

Mount Shaddai Homeowners' Association

www.mvelshaddai.org

October 2007 Homeowners' Meeting Minutes

The 2007 meeting was held on October 13, 2007 at the EMS building in the Nantahala Township of Macon County, North Carolina. It was called to order by President Michael Effre at 1:00 PM. Michael confirmed with the group that proper notice of the 2007 Annual Meeting was received.

Attendance/Proxies

24 lots were represented at the meeting. Additionally, valid proxies were received for 20 additional lots, assigned as follows.

Secretary	18
Jimmy Godsey	1
Denise Dowling	1
Carol Shanaberger	<u>1</u>
Total	<u>21</u>

Approval of Minutes

A motion was made by Dan Whitehouse to dispense with the reading of the minutes. The motion was seconded and a vote was held. The motion passed unanimously. A motion was then made to approve the 2006 minutes. The motion seconded and a vote was held. The motion passed unanimously.

Reports by Officers/Managers

President

Michael thanked all the members who helped out last year and gave a high-level review of the activities of the Board during the year. The review included the following: A new attorney for the Association was hired, Jennifer Burger Brown of Jones, Key, Melvin, & Patton, P.A. in Franklin. Jennifer is also the attorney for Whispering Springs. Improvements in financial controls were made during the year, including the establishment of a formal budget approved by the Board of Directors, and written procedures for cash disbursements that include advance written approval for any disbursement by the Roads or Water Manager. The Roads and Water Managers have responsibility for staying within budget for their respective areas. Any expenditure not included in the budget will require the advance approval of the President. A new Water Manager has also been hired, Bill Bateman, at the same monthly rate that was previously paid to Jimmy Solesby. Bill is a certified Class-B water operator. Michael also reported that the Board approved the recommended changes to the covenants that were submitted by the Covenant Rewrite Committee (after having the legal counsel review them) and that ballots would be sent to all homeowners shortly after the meeting. Ballots must be returned by January 30, 2008 to be included in the count.

Michael raised a point of concern that a few homeowners were doing too much manual labor and that the work should be hired out to a contractor or those individuals should be paid. Jeff Berger made a motion that the Association forgive fees for these individuals. The motion was seconded by Rick Dittman. Much discussion then ensued in which several people raised concerns about the issue. A vote was held and the motion was unanimously voted down.

Roads

The Roads report was delivered by Roger Mays, Roads Manager. Roger reported that during the year, based on the high expense of grading, a grader was purchased for \$1,200 and Roger has been pulling it behind his four-wheeler to grade the roads himself. Even including the purchase of the grader, Roads came in under budget for the year. Lee Harris of Whispering Springs, who was invited to attend the meeting, mentioned that Whispering Springs still owes the Association \$1,200 of gravel for 2007. (Update – the gravel was purchased by Whispering Springs around the end of the year.) A request was made of all members to PLEASE put cars in low gear and go less than 10 miles per hour when going up the roads and stay on the upper outside of the curves. This will help significantly to minimize road maintenance expenditures.

Michael discussed the need to organize a special project to address the blacktop. Estimates need to be obtained from multiple vendors as to the appropriate steps to take and their estimated cost. A number of people will need to be involved in the process. Further discussion was held including potential short-term fixes that could extend the life of the current road. It was decided that the vendors who are consulted on long-term fixes should also be asked if there are any short-term fixes that can be implemented now to extend the life of the roads. Dan Whitehouse made a motion that we hire a consultant to advise us on long and short-term solutions. The motion was seconded and a vote was held. The motion passed unanimously.

Water

Michael said that Bill Bateman, the new Water Operator, gave an initial assessment of the water system and reported that it was in very good shape. Dan Whitehouse has been managing the water system all year and has been doing a great job. We have had very few issues or complaints during the year regarding the system.

Treasurer's Report and Setting of Fees

Tom McLean, Treasurer, was not able to attend the meeting, so the Treasurer's report was given by Sarah Effre, Secretary. Sarah presented a Profit and Loss statement compared to the 2007 Budget, a Balance Sheet, and a Statement of Fund Balances that detailed activity in each of the five funds during the year. All financial statements were presented for the 12 months ending 9/30. Highlights of the discussion were as follows: The improved controls over spending, along with significant amounts of labor donated to the Association by Roger Mays for the Roads and Dan Whitehouse for Water, helped to reduce expenditures and increase the amount of cash in the bank by \$4,500 during the year. Roads expense was under budget as mentioned earlier. Water expense was over budget due to unavoidable expenses related to a lightning strike of two chemical pumps as well as repairs to the water system that were authorized in the prior year. The improvements in controls over cash expenditures, which were implemented during 2007, should continue to reduce expenses and show even greater returns in the future if the Board continues to enforce them. The primary financial issue left to be addressed at this point is a continuing problem with delinquent receivables. It is the intention of the Board of Directors to vigorously pursue this issue during 2008. Cash in the bank at 9/30 was approximately \$18,000.

The schedule detailing changes in Fund Balances showed that the Roads Maintenance fund collected significantly more than was spent during the year. Sarah explained that this is due to the fact that the assessed Roads fees exceed the level of budgeted Roads expenditures (in addition to the fact that Roads expense came in below budget for the year). However, rather than reducing future Roads fees, this money could be set aside to cover the upcoming Blacktop project. Sarah made a

motion that \$5,000 of the Roads Maintenance Fund be transferred to the Roads Improvement fund in order to segregate this money for the Blacktop. The motion was seconded, discussed, and a vote was held. The motion passed unanimously.

A discussion was held over the amounts transferred to the Association by Bob Liniger, the past Treasurer who is now deceased, to cover previous cash shortfalls. Approximately \$6,000 has not been repaid to Bob's estate. After much discussion, a motion was made and seconded to repay a portion of the amount to Mr. Liniger's estate during 2008. A vote was held and the measure passed 31 to 13. Another motion was made and seconded to authorize a special assessment of \$20 per lot to fund the payment. A vote was held and the motion passed. Subsequent update – Mr. Liniger's estate has formally filed a claim against the Association for \$10,500. Some of this amount has already been paid in prior years from Association cash flow, from the offset of Mr. Liniger's unpaid dues, and by the monies that were collected from last year's assessment of \$30. The Board of Directors is negotiating with the attorney for the estate to come to an acceptable resolution for the remaining amounts claimed by Mr. Liniger's estate.

The detailed budget for 2008 and the setting of 2008 fees was discussed. A motion was made and seconded to approve the following fees to be paid by all Homeowners for 2008:

Administrative:	\$ 45
Roads Improvement:	\$ 20
Roads Maintenance:	\$131

A vote was held and the motion passed unanimously. A motion was then made and seconded to approve the following 2008 fees for lots with water rights and water usage:

Water Operations:	\$177
Water Usage:	\$117

The motion passed unanimously.

Election of 2008 Board of Directors

The maximum allowed number of Directors under the Bylaws is seven. The following individuals were nominated for the 2008 Board of Directors: Dan Whitehouse, Cookie Godsey, Jimmy Godsey, Michael Effre, Jeff Burger, Pat Greaney, Roger Mays, Tom McLean. A vote by individual ballot was taken and the following individuals were elected: Dan Whitehouse, Cookie Godsey, Michael Effre, Jeff Burger, Pat Greaney, Roger Mays, Tom McLean.

2008 Meeting

A motion was made to hold the 2008 meeting at 10:00 a.m. on Saturday, October 18 at the EMS building in Nantahala Township of Macon County North Carolina. The meeting will include a pot-luck luncheon. The motion was seconded and passed unanimously. PLEASE NOTE the time is earlier than in past years.

The meeting was adjourned by Michael Effre.

Respectfully submitted by,
Sarah Effre
Secretary of the Homeowners' Association