

EL SHADDAI II/III HOA BOARD MEETING SUN., MAY 26 2019

Richard Vickers (RV) called meeting to order at 10:05 am, Sun., May 26th 2019

Board members participating included: Richard Vickers (RV), President; Jon Schleuss (JS), Vice President; Pat Greany (PG), Secretary (by phone); Jeff Burger (JB), Treasurer; Tom McLean [™], Member at Large and Leslie Adams (LA), Member at Large

Topic 1: Re: leak repair on property owners' side of property. RV said we were losing a thousand gallons per hour at the Passmore house a few weeks ago and Wilson Well drilling found and fixed the leak at the house, but Mrs. Passmore asked that in the future, we not do repairs on her side of the shutoff valve without advance permission. RV suggests that unless we have advance approval to make the repair on the owner's side we not make permission.

DV pointed out that the owner's water heater might burn out if there's no water in the tank, but we don't have the obligation to make repairs to protect the home itself. LA indicated they always turn off their water heater at the breaker when they depart. JB said we can't control what happens inside an owner's house. RV doesn't want to do any more than shut off at main. LA said we could get advance direction from homeowners. JS questioned whether we should consider not doing anything at all other than shut off the water and notify the homeowner, to avoid a problem. He also thinks we should just shut off; RV said he would only have repair on the homeowner's side if we get direct permission from homeowner to do so, for their convenience.

Topic 2: Balance sheet comparison for P&L: RV said we have \$93 K in our bank account. Last year we had \$73 at this time. No one questioned this.

Topic 3: PL Comparison shows that Tom McLean (Roads) and RV (water) both have spent less than last year – good thing! Roads last year spent \$3600 at this point and this year spent \$1288; Water spent \$5,000 instead of \$8,000 last year. RV doesn't think we need to have a dues increase at this point. We will continue to contrast. Re: sub-categories there's a lot of variation and hard to compare. Overall numbers are correct and we're doing better than last year. PG asked whether we have enough \$\$ to fund auxiliary tanks. RV said if we save enough on expenses, we won't need to make a special assessment.

Topic 4: Collections: RV said we are experiencing about a \$10,000 deficit in dues not yet paid at the 50 day point after the deadline. He said we have the authority to send out a late dues notice. RV said Kathy Bryant has been sending out invoices every month. The most disturbing concern is the 90 and more days overdue group. There are individuals who are indicating they'll pay monthly but they haven't done so consistently. There are 8 lots with no water rights that are in arrears for a sub-total of \$10,159 and 7 properties with water rights that are in arrears for a sub-total of \$9,371, plus other lots with houses present, including 1 currently using water, that are in arrears for a sub-total of \$5,710, for a grand total of \$25,240 that we are owed in

back dues, for which we have not charged any interest despite the ByLaws providing for this..

Foreclosure discussion: RV said he learned that it typically costs about \$4,000 per parcel and 3 years of litigation before a judicial foreclosure, according to attorneys he has spoken with. But in NC we can avoid filing a lawsuit and use a non-judicial option. We can file a lien and the Macon Co. Clerk will publish a notice of the property being for sale. LA asked who's our attorney. RV said Ellen Davis is our atty., but she's in Cherokee County and he would like to have a Macon Co. attorney who's knowledgeable about the Macon Co. foreclosure process and other options. DV asked about an abandonment option. RV wants to use our budget to hire a Macon Co. atty to use a non-judicial process to collect dues. He would like authorization to do this. JS agreed with this notion. RV said we have 10 parcels with an excess of \$2,000 in dues owed. He would like to suggest a contingency in which the attorney would get a portion of amount owed instead being paid at an hourly rate by our HOA. He thinks it would be pretty attractive to many attorneys, if it's allowed in Macon County. JB made a motion and LA agreed we should do this.

Topic 5: Re: bylaws pertaining to liability— DV said may have a liability exposure for rental cabin guests. LA agrees we need to look into this. Thought it would be cheap, maybe about \$250 per year. JS said the state has a requirement for liability. He (JS) hasn't been able to get the info he requested from other HOAs. RV agreed and said we need to do this. PG said this policy should be applicable to not only guests at rental cabins but also those of non-rental cabin guests. JS said we need to investigate this.

Topic 6: ES 1 use of our road: DV said about a year ago he spoke with Daniel Brubaker from ES1 and he needs occasional use of the ES 1 road if ours is impassable. Bob Harris (ES 1 president) still hasn't blocked the ES 1 road access. DV recommends there be a blockade if we don't get their cooperation. RS said we need to keep it open for emergency ingress and egress. LA said could use a chain & JS agreed. She suggested we put up a sign indicating the road is blocked (but not actually lock it). There are cabins that are for sale and the realtors won't be happy if we block the road.

Topic 7: Future board meeting date: RV suggests we have another board meeting on July 4th weekend. JS moved in favor of this and LA seconded the motion.

RV adjourned the meeting at 10:50 AM.

Respectfully Submitted,

Patrick Greany

El Shaddai II/III Secretary