minutes were posted on the Association web site as are the minutes from all BOD meetings. They are all posted within 30 days of the meeting. Given that they are posted, Bill did not read the minutes of the meeting, but had a copy available for anyone to look over who wished to do so.

#### COMMITTEE REPORTS

**Financial Report:** Ken Taylor reported:

The financial condition and outlook for Overlook Bay is very good. The following information covers the present status of the bank accounts in Home Federal Bank of Tennessee as of Saturday October 11, 2013

(a) Money Market Account	\$221,551.80
(b) Bill Payment Account	\$ 6,205.83
(c) New Homes Construction Security Account	\$ 1,509.05

In regards to the accounts receivable we have three categories.

- |  |             |
|--|-------------|
| (a) Property Owners Annual Maintenance Fees Received             | \$78,005.25 |
| \$91,400.00 potential if all lots paid their annual POA fee.     |             |
| (b) Property Owner's Delinquent Accounts Funds Due               | \$52,724.55 |
| (c) Non-Owner for whatever reason Delinquency Accounts Funds Due | \$43,723.57 |

It was so noted that it has become very hard and expensive to collect the delinquent funds from those previous owners and current delinquent owners whose primary residence is located out of the State of Tennessee.

Previous Owners Delinquency: Florida 25, New Jersey 1, Ohio 1, Tennessee 1.

Current Owner Delinquency: Florida 16, Ohio 5, California 2, New Jersey 2, North Carolina 2, Tennessee 2, Arizona 1, Connecticut 1, Georgia 1, Illinois 1, Missouri 1, New York 1, Wyoming 1.

Ten day demand letters are sent out upon delinquency followed with a lien placed on the property if no attempt is made to take care of the issue by some method of payment.

It was noted that in Tennessee property sales and settlements do not always take place with a normal check and search for liens on properties. It was suggested that one should always request that liens are taken care of prior to closing on property.

The availability of financial reports was discussed and owners were advised that if they wanted a copy to ask Ken for it following the meeting. Blake Michaels spoke up to review the financial reports during the meeting. Blake was advised that his request would be handled in an appropriate manner. Blake turned to the owners present at the meeting to make a note that Holloway & Marvel P.A. Certified Accountants in their Independent Accountants' Compilation Report demonstrated that the accountant was not sure that all the reported information received from the Overlook Bay Owner's Association Inc. Treasurer was presented or accurate. He was advised that this is a normal disclaimer used in the industry to protect themselves against liability issues. Our accounting firm is not specifically saying that they do not think all the documents and information given to them is incomplete. Blake did not agree.

Blake Michaels brought up the issue of accounting for the Tack Trail, Spur Lane and Horse Trail. He wanted to see the amount collected for those accounts and amount spent for those same accounts. Blake was advised again that those reports were available and that his request would be handled in an appropriate manner. Blake went on to say that the tack trail has deteriorated from the recent storm and traffic on the trail. It was noted by Ken that those trails were designated and defined in the Overlook Bay Owner's Association Declaration of Covenants, Conditions, Restrictions, and Easements as for pedestrian access, and goes on to state that use of motorized vehicles is strictly prohibited. Ken also noted that repairs and manicuring of the trail continues based on available funds and in the case of expenses that are determined to go beyond the amount in the available funds, a special assessment may be levied proportionally to the property owners whose property has that designated trail on it. Blake did not agree. He again noted the both he and Dr. Laneve have experienced wash out of the areas along their home footings, because of the trail and that it needed to be addressed. It was noted that the wash out experienced by them was a design flaw in their drive ways by directing the rain water to pass along the sides of their homes. Blake was advised to send an E-mail or letter to the board with his requests. The issue of collections regarding delinquent accounts was discussed. Some owners or post owners will not accept the paperwork for legal actions out of state. In most cases you need a special process server to personally hand and document the transfer of the State of Tennessee Documents. Florida is very hard on cross state collections and the cost is very high. We are continuing to seek means of resolving the issues but as shown the states hardest hit by the

present economic conditions are the same with the largest amount of delinquency. There are 19 presently foreclosed on properties held by Home Federal Bank Corp of Kentucky, 1 foreclosure held by Community Trust Bank Inc. of LaFollette, three bankruptcies and a couple more properties with indications of foreclosure procedures were received from Campbell County TN.. It was pointed out that although the Money Market Account looks very good as a number, you must consider that built into that sum from our budget is (1) emergency Reserve funds that build each year if not used. The following items grow each year:

- (a) Paint & Staining reserve
- (b) General Lighting reserve
- (c) Roof reserve
- (d) Equipment reserve
- (e) Marina Dock reserve
- (f) Road signs reserve

(2) New Construction Reserve

As of 2013 the two reserve funds in our yearly budgets have built up to \$58,112.95.

The discussion moved to the Tack Trail which has the potential to receive \$3,100.00 each year for manicuring and repairs but with the unpaid POA fees the average yearly income is around \$2,150.00.

In the case of Spur Lane it has the potential income of \$2,300.00 each year for manicuring and repairs but the average after the unpaid fees is around \$1,500.00.

**Secretarial Report:** Bill Yri reiterated that the minutes from all meetings are posted on the web site.

**Mail Box:** Bill Yri reported that we had gotten down to only 2 unassigned mail boxes in our mail box cluster and with at least 4 owners stating intention to start building in the coming year, the BOD approved the purchase of a second of a second mail box cluster. We obtained a discount from the vendor since we had purchased the first unit from them. The new unit is also a high security cluster mailbox identical to the first one and the numbering of the boxes picks up from the last numbered box in the first unit. The unit has been installed and the Post Office is in the process of having their locksmith install the post office master lock on the unit. We put in a double concrete base this time so when it comes time for a third unit the base will already be in place.

**Architectural Review Board:** Pete Lombardi summarized the review process and stated that the newest builder is just completing his home and will be moving in as a full-time resident within the next several weeks.

**Law Suits and Collections:** Ken Taylor reviewed the status of the lawsuit with Flat Hollow Marina. The suit is not dead but has been on hold mostly because of the changeover of judges in the local area. TVA does seem to be working, however slowly, to correct the float house violations and cable issues. With the lower water levels of the winter season, we will be taking pictures of the issues along our shore with Flat Hollow Marina to help support the suit.

We continue aggressive collection activity and have placed liens on delinquent properties. It is a challenge to keep up with some of the delinquent owners. One of the delinquent owners has had 5 different addresses in just the last year.

**Grounds Equipment:** Jack Koenig reviewed the status of our equipment. The stabilization upgrades we did last winter have worked out well to increase the stability of the tractor on the steep hillsides making operations safer for our maintenance person. We are looking at options for either a sweeper or blower attachment to help clear debris from the roads after storms. All the equipment is in good repair at this time.

**Overlook Bay Maintenance Report:** Pete reviewed our part-time maintenance staff headed by Bob Smith who is also part-time. This year the Overlook Bay area had already gotten twice the normal annual rainfall by July which has made everything grow like crazy. The rapid growth and often wet conditions have made it a real challenge to keep up with the mowing of the common areas and trails. The asphalt road edge cutting is a county responsibility and they only cut about 3 times a year so the road edges became very overgrown this year between the county cuttings. With the fall weather, Bob is getting caught up on the gravel roads and cutting. Pete reviews the work list weekly with Bob.

We had noted two large dead trees that we felt were a threat to the power lines on the hill down to the waterfront houses. The power company felt it was safe for Bob to cut one of the two trees, which he has done, but they will come in with high lift equipment and will take the second tree down a piece at a time to protect the power lines. It is on their job list, but we do not have a firm date for the work to be completed.

**Marina Report:** Pete reviewed the marina status. With the extra rain this year, the marina cables have required extra attention to keep up with ups and downs of the water levels. One of the four steel anchor cables rusted through and broke so it had to be replaced mid-season. As the water levels recede for the winter lows, the remaining 3 old cables will also be replaced. The dock finger that broke free has been reattached. A contractor will be used to pull the main dock section together and re-secure it. Part of the normal winter low water marina maintenance is removal of fallen trees and logs from the marina inlet to clean up the shore line. As a note of interest, one of our full time residents, Phil Combs, has obtained a dock franchise and, if anyone has needs in that area, he would be a good person to contact.

**New Security System:** Ken reviewed the status of the new security system at the entrance of the development. The installation is just being completed. It takes pictures of vehicles coming in and departing from the development. We have fenced off the secondary road entrance, so the main entrance is the only way vehicles can enter or depart. The camera covers about a 200 foot long area and has the fidelity to read the license plate numbers. It is a day/night camera so it gets good pictures regardless of time of day. The pictures are date/time stamped and the hard drive has a 4 month archive. We will have internet access to the pictures. The BOD is due to have a training session/ demo of the completed system by the contractor. The security system has the capacity to be expanded in the future for coverage at the Barn and Marina. Full-time resident, Tom Gill, will be monitoring the security system.

### **Old Business:**

Noise complaints by residents from rentals: There have been some issues of noise and parking/trailer issues around the rentals. The BOD will be developing a set of rules which will be posted in the Marina area letting people know they are not to leave unattended vehicles blocking the boat ramp, that trailers are to be parked in the trailer parking lot above the marina, and that noise is to be limited after certain hours. These are some of the initial thoughts and we will go through some comment cycles to develop them. Once approved, a letter will be sent to all owners telling them that they must include the rule set in their lease agreements and make sure renters are aware of them.

Boarding of Horses at the Barn: We had one **renter** wanting to bring a horse with them for the rental period and had to tell the owner that was not possible. Last year as we were doing our annual insurance review, we were told by the insurance company that in order to stable horses in the barn, we would need separate equestrian insurance coverage and in order to qualify for it we would need to upgrade the facility, have a full time manager for the barn and that the insurance cost will be an additional \$10,000 a year. Given that no **owners** have yet expressed interest in bringing a horse to the development, the BOD determined that owner demand did not yet warrant the extra cost to make it legal to do so. The Board will continue to monitor interest in owners bringing horses and will reevaluate as that interest warrants. In the meantime, the insurance company required that we post signs stating that horses could not be boarded in the barn.

Emergency Helipad for our development: Last year, one of our full-time residents requested that we look into the possibility of putting a helipad on the common lot at the entrance where the mailbox clusters are. Bill Yri has checked with the 911 office and was provided information regarding the state agency in charge of emergency helipads as well as the state requirement for licensing of the helipads. We have received the basic design requirements and will be working with the agencies to put together a package for BOD review.

**New Business:** none

**Closing of business meeting:** The meeting was adjourned at 11:25 pm.

**Election of Officers:** The election results were read by Bill Yri.

For President:

Pete Lombardi -89

Write in – Bill Yri – 1

For Vice President:

Bill Yri – 80

Write in – Phil Combs – 4

Write in – Bret Michels – 1

For Secretary:

Bill Yri – 82

Write in – Charlotte Sances – 3

Write in – Lisa Combs – 1

For Treasurer:

Ken Taylor – 83

Write in – Sandy Taylor – 3

For ARB Liaison Board Member:

Pete Lombardi – 77

Write in – Markus Chady – 3

Write in – Phil Combs - 1

**Open Discussion from Floor:**

Owner Blake Michaels had several questions:

- 1- He had a question about proxies with an opinion that they should not be counted for the election. Blake has had issues with the ballot/proxy process in the covenants for a number of years. His past questions have been reviewed with the Association attorney and the wording is standard as used by many associations. In this case, almost all who responded provided a ballot and only the ballots were counted, therefore this issue is moot.
- 2- He challenged the CPA disclaimer statement on our financial report inferring that we were not making adequate disclosure of financial matters. Our financial disclosure is fully consistent with normal organizational reporting and the CPA disclosure statement is a standard statement on this type of report by a CPA firm. There is nothing unusual or improper with the report or the CPA report on the financial statement.
- 3- He asked for an accounting of the Tack Trail maintenance fund. He was told to submit a written request for the data and it would be provided.

Respectfully Submitted,  
Bill Yri, Secretary