

# Sugarwood Homeowners Association

## 2018 Annual Members Meeting Minutes

**Location:** First Baptist Concord, 11704 Kingston Pike, Farragut, TN 37934

**Date & Time:** January 13, 2018

The 2018 meeting of the Sugarwood Homeowner's Association (hereafter, "SHA") was held on January 13, 2018, the second Saturday in January, in accordance with the Association's Covenants and By-Laws<sup>i</sup>.

### Registration of Current Members attending

9:30 – 10:00 a.m.

Sign-in assistants Jeannie Hester & Mary Phillips

### Call to Order

10:05 a.m.

Shane called the meeting to order at 10:05 a.m., announcing that there was quorum<sup>ii</sup>; 26 SHA members physically present and 20 SHA members by proxy; of the 242 current SHA members.

### Welcome & introduction of current Board of Directors

Shane welcomed the SHA members and introduced the current Board of Directors

|                     |                    |         |      |           |
|---------------------|--------------------|---------|------|-----------|
| President -         | Shane Pohlmann     | Present | Term | 2017-2018 |
| Treasurer -         | Brian Broadhurst   | Present | Term | 2017-2018 |
| Secretary -         | Heather LaCharite' | Present | Term | 2016-2017 |
| Director At Large - | Chet Carbaugh      | Present | Term | 2017-2018 |
| Director At Large - | Paul Hester        | Present | Term | 2016-2017 |
| Director At Large - | Tim Phillips       | Present | Term | 2016-2017 |
| Director At Large - | Roxana Ceausu      |         | Term | 2016-2017 |

### Old Business:

**Annual Meeting Minutes** Shane referenced and called to approve the 2017 Annual Meeting Minutes provided to the membership in their meeting materials; the minutes were approved by voice of the membership.

**SHA financial condition** Tim Phillips, CPA presented the 2017 Statement of Receipts and Disbursements for the period 1 January through 30 December, and commented that Adjusting Journal Entries were posted as of December 31<sup>st</sup> to capitalize the disbursements for long lived assets purchased in the Other Income/Expense section of the Statement under the category "Capital Disbursements", and to record depreciation of those assets along with other prior year 'capital disbursements'. The complete financials reflecting such capitalization and depreciation of 'capital disbursements' are presented in the 2017 Statement of Income and Expense and 2017 Statement of Assets, Liabilities & Equity, which are available for review, upon request by SHA members. One SHA member requested to know the amount of money in the bank. Tim responded that the SHA checking account balance at December 31, 2017 was \$25,552 and SHA Savings account balance at December 31, 2017 was \$22,612.

### New Business:

#### A. Election of Board of Directors positions:

Candidates on ballot:

- Roxana Ceausu,
- Tim Phillips,
- Paul Hester

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Shane announced that there are three eligible SHA members listed in the Notice of the Annual Meeting and on the ballots to fill three of the four BOD positions whose two year term has been completed. There was a call for nominations of other candidates for the fourth BOD vacancy, hearing none the nominations were closed and a call was made for the vote via the ballots distributed upon sign-in. The BOD also announced that since there are three members of the BOD who have another year of their two year term, the SHA only needs to fill two of the vacating positions to satisfy the 5 person BOD required by Article IV Section 1 of the 2017 Amendment and Restatement to the 2007 By-Laws of the Sugarwood Homeowners Association (Bylaws) which were adopted consistent with Article 26 of the 2006 First Amendment to Declaration of Amended and Unified Restrictions for Sugarwood Subdivision (Covenants).

Upon review of the tally of ballots, it was noted that three of the ballots had circled one or more the three duly nominated candidates and had write-in names, none of which were persons duly nominated from the floor, or otherwise, before nominations were closed, and therefore were eligible for election by the membership.

Whereas there not being any nominations from the floor for other director candidates, and the BOD announced that since there are three members of the BOD who have another year of their two year term, the SHA is only required to fill two of the vacating positions to satisfy the minimum 5 person BOD per the Bylaws<sup>iii</sup>, the BOD was authorized to and did set the number of directors on the Board at six (6) as is it deemed necessary to insure adequate management of the Association per the Covenants<sup>iv</sup>.

The BOD subsequently confirmed that it set the number of directors on the Board for the year 2018 to be six, and that the “largest number or votes” cast were for Roxana Ceausu (38), Paul Hester (43) and Tim Phillips (45).

### **B. Presentation of 2018 Budget and 2018 Association fee of \$300**

Tim Phillips, CPA presented the Statement of Receipts and Disbursements Budget for the period 1 January through 30 December 2018; noting that Adjusting Journal Entries will be posted as of December 31<sup>st</sup> to capitalize the disbursements for long lived assets purchased in the Other Income/Expense section of the Statement under the category “Capital Disbursements”, and to record depreciation of those assets along with other prior year ‘capital disbursements’. The complete financials reflecting such capitalization and depreciation of ‘capital disbursements’ will be presented in the 2018 Statement of Income and Expense and 2018 Statement of Assets, Liabilities & Equity, which will be available for review, upon request by SHA members.

Tim opened the floor for discussion and replied to several questions.

1. One SHA member asked about the legal expense budgeted. Tim explained that the BOD has engaged a local law firm to advise and assist in the enforced collection of delinquent SHA annual assessments, in accordance with the Covenants and Bylaws.<sup>v</sup> Tim also replied in the affirmative as to the cost-benefit question of the legal expenses, noting that the follow-up Invoice-Statement issued in August on the delinquent accounts cited the pertinent part of the SHA Covenants which provide as follows:
  - a. “If the Homeowner Fees are not paid within thirty (30) days after the due date, the Association may accelerate, at its option, the entire unpaid balance of the Homeowner Fees and may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot, and collection costs and reasonable attorneys' fees of any such action shall be added to the amount of such Homeowner Fees.”<sup>vi</sup>

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2. Another member asked about the expenses for lights. Chet explained that the BOD was used a substantial portion of the funds budgeted for street lights in 2017 to upgrade the existing lights to LED, to realize a savings in electrical operating costs. The balance of the funds budgeted for street lights in 2017 was used to purchase two additional lights, which will be installed in 2018.

Thereafter a Call was made for the vote on the proposed 2018 Budget and 2018 Homeowner's Fee of \$300 via the ballots distributed upon sign-in. Upon tally of the ballots, it was announced that the 2018 Budget and 2018 Homeowner's fee was unanimously approved.

### Floor Opened to SHA members

Shane announced that each of the agenda items were addressed and the floor was opened to SHA members for discussion of other matters.

- One member recommended expanded publication of Sugarwood subdivision garage sales, which was supported by another member. A request was made that it be advertised in Farragut Press, Craigslist, Next Door, and News Sentinel. Shane said that the BOD will consider the matter, within the 2018 budget.
- Another member expressed concern about boats, trailers and numerous cars parked on driveways and some on the lawn of several residential properties and inquired what our covenants actually restricted.
  - Tim Phillips explained that there are numerous Articles of the "...Unified Restrictions For Sugarwood Subdivision..."<sup>vii</sup> which are published on the Sugarwood website, as are the SHA Bylaws. <http://sugarwood.org/forms/>
- In response to another member's question regarding who is responsible for advising homeowners about the Covenants and Restrictions, Tim said that each lot owner is subject to the restrictive covenants<sup>viii</sup> of the Sugarwood Subdivision as of the date they signed the Warranty Deed<sup>ix</sup> for their property and/or as of the date they signed the amended covenants.
- Dot LaMarche said that she would like to make motion, which Kim Bullock 'seconded' that the neighborhood be professionally decorated for Christmas. Shane commented that while the SHA Bylaws require items to be voted on are required to be included with the Notice of Annual Meeting, the 2018 BOD will consider the matter as a recommendation, subject to the 2018 budget which had already been discussed and called for membership vote as proposed.
- Another member asked about the status of the key card system, which was purchased in 2015; the status of which was addressed by Rick Bullock during the January 14, 2016 SHA Annual Meeting as one of the projects to be completed in the Spring. During the January 14, 2007 SHA Annual Meeting, Rick Bullock commented that the Key Card system should be operational before the pool opens in the Spring, at which time key cards would be distributed to the SHA members. Tim commented that there have been several problems with the key card system since it was purchased in 2015. Rick Bullock maintained that key cards were fully operational when he turned them over to the BOD.<sup>x</sup>

### Results of voting items A. and B.

Shane announced the results of the votes for the two agenda items

- A. Election of Board of Directors for the two year term 2018-2019
  - a. The "largest number or votes" cast were for
    - i. Roxana Ceausu (38),
    - ii. Paul Hester (43) and
    - iii. Tim Phillips (45).
- B. 2018 Budget and 2018 Association fee of \$300
  - a. The 2018 Budget and 2018 Homeowner's annual fee of \$300 were unanimously approved; 45 For, 0 Against.

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### Meeting adjourned

11:11 a.m.

Upon a Called for a motion to adjourn and approval by voice vote, Shane closed the meeting at 11:11 a.m.

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<sup>i</sup> 2017 AMENDMENT AND RESTATEMENT TO THE 2007 BY-LAWS OF SUGARWOOD HOMEOWNERS ASSOCIATION, INC.

<sup>ii</sup> 2017 Amendment and Restatement, Article III, Section 4. Quorum. The presence at the meeting of members entitled to vote, or of proxies entitled to vote ten percent (10%) of all votes of the members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these by-Laws.

<sup>iii</sup> Article IV Section 1 of the 2017 Amendment and Restatement to the 2007 By-Laws of the Sugarwood Homeowners Association

<sup>iv</sup> Article 26 of the 2006 First Amendment to Declaration of Amended and Unified Restrictions for Sugarwood Subdivision

<sup>v</sup> Article 25, Section 8 of the Declaration of Unified Restrictions, and Article X of the 2017 Bylaws.

<sup>vi</sup> Article 25, Section 8 of the Declaration of Unified Restrictions

<sup>vii</sup> 2006 First Amendment to Declaration of Amended and Unified Restrictions for Sugarwood Subdivision Units 1, 2, 3 and 4; filed October 24, 2007 at the Register of Deeds Knox County, Instr:200710240034003.

<sup>viii</sup> \*1983 SHA Declaration of Restrictions; Instr. 28169, Recorded July 11, 1983 with the Knox County Register of Deeds

\* 2002 Declaration of Amended and Unified Restrictions Sugarwood Subdivision Units 1, 2, 3 and 4; Instr;200212300056736; Recorded December 30, 2002 with the Knox County Register of Deeds

\* 2006 First Amendment to Declaration of Amended and Unified Restrictions for Sugarwood Subdivision Units 1,2,3 and 4; Instr:200710240034003; Recorded October 24, 2007 with the Knox County Register of Deeds

<sup>ix</sup> Warranty Deeds contain legal notification such as the following two examples.

\* THIS CONVEYANCE is made subject to all applicable easements, restrictions, building set-back lines and conditions of record in the Register's Office for Knox County, Tennessee.

\* THIS CONVEYANCE IS MADE SUBJECT TO ANY AND ALL APPLICABLE RESTRICTIONS, EASEMENTS, BUILDING SETBACK LINES AND ALL TERMS, CONDITIONS AND PROVISIONS, AS SHOWN ON THE RECORDED MAP AND IN MAP BOOK 78-S, PAGE 44, WARRANTY DEED BOOK 1791, PAGE 1077, INSTRUMENT NO. 200212300056736 AND INSTRUMENT NO. 200710240034003, ALL IN THE REGISTER'S OFFICE FOR KNOX COUNTY, TENNESSEE.

<sup>x</sup> October 10, 2107 Rick Bullock emailed the BOD stating "The software re-conversion is complete and all associated issues have been resolved. The program and software have been loaded to the new laptop and all testing of the settings have been successful. The only outstanding issues that keep the entire system from being 100% GO are the hardware that was supposed to have been done by the BOD already. A short list is:

- ISP – a little work on the bolt receiving hole to relieve slight binding of bolt actuation and a new closer installed. (The binding may also be alleviated when a new closer is installed that would help hold the weight of the gate better from sagging and kids swinging on. The original closers in the hinges are broken and the gate can remain open)
- Bldg. Entrance – lock is not installed on gate. (gate is sagging from original hinges breaking down and kids swinging on, Paul is aware and looking for new hinge replacement choices)
- Tennis Bathroom – needs latch guard and closer installed.
- Tennis Court – receiving strike side modification (modifying the strike for the round pole and take up excessive gap between frame and gate)
- remove, possibly modify the mount box, and re-assembling the lock properly. (currently the lock bolt does not operate when the handle is turned)"