

MINUTES
ROCK HARBOR PROPERTY OWNERS
ASSOCIATION ANNUAL MEETING
First Avenue Hall Community Center
August 5, 2017

The Rock Harbor Property Owners Association met at 1:00 pm on Saturday, August 5, 2017 at First Avenue Hall, New Tazewell, TN.

Directors Attending: Seaborn Chavers (President), Larry Lamb (Treasurer) and Karma Serena (Secretary)

Owners Attending: Patty Crandall, Paul Berryman, Debbie Chavers, Katherine Johnson, Larry Lamb, Joyce Lamb, Karma Serena, Dan Serena, Janie Welch, Mark Welch, Chuck Keller, Donna Keller, Dave Howard, Trish Howard, Ben Parson, Luis Pavon, Carmen Pavon, Mike Fleming, Kris Gregg, Jim Gregg, Shawn Hill, Tammie Hill, Bruce Cox, Carolyn Cox, Mark Martin, Dawn Martin, Al Hiney, Mike Singer, Marie Singer, Russ Smith, Beth Kasper, Bob Kasper, Donna Bryant, Tammy Flanagan, Randy Clements, Robert Kosky, Mary Sue Kosky, Stan Leib, Robin Leib, Susan Johnson, Tom Maxwell, Don Zmuda, and Pat Zmuda

Guests Attending: Shannon Pearson, Spectrum Management Group, LLC, and Steve Walker, Citizens Bank

I. Call to Order and Welcome

President Chavers called the meeting to order. Chavers welcomed everyone and declared that a QUORUM was established (18% attendance based on presence and submitted proxies). Chavers pointed out that there is an agenda and handout available at the sign in table.

II. Introductions of Board of Directors, Property Managers and Special Guests

Board of Directors

President Chavers introduced the current board members and special guests to the group.

Property Management Company (Spectrum Management Group, LLC,) & On-Site Property Manager (Jessie Smith)

President Chavers introduced the property management company's representative, Shannon Pearson, from Spectrum Management Group, LLC. Chavers discussed the On-Site Property Manager Job Duties and Responsibilities. There was general discussion related to this role and the benefits to the property owners. The Job Duties and Responsibilities were as follows:

- Liaison with Property Management Company
- Liaison with Landscape Contractor
- Manage Marina Complex
- Manage Other Common Property
- Oversee Approved Repair/Improvement Work

III. **Board's Report**

Meeting Agenda and Community Overview

President Chavers went over the agenda for the meeting and gave an overview of the Rock Harbor Community as follows:

- 900+ Acre Lake-Access Community
- Approximately 10 miles of roadway
- 502 lots
- 42 homes
 - 4 under construction
 - 14 Full-Time Residence
- 96% Absentee Owners
- Recreation/Park Area (\$110K)
 - Playground
 - Basketball court
 - Volleyball
 - Putting green
 - Pavilion (may be reserved)
- Marina Complex (\$1.95M)
 - 108 covered slips
 - Expandable to 180 slips
 - Approximately 70% occupied
- Surveillance Systems
- Professional Property Management
- Managed Landscaping/Marina

Rock Harbor Community Website

Chavers mentioned the website and that the minutes from this meeting will be placed on the site after the meeting. There are ACC forms on the website and an option for questions and feedback messages to communicate to the POA administration. Other items of interest on the website include bylaws, restrictive covenants, etc.

Architectural Control

Chavers reported construction has increased. A summary of the ACC is

- New Homes and Estimated Completion
 - Lot 74 – March 2018
 - Lot 101 – June 2018
 - Lot 111 – June 2018
 - Lot 274 – June 2018
- Other
 - Two additional new home construction approval submissions pending
- Compliance Inspections – Acceptable

Special Guest Speaker, Steve Walker, Sr. VP/Market Manager for Citizens Bank

At this time, Steve Walker from Citizens Bank gave a presentation of the products and services from the bank. Walker discussed property values in the area. Walker mentioned that every project is different from person to person and the financial needs are different as well. However, Citizens Bank can put together a personalized plan to match almost any need. A property owner asked how many lots Citizens Bank owned. Walker responded the Bank does not own any lots in Rock Harbor. Walker also discussed rates and building supply prices. Walker discussed construction loans and construction lending. There was a general question and discussion related to average price per square foot. There was general discussion related to the home builders in the area. The group was reminded of the Rock Harbor Facebook page for sharing builder info.

Financial Review

Treasurer Lamb discussed the financial status of the Association. Member questions were answered. The following financial highlights as of 31 July 2017 were presented:

- Balance Sheet Key Items
 - Total Checking/Savings \$ 134,272.88
 - Total Current Assets \$ 136,680.88
 - Total Fixed Assets \$2,103,998.47
 - Total Assets \$2,241,404.35
- Profit & Loss Key Items
 - Total Income \$ 202,174.20
 - Bad Debt \$ 16,711.00
 - Total Expenses \$ 195,175.89
 - Net Income \$ 7,252.15

2017 Summary

- Entrance Areas
 - Replaced selected plant/shrubs
 - Reset/adjusted water sprinkler system
 - Maintained camera systems
 - Repaired entrance wall "Rock Harbor" lettering

- **Recreation Area**

- Repaired shorted gate circuit board
- Maintained security system at gate
- Maintained solar area lighting at gate and bridge
- Upgraded/updated signage

Opportunity: Correct boom gate reset issue occurring after thunderstorms; will install lightening suppressor protection (in progress)

- **Marina Complex Update**

- Removed debris from harbor space area
- Repairing electric gate from hit and run UTV accident (in progress)
- Updated signage – steep grade, slow speed, check brakes (in progress)
- Designated RTV/ATV/golf cart parking (in progress)
- Inspected/adjusted wave/debris protection
- Replaced/repared cleats, handrail (in progress), parking lot steps
- Mudslide mitigation

There was general discussion related to the mudslide that occurred on April 24th. President Chavers noted the property from which the mud originated was privately owned. The shift was due to water oversaturation of the soil. The lot appeared to have been previously dirt filled and the fill effort left a seasonal water spring buried. Additionally, the area experienced above average rain fall leading up to the time of the event. The Associations insurance does not cover mudslides. Although the lot property owner was liable for the mudslide damage and clean up, they lacked the financial resources to correct the problem or to do it timely. The Board decided that litigating the issue would be expensive, time-consuming and ultimately result in winning a legal judgement against the lot owners; however, the judgement would likely be uncollectable. The Association worked with the property owner for an alternative viable solution. The property owner deeded the Association the lot and in turn the Association coordinated clean-up and mitigation actions. Ownership of the lot gave the Association the freedom to address the mudslide problem at the lowest cost in the quickest time. Treasurer Lamb and Secretary Serena met with a soil engineer at the site for a review of the problem and heard his professional recommendations. The Board decided to adopt the engineer's recommendation and awarded the mudslide repair work to Jessie Smith (landscape contractor) and Trevor Kline (excavation contractor). The park area portion of the mitigation plan includes spreading the soil from the slide in the deep land basin and then hydroseed the slope – completion is expected no later than 1 October. The marina portion of the mitigation plan is to shape the lot according to the soil engineer's recommendation and should be completed by the end of the year (weather allowing). It was noted that recovery actions began the day of the mudslide and eventually 91 large truckloads of dirt and debris were trucked from the parking lot to locations within the community. The cost to truck soil and debris out of the community would have been approximately double the expense. The soil engineer also recommended the Association consider installing a water diverting curb on the road edge above the lot. The goal is to return the facilities back to near original condition. Treasurer Lamb estimated the total mitigation cost will be approximately \$30,000 and

the POA was sufficiently funded to complete the repair plan. No additional special assessments to fund the recovery effort are anticipated.

2018 Goals

- Maintain current facilities/assets
- Minimize financial assessments

Additional Questions and Answers from the floor:

There was a general question related to future plans to expand the marina. There was general discussion related to this topic and it was noted the marina capacity can be expanded from the current 108 covered slips to 180.

There was a question related to tram for the dock. President Chavers stated that there are no plans to add the tram. However, this can be revisited as the community grows and owner support improves.

A homeowner asked about the damaged electric marina gate. President Chavers stated that after receiving a report of damage to the base of the gate controller, an investigation was conducted to determine how the damage occurred. A review of the video surveillance camera system showed an incident occurred on July 2nd when a multi-use vehicle drove through the gate boom at a speed and force great enough to adversely bend the boom, twist the gate controller and adversely affect related gate components. Several owners asked "Who did it and were they property owners?" Chavers indicated it inappropriate to share names, but the important fact is the responsible party was identified and they were contacted and provided an explanation for the hit and run event. The vehicle experienced a braking issue and all parties are thankful no one was injured. Chavers stated the cost to inspect and repair the gate is \$785 and the responsible party has been billed the expense. The gate repairs should be completed by 18 Aug. In order to improve safety, the Board decided to install caution signage near the approaching roadway reminding drivers to slow down, be aware of the steep road grade and check their vehicles' braking system.

Homeowner asked for a P&L Statement. It was noted that this will be emailed to the homeowner.

Homeowner asked about wildlife management in the area. Chavers responded that hunting and firearm discharge is prohibited in the community. He further noted that if wildlife problems develop then TWRA will be contacted to discuss how to address a wildlife issue.

HOW CAN YOU BE INVOLVED? Stay informed, communicate/provide feedback to the POA, view the Website, Email or call (423) 581-4537. Inform and encourage others, stay alert and share ideas respectfully helps all owners succeed.

IV. Voting for One (1) Board Member

It was reported that one Board Member, Karma Serena (Secretary), was at the end of her 2-year term. The floor was opened up for Director candidate nominations. Patty Crandall was submitted as a candidate. A proxy/ballot vote was taken and Crandall was unanimously elected the new Director and Secretary for a 2-year term.

V. Closing and Adjournment

With there being no additional business brought forth, Chavers thanked all for attending and the meeting was adjourned.

IV. Minutes Review and Approval

Minutes reviewed and SIGNED by the Directors below.

Signatures:


SEABORN CHAVERS, PRESIDENT


LARRY LAMB, TREASURER


PATTY CRANDALL, SECRETARY