

October 29, 2011 GM POA Meeting

Greeting

Rich Messner called the meeting to order and welcomed everyone. Quorum was attained; there were 23 people in attendance, representing 15 lots.

Secretary's Report – Chris Amsbary had a copy of the minutes from the April 9, 2011 POA meeting available for review. A motion was made to accept the minutes as written. All in attendance agreed.

Treasurer's Report – Joel Carley reviewed the balances in accounts, including:

ING Direct Savings:	\$14,022.06
ING Emergency Fund:	\$11,514.83
Fifth Third Checking:	\$2,621.77
Cash:	\$0
Un-deposited Funds:	\$0
Accounts Payable:	\$0

A copy of the Treasurer's Report is attached to these minutes.

Joel reviewed the final results of FY2010-11. In general, 2010-11 total expenses were less than what was budgeted for the year. Expenses that exceed the budgeted amount included:

- Legal fees which were significantly higher because of the expenses associated with foreclosing on Lot 67.
- Snow removal was higher due to 3 major snowstorms.
- Mowing and ditch/culvert cleaning exceeded anticipated expenses.

Road repair expenses were budgeted for \$5,622, but only \$185 was spent during FY2010-11. Money for road repairs was spent during the 2011-12FY. Road repair expenses during FY2011-12 exceeded the projected budget amount because road repair funds were not spent during FY2010-11.

Joel reviewed the year to date expenses for the FY 2011-12 budget. Taxes on Lot 67 (foreclosed lot) were higher than expected, but some of these expenses will be returned to the general fund when this lot sale closes. There are additional legal fees that are due, however the invoices have not been received.

Garden Club – Linda Tadlock said that the Garden Club had installed new shrubs and a new dogwood tree at the T section of the road. She thanked Rich and Joan Messner, Peyton and Lynn Miller, and her husband, Ron Tadlock, for their assistance with planting the new shrubs at the T. She also thanked Alan, Crystal and Max Ledbetter for all their maintenance work to keep the front entrance landscaped. Linda still plans to plant pansies, tulip and daffodil bulbs at the T. She spent the budgeted \$300 for landscaping. Linda also explained that new volunteers are needed for the Garden Club. Anyone who is interested should contact the new board members.

Work Day – A community work day to paint the fences was scheduled at 10AM on Nov. 5, with a rain date of Nov. 12. Participants are asked to bring their own brushes to help with the painting activities. Rich thanked Joel and Teresa Carley for painting and installing new fence boards to replace those that were split or severely bowed.

Introduce new members – Rich Messner introduced our new neighbors, Mike and Phyllis Howell. They purchased a home on lot 34 at the end of August after they were transferred to the area. Mike is the new plant manager at Baxter; Phyllis works at Montreat College.

Road Options – Presented by Rich Messner

Lawsuit Potential

Peyton Miller and Chris Amsbary talked with two different attorneys about the possibility of suing Southeast Paving for not meeting their contract commitments. Our roadway is having problems with cracking, particularly in sections where the road is not 2" thick as promised in the contract. Both attorneys advised they needed more information, particularly about how the business is structured and the amount of assets the business or business owner has available to pay a settlement. One attorney (Harold Seagle) suggested we hire him for 3 to 4 hours to perform due diligence on Southeast Paving and its asset base. This will cost about \$800 - \$1,000, at a \$250 hourly rate. This due diligence will help us determine if there is potential for a valid lawsuit that could result in an award to the GM POA. Chris Amsbary explained the attorney she talked with (James Michael Lloyd) said it will be difficult to find an attorney who will be willing to take our case on a contingency basis because it is a construction case.

There was a consensus with those present at the meeting to hire an attorney to investigate Southeast Paving to see if a lawsuit is feasible.

Peyton met with Tarheel Paving and Mike Emory of Emory Asphalt & Paving. Both pavers recommended chip and seal (tar and gravel) repairs rather than installing another layer of asphalt. They recommended two 3/8 inch layers of chip and seal. Both said chip and seal is less expensive than installing another layer of asphalt. The estimated cost is about \$90,000 to do one coating (3/8") on our roadways. The recommendation was made to install 2 coats. We will probably need another layer every 5 to 7 years to maintain the roads. Peyton said chip and seal is used on a lot of secondary state roads; it is more pliable than asphalt which is why pavers prefer it for mountainous areas. Sections where the roadway has depressions due to the roadbed settling will need more than just a chip and seal coating.

Peyton said pavers have also advised that we should seal the cracks in the road. The cost to do crack repair is \$0.75 to \$1 per running foot, per crack. This adds up quickly, and the expense will continue because cracks continue to appear in our road. No one knows how long these repairs will last, nor do we know how long these repairs will work.

According to all road pavers – we will continue to have road maintenance issues. Everyone has advised that if we have heavy vehicle traffic due to new housing construction, we will have even more maintenance issues.

Jim Smalley complained that too much emphasis was put on the roads and that the POA continues to talk about spending money on the road. Rich Messner explained we would like to continue maintaining the roads to prevent bigger expenses in the future. He explained that according to several pavers, those communities that only had gravel roads had faced MAJOR expenses due to repeated washouts and erosion on their roadways, especially after all the rain we had earlier this year. We are saving road maintenance money every year since we have paved the road. Linda Tadlock explained that all roads need to have continued maintenance; unfortunately, we didn't get what was contracted, and that is causing our community unanticipated problems. Kelly Combes said that everyone agrees that getting to our homes is a LOT better since the road was paved.

Joan Conway said she has talked with owners at other mountain communities; one is very dissatisfied with their road quality, and one is satisfied but has put strong restrictions on their road use. Joan said one community is Hidden Lakes, which was paved when the infrastructure was built about 10 years ago, and the road still look good. She did not know what kind of material was used in this roadway. Ken Jermac pointed out that Hidden Lakes does not have the major elevation changes that we have in Grants Mountain.

Rich Messner wrapped up the discussion by explain that something needs to be done to repair our roadways. The next step will be hiring an attorney to pursue a potential lawsuit, and to do further examination of using a chip and seal approach to maintain our roadways.

Recap of Current Board accomplishments – Presented by Rich Messner

The POA has placed a lien on lot 3. The Fortunes owe about \$1,200. The board tried to avoid this by proposing a payment plan, however there was no response from the owners.

The Harris house (the unfinished house on lot 70) was pursued to pay their \$8,000 assessment (through a lien) for the road paving and to finish the exterior of their house. The house was sold to new owners. The unpaid assessment balance was collected, and the new owner has finished the exterior of the house.

The owners of Lot 67 (Spates) never paid their assessment. The board tried to work with the owners, but they would never respond. The board successfully foreclosed on the lot. The lot was listed for sale, and a contract to purchase was received. The lot was sold for \$43,000 and a reduced commission was negotiated with the real estate agent. After attorney fees and other closing expenses, the community will net \$39,710. The closing is expected to occur during the first week of November.

When the current board started, there was only \$911.46 in the checking account and \$7,185 in savings. Now the POA has \$3,162 in checking; \$14K in savings and \$11.5K in the emergency account (which will be saved for a road fund), plus \$39K of income once lot 67 closes.

Other comments:

Jim Smalley asked about lot 39 (the other lot that the POA owns). Rich explained we are asking \$29K for this lot.

Rich extended thanks to several people in the community for their contributions:

- Joel & Teresa Carley for doing a lot of work around the community, including: clearing trees, cleaning ditches, mowing, doing landscape work around the water tank and on lot 39, maintaining the gate, repairing the fences and administering the website.
- Linda and Ron Tadlock for planting trees; hauling water; and clearing the roadside.
- Lynn & Peyton Miller for doing landscaping work in the community.
- Alan, Crystal and Max Ledbetter for helping to keep the entranceway maintained; plowing the roads; and performing gate maintenance.

- Kelly and Will Combes for plowing the road in the winter time.
- Joe Summers for mowing the roadside on Pisgah View.
- Dawn Fitzgerald for helping with erosion cleanup after major rainfalls.
- Myra and Dillon Robinson for painting fences
- Everyone who helped on the community workdays.
- And to his wife, Joan – for putting up with all the phone calls and extra hours he spent on community business during his board tenure
- If anyone was forgotten or under-thanked anyone, Rich extended his apologies.

Election of new board members

Stephan Amsbary made a motion to propose a slate for the new board, including:

Stephan Amsbary – President
 Crystal Ledbetter – Vice President
 Marie Biggs – Treasurer
 Joan Conway – Secretary
 Peyton Miller – Member-at-large

The motion was accepted, and the new board was elected unanimously by those present.

Open Discussion

Bill Hawkins thanked Joel Carley for serving on the board for multiple years.

Kelly Combes asked for a list of things that need to be done by volunteers around the community. He suggested putting a list on the website. Liz Moore suggested sending an email about projects that need to be done.

Stephan Amsbary thanked the current board for all their work. Stephan (new President) presented his ideas about open POA items, especially since the next POA meeting isn't for another 6 months. He distributed a list of action items for the new board. Following is a summary of this discussion:

- Distribute emails and newsletters to maintain regular communication with the POA
- File a lien on the Fortune property, then follow up in a year with a judgment
- Send a letter to the Benzs, who still owe the POA money for the road paving assessment
- Hire an attorney to perform due diligence to determine if a lawsuit against Southeast Paving is feasible
- If a lawsuit is feasible, hire an engineering company to gather expert testimony about where the road is substandard before going to court.
- If the POA is unable to sue Southeast Paving, continue to perform general road maintenance activities.
- Develop a recommendation, including price quotes, for larger road maintenance activities (e.g. putting chip and seal at the front entranceway where the asphalt is crumbling; move the roadbed closer to the mountain flank where roadbed has failed previously; pave cul-de-sac

circles; etc.) and present this at the next POA meeting

- Notify Crown Castle (owner of lot with the cell towers) that erosion from their driveway is clogging our roadway ditches; that work crews are leaving trash and human waste on the lot creating health hazards; and that contractors are using heavy equipment that exceeds our roadways capacity (as posted at the entrance), causing damage to the roadways. The board will ask for their assistance with correcting these problems.

Duke Energy advised the Biggs that they need to tear up the GM roadway to install electric utilities to their newly constructed garage. Duke said it is not responsible to repair the damage they do to GM's paved roadway. Marie Biggs asked that the POA establish some guidelines on how to address these situations with Duke Power. There was a general discussion, and the consensus was that the lot owner is responsible for repairing any damage done to the roadway by contractors when installing utilities. The POA will need to advise owners this may be an expense the owners must assume when beginning construction. There was a brief discussion about establishing a contract with Duke Energy about their obligations to notify and work with the community when these situations arise. Everyone agreed the potential for legal expenses to pursue a legal arrangement with Duke Energy would be cost prohibitive.

A discussion was held about what to do with the receipts from the sale of lot 67. It was agreed that \$8,000 plus interest would go into the road fund and the remaining proceeds of the sale of lot 67 would be temporarily placed in the general fund. The new board will study the road issues and call a special meeting to discuss their recommendations, including price quotes, with the property owners.

A motion was made and approved to research the price for chip and seal at the entranceway to see how it holds up, and to research the costs associated with additional ditch work to control erosion.

Joan Conway agreed to handle website administration as the new board secretary.

Closing remarks – presented by Rich Messner

The new owner of Lot 67 plans to build in about 5 years.

Rich asked that the new board set up a requirement that electronic payments require approval from two board members, similar to the existing commercial checking account arrangement that requires two signatures per check.

The meeting was adjourned by Rich Messner.

Respectfully submitted,

Chris Amsbary
Secretary