

POA Meeting

January 26, 2008

The meeting was called to order at 1:02 P.M.

President Bill Hawkins welcomed everyone to semi -annual POA meeting. He reminded those attending to be sure to sign the registration sheet. He would explain later. There was a lot on agenda. He requested that everyone having cell phone to please shut them off.

It was requested, by the president, that the previously adopted policy of one person speaking at a time be followed. Each person would be allowed 3 minutes on items of discussion. Specifically, with regard to the road presentation please hold questions and comments until the completion of the presentation. Bill Hawkins will listen to all and do his best to be sure all are heard. That the officers look to betterment of community (i.e. the kudzu removal and contacting certain lot owners to have dead trees removed from their lot before they fell over the road blocking passage to residents). Bill thanked all that have helped (keeping the gate working, the web-master, treasurer for her diligence on finding a savings account so the POA could earn interest, to Stephan and Chris Amsbary for production of documents, and the vice president for the newsletter, chairing the ACC Committee and continued assistance and especially all the spouses for allowing all the meetings). .

The June 2007 POA meeting minutes are on website the members review. A motion to approve the minutes was made and 2nd . This procedure will be followed from this meeting forward.

Treasurer, Johanna Dokter read financial report. She said the budget is forth coming and would be ready by the June meeting.

Marty Arrowood , Grants Mountain resident, addressed mountain security. He stated that vehicles that do not belong on the mountain are coming up here. If a lot owner can get the tag number of car they do not recognize and let him know, he will check it out. He advised , for safety reason, not to confront the individual, but just let him know. For builders there are tags available for their construction vehicles (to be placed on the dashboard) so lot owners can recognize them. Marty stated he has found people up here hunting and hiking. Somehow people are getting our gate code and driving up on the mountain to hike, have picnics or just drive around. There is a lock on the gate but for safety reason (emergency vehicles) we do not want to lock the gate and besides the lock does not work. Bill Hawkins commented that the gate can be opened by just manually pushing the gate. If there is a problem of someone on the mountain that does not belong here, POA residents can call Bill Hawkins. He will contact Marty Arrowood and Marty will investigate the matter. A lot owner volunteered to donate 5 sets of tags as long as they are returned.

It was requested by POA member, Jim Smalley, that a discussion should be held on by-laws prior to voting on them. Bill Hawkins stated that all discussion/comments would be at the conclusion of road proposal. The only vote count done for the by-laws were the ballots that had been received via mail or turned in prior to the beginning of the meeting from POA members. (A copy of the proposed by-laws had been sent out with the December, 2006 newsletter along with a cover letter and ballot to all the POA members.) Further discussion regarding the by-law voting came from the floor. A couple of the POA members did not believe that a quorum was a sufficient number in order to pass the proposed by-laws. Their opinion was that at least 75% was required. Since there was much disagreement (regarding content and correct percentage to pass) regarding the proposed by-laws the item was tabled until the June, 2008 meeting. The current vote at the time of the meeting was 28 for and 12 against.

Water tank. Bill Hawkins turned the floor over to Stephan Amsbary, Board Member at Large. Stephan reminded us that at the June 2006 meeting, the Fire Chief from Glenwood Fire Department came to our POA meeting. The Glenwood Fire Department was replacing their old water tank with a larger one. They would like to give the old water tank to the Grants Mountain POA, if we could find place to put it. By having the water tank on the mountain it would eliminate them having to go down the mountain to refill the fire truck and come back up the mountain and continue to fight the fire.

Progress Update: Stephan stated he had negotiated with Crown Castle (current owners of land the cell towers are on)

to give us a piece of land adjacent to the cell tower road. As of Friday, January 25, 2008 paperwork had been sent to Crown Castle to have it filed. The filing should take about 3 to 4 weeks. Crown Castle's attorneys will handle this transaction. Grants Mountain POA will need to pay for moving and reinstalling the tank; survey and filing fees. The fire chief has seen the land and found a spot that works. The survey will be placed on website. The fire department will have the responsibility of keeping the tank filled with water. The tank holds 10,000 gallons and a large truck holds 6,000 gallons. Jim Smalley inquired as to how much is this going to cost? Stephan said it would be a few thousand dollars. Maybe \$5000 to \$10,000. Stephan said we really need a tank up on mountain. There were some unexpected expenses such as a building permit, and we the need for an engineering spec for pouring footings due to the weight of the tank as per the county building inspector. Moving and position the tank will be done by same person erecting new tank for the fire department (who is also volunteer fire fighter). Stephan encourages members of the POA to inspect the tank, which is still located at the Glen Wood fire station. A reminder from the floor to each lot owner to be sure and check you deed and verify that your lot IS listed in the Glen Wood fire district and NOT Marion. This insures the tax dollars go to correct fire district. A question from the floor: If Grants Mountain had to go out and purchase a new water tank how much would it cost? Stephan reply was possibly \$30,000. By getting this tank the POA is saving \$15,000 to \$20,000.

The next item on the agenda was the road presentation. A PowerPoint presentation was narrated by Stephan Amsbary. Points covered by the presentation were 1.) Increase in property value; 2.) Rain/snow/ice are destroying the roads; 3.) Maintenance cost continues to go up; 4.) POA dues current are not adequate to maintain roads; 5.) Roads need more gravel/grooming; 6.) Embankments need repair; 7.) Dust is not healthy to breathe; 8.) Roads are hard on vehicles; 9.) Paved roads enable a faster response by emergency vehicles; 10.) The cost of gravel continues to go up; 11.) Gravel roads deteriorate quickly. Slides shown of Grants Mountain roads damage after storms and the fact that some roads have no gravel at all (down to the red clay). The road engineers report (done some years past) was referenced regarding slope of the road, and driveways that allow rainwater to empty onto road. Bottom line is the cost for road maintenance will continue to go up and the annual assessment is not enough to cover maintenance. There has been an increase 48% in fuel prices over the last 3 years. The State of NC will not take roads on Grants Mountain over as they do not meet the DOT specifications and, there are not enough houses on the mountain for state to maintain. Five contractors have gone over road and have given their assessment of what to do. The roads are suffering from many years of inefficient maintenance. Four paving quotes were received and Johnson Paving was chosen, due to the fact they are a local company and their asphalt plant is close. Therefore, the cost of travel would be lower. Their work is guaranteed for one year. The paving depth is 2 inches (which meets specs for DOT). The cross slopes would be corrected. The existing asphalt at the entrance cannot be patch. This would be taken up and replaced. The embankment problem would be handled prior to paving. The paving would go from Ashworth Road, up the access road and around the mountain. The board was asking for a vote of 2 options, either yes for paving or no paving. If a lot owner voted yes, the board asks the lot owner choose either a onetime assessment of \$8,000. The second choice was dividing the paving up in 3 year increments. An assessment of \$3,000 each year would be needed. The 3 year option is higher because the cost of asphalt, gravel, etc. would be going up. The first year the paving would begin from Ashworth Road up to cell tower and fix Pisgah View. Pisgah View is very steep; it would be graded, dirt added to correct drainage as well as extra culverts, then re-graveled. The second year the paving of Pisgah View and other areas. The third year the rest of the road. If the first options was chosen it would benefit everyone as the paving would be done and lot owners would see immediate property value increase and quicker return on their investment. The three-phase option has an overall cost of \$1,000 more (an additional assessment may be needed with this option as it is difficult to predict if there would be a cost increase). Voting requirement statement was 51% of votes received. The board was not asking that paving ballots be turned in at the meeting. This meeting was to let those attending know of the options and cost. Lot owners not attending would be getting a phone call and mailing of the presentation, ballot and cover letter. Ballots are to be in by February 15th. A special meeting would be held on February 16 where the votes will be tallied. Ballots were made available at the meeting for lot owners to take home with them and return by mail or they could cast their vote and turn their ballot in to the board after the meeting. If approved the payment would be needed by April 16, 2008 so we can get on the paving schedule. If phase option was approved the first payment will be 4/30/08, second payment by 4/30/09 and third payment by 4/30/10.

If the paving was not approved we still need to fix the roads. A mandatory assessment of \$1500 would be needed. This will handle repair to the embankments, repair to Pisgah View, repairing ditches and culverts as well as re-grading and gravel. This payment would be due by 3/31/08. Comment from the board of more frequent assessment may be needed, no matter what board is seated, in order to maintain the roads. A copy of the presentation was

available along w/ballots.

Bill Hawkins talked about the telephone committee, that was set up to contact the lot owners absent from the meeting. This is why it was critical for POA members to sign the attendance sheet. Each owner who was not at the meeting will receive a hardcopy of the presentation along with a cover letter and a ballot. Jim Smalley volunteered to be added to the phone committee. A telephone committee script would be written after the January 26 meeting. This script would be given to all volunteers so that all would be giving the same information to the lot owners they would be calling. The purpose of the telephone committee was to encourage the POA members that were not at the January 26, 2008 meeting to send in their ballot. It is not to sway the member to vote one way or the other but to simply participate by sending in their ballot.

Questions from the floor

- regarding a paving method called chip/seal. Bill Hawkins said the quote for chip/seal was close to 1 million dollars and therefore not considered. Plus it did not have a good history of lasting.
- on the life expectancy of asphalt? Bill Hawkins said the life expectancy of asphalt was as much as 20 yrs.
- do we need to maintain road from Ashworth Road to gate? Bill Hawkins response was, yes as it is our right of way. The NC DOT would not take the access road as does not contain enough land.
- regarding travel restriction during the paving process was asked? Bill Hawkins responded, if passed we will get priority on the schedule. The stone work will begin in March and paving will begin in April.
- why have \$750 impact fee if the roads were paved. Bill Hawkins responded that the impact fee will be at the discretion of ACC.
- could some individuals go ahead and pay the \$8000 instead of the 3 phase. A response from Stephan was that a problem could arise when it came time for the third phase paving. There could be a short-fall in funds due to cost increase.

Total cost of paving the roads is over \$520 thousand. The board did write letters to property owners along the access road. Only 2 calls were received and neither offered any financial help. Bill Hawkins commented that he had contacted Collins (individual who owns 36 acres along the access road) and they current have no plans for that property and did not offer any financial help.

Bank financing was investigated and the board was told that they do not make loans to POA/HOA. Loans could be made to individuals however, it would be based on the individual's credit experience.

Jim Smalley said asking for \$1500 immediate assessment from 82 lot owners and only requiring 51% of lot owners to pass did not appear to be legal. Bill Hawkins responded that the board was doing all can to get people to vote. 51% is quorum, not number of possible votes. Jim Smalley stated he still feels that we need 75% of all lot owners voting. He feels the board was not on legal ground.

An explanation from the board regarding the individual assessment: If there are lot owners that do not pay their share to pave, there is a process where we can place a lien on their property. The POA would levy charged late fee and if necessary (in extreme circumstances) could foreclose on the property. You see the kind of money we needed to pave, the rest of the POA would be carrying the weight for those that do not pay. To ensure that the paving would be completed in a timely manner a financial pad was factored into the assessment. After all funds are collected and all accounts settled with the paving contractor, any surplus would be refunded to the POA members who paid their share.

Chris Amsbary tried to help members present to understand what a quorum is. It is a group of members to be present at a meeting needed to transact business for which the meeting was called. All people in community are given a chance to vote. There must be enough members at the meeting for any vote to be valid.

Inquiry from the floor: if the board had discussed if the DOT would maintain the road after paving. The DOT response was no.

Bill Hawkins said that the board is trying everything it can to get everyone to respond. No vote is fine, just vote. If no response then there is nothing for us to count. We will count votes received at a meeting with enough members present.

Questions from the floor

- • since paving guaranteed for one year are there any maintenance fees involved. There may be if a major disaster occurs.
- • Why have the next meeting at end of Feb. Some members cannot come. That is why you need to vote. And with the timeline of paving and cost of asphalt and weather we need to begin paving as soon as possible. People will need to get loans if needed.
- • If we agree to pave is there assurance that will cure the erosion problem. The group that currently maintains road said that this will cure the problem barring an act of God.

POA member Joe Summers commented that a \$750 impact fee is cheap and should be in place. This should handle any unforeseen problem that comes up.

Jim Smalley commented the engineering company that reviewed the roads some years ago, did not mention anything about paving. They said the roads were currently in good condition. He will admit that some of the roads need repair but why pave the whole road. The response from the board was because we want good return on investment and someone from the floor commented to save our cars.

Kelly Combs mentioned that there is a "blog" on the Grants Mountain website for individuals to discuss items, or make suggestion. Bill Hawkins encouraged POA members to use the website.

Meeting adjourned 4:45 p.m.