

Land Owners Association of Ladd Landing, Inc.
Approved Annual Meeting Minutes
Tuesday, January 9, 2018

I. Call to Order

Jack Haney, president, called to order the Land Owners' Association of Ladd Landing, Inc. (LOALLI) Annual Meeting at 6:05 p.m. at the Ladd Landing Clubhouse located at 1200 Waterford Place in Kingston, Tennessee.

II. Roll Call

The LOALLI Board members present were Jack Haney, President; Baker Hamilton, Vice President; Michael Hardin, Treasurer; Kerry Courtney, Secretary; and Jamie Walmsley.

III. Approval of Minutes

Prior to the Annual Meeting, the 2017 Annual Meeting Minutes were posted to the Association's website for review and e-mailed to members. Motion to approve the 2017 Annual Meeting Minutes was made by Dallas Reynolds and seconded by Baker Hamilton. The minutes were unanimously approved by the LOALLI members present.

IV. President's Report (Jack Haney)

A. The Board members present were introduced and thanked for their service during 2017. Dave Heys was thanked for his contributions in accounting and business management above and beyond what he is contracted to do through his business, Kingston Business Enterprises, LLC. The Board also recognized the work done by Phil Hanson to manage the Pool and Wellness Center and Sandy Gabbard to manage the calendar and rental of the Clubhouse. It takes a lot of time and work to maintain the amenities which enhance our community. Thank you Phil and Sandy for volunteering to serve in this important capacity.

B. The Association faces budget challenges each year. Everyone who serves or has served on the Budget committee and other committees as well as the Board of Directors deserves a lot of credit for what they have done to control costs and keep our budget and Association fees in line with our income. This has been accomplished the last few years with minimal or no increases to assessments.

C. The Board continues to work with the developer to finish the Clubhouse. Some progress was made in 2017 and we hope to get the clubhouse completed in 2018. Paving of parking areas and sidewalks to the clubhouse and pool are the major items to be finished. There is also some exterior stone work to be completed and interior work required to finish the fireplace. The paving cannot be done until sewer lines are put in for the lots that are not platted behind the Clubhouse and above part of the greenway. The Developer is working on debt restructuring and refinancing which he hopes to have completed in early 2018 with the intent to move forward on completing some of these items. The Developer has indicated his intent to turn over the Clubhouse and Pool as in-kind payment for past due assessments and promissory notes. The Board is expecting that the transfer of asset ownership may be initiated in "as is" condition and will require the Association to complete the facility work and paving. The Board has received a preliminary quote of \$24,000 to pave a loop around the Clubhouse area. The finish work required for the Clubhouse has not been quoted. The Board will not take any action until a formal written proposal is received from the Developer (tentatively 1st Qtr. 2018). The Board will insist on a current appraisal of the property value and will have the Association's attorney, Matt Sherrod, review the proposal to insure everything is consistent with the Ladd Landing CCRs.

D. One of the major issues facing the Board in 2017 was to reach a deal with the City of Kingston to take over maintenance of the street lights and maintenance of slope and drainage run-off areas of the boulevard. In 2014, the Board entered into negotiations with the City to take over maintenance of the street lights and drainage areas in lieu of payment of Association dues. We had reached a basic handshake deal with the mayor and were in the process of the city attorney writing up an agreement when the election occurred and the mayor was defeated. There have been follow-up discussions with the new mayor on this subject, but City Council has blocked any agreement. Subsequently, the Board has reached an understanding with Rockwood Electric Utility to service the street lights per their maintenance agreement with the City of Kingston if LOALLI purchases the bulbs and other service parts for inventory at REU. This understanding eliminates the labor costs of changing / repairing the lights with LOALLI being responsible for only material costs. The Board was asked at the Annual Meeting why we do not just stop repairing the streetlights when they go out since ownership of Ladd Landing Boulevard was transferred to the City of Kingston. The Board will need to review the agreement between the Developer, the Association, and the City for any safety concerns and legal ramifications.

E. One of the long term issues the Board has been working on is the clean-up of Lot #1 owned by Ms. Teresa Kirkham. The Land Owners Association of Ladd Landing, LLC and Ms. Kirkham reached an agreement in late 2017. Ms. Kirkham agreed to remove the fire damaged porta cache and finish the exterior of the remaining garage structure to the original plans and specifications of the garage exterior excluding water, sewer, and electrical. Ms. Kirkham will actively market the real estate property for sale in 2018. If the property is not sold by January 1, 2019, Ms. Kirkham will remove the remaining garage structure in full if the LOALLI Board of Directors directs her to do so at that time. The Agreed Order of Judgement has been signed by all parties, the Chancellor of Chancery Court for Roane County, Tennessee and filed with the Registrar.

V. Treasurer's Report

A. Michael Hardin presented the 2017 Annual Financial Report. The Balance Sheet as of December 31, 2017 shows an operating cash balance of \$15,457. This is down from 2016 due to lower income (assessment receipts). There is \$54,726 in the three operating reserve accounts (\$30,640 operating contingency, \$18,650 gate reserve, and \$5,435 clubhouse/pool reserve). The Roadway Capital Reserve Account is \$89,950. Accounts Receivable were \$223,178 (past due assessments and notes receivable). Total 2017 operating expenses were \$70,443 or \$13,241 under budget which allowed the Association to operate at break-even for 2017 with net income of \$445.

The 2017 Annual Financial Report is attached.

VI. Committee Reports

Landscaping – Michael Hardin presented the Landscaping Committee Report. Landscaping expenses were slightly under budget for the year. The Landscaping Committee worked hard to keep landscaping costs lower through contract negotiations with M&M Landscaping and managing the number of cuts based upon actual conditions. M&M continues to do an excellent job for us.

Budget – Dave Heys presented the 2018 Operating and Roadway Reserve Fund Budgets. The 2018 Operating Budget is \$85,662, up approximately 2.4% over 2017. The Budget line items have some increases and decreases based upon actual expenditures in 2017 and projected expenses in 2018. There was a reduction in billable units in 2017 from 140 to 138. Billable assessments were also raised from a freeze level in 2016. These three factors resulted in a net 7.7% increase in 2018 Operating Assessments over 2017. The various committee members continue to do an outstanding job of managing their budgets by controlling costs and identifying cost savings ideas.

The Roadway Reserve assessment rate for landowners on private roadways for 2018 is increased to \$1.48/ft.

The 2018 Operating Fund and Roadway Reserve Fund Budgets are attached.

Clubhouse

Sandy Gabbard presented an overview of the Clubhouse rentals for 2017. We had three non-resident rentals and seven resident rentals for the year. There are two booked for 2018 at this time. Interest in renting the Clubhouse remains high. The lack of exterior lighting and paved access to the Clubhouse are the major concerns of potential renters.

2018 Committee Sign-up – Kerry Courtney emailed the 2018 Committee Membership List to all LOALLI members prior to the Annual Meeting to confirm committee membership and to allow others to volunteer to serve on a committee. At this time, no one removed their name from any of the Committees. Thank you to everyone who serves on a committee. The neighborhood and the homeowners association would not be successful without you.

VII. New Business (J. Haney)

No new business was discussed.

VIII. Election of New Directors to the Board

Board members with terms expiring January 2018 are:

Michael Hardin – Residential A Director (2 year term)

Joe Caldwell – Condominium Director (2 year term)

Michael Hardin was nominated by D. Heys and seconded by D. Reynolds and unanimously re-elected.

The Condominium Director must be elected by condominium owners. There were no condominium owners present or proxies received; therefore, this Director position was left unfilled.

IX. Adjournment

The 2018 Annual Meeting was adjourned at 7:08 p.m.

Minutes submitted by: Kerry Courtney, Secretary