

# NOTICE TO SRPOA MEMBERS

July 8, 2014

With our annual meeting of the Saddle Ridge approaching, the SRPOA Board would like to offer information to its members on issues that are of concern to us all. While some or all of this was communicated in the past through e-mailed notices, the *Ridge Rambler*, and on the saddleridgepoa.com website, we felt it would be timely information on issues and questions that have commonly been asked in recent months.

- Nominations for board positions: In numerous communications in the past several years, including the *Ridge Rambler*, e-mailings, notices posted at the kiosk and at the saddleridgepoa.com website, we have encouraged property owners in good standing to run for and become elected to the SRPOA board of directors. We welcome any member willing to help improve the services the board provides to the community through volunteering of their time, energy, skills and effort. Nominations made the day of the meeting must be reported to the SRPOA Secretary, Lynn Hopps, prior to the start of the meeting, in accordance with the SRPOA Bylaws.
- Function of the SRPOA Board of Directors: The SRPOA Board of the Directors is comprised of nine members in good standing of the SRPOA, who were elected at the annual meeting of the SRPOA to serve three-year terms. The board members are all property owners and/or residents of Saddle Ridge. We are responsible for conducting the business of the SRPOA. We manage services very like a small village, with limited resources and a small budget. None of us are experts. We do the best we can and we sometimes make mistakes. All are volunteers, and receive no compensation or special consideration for their board activities on behalf of the SRPOA. We all have our lives to live, outside of our secondary role serving on the SRPOA board. We all pay the same association fees as everyone else. We travel the same roads through the same gate, past the same lakes. We face the same challenges due to bad weather. We do our best to make decisions that will be to the benefit of all of our members, with fairness and good judgment. We do this in spite of an outdated, archaic CCR document that is very owner unfriendly, and is in many ways untenable in today's living standards. We do our best to provide interpretation in reasonable ways to make life easier for our residents and owners. We conduct the business of the association with the goal of providing economical services while maintaining sound business practices. The overriding goal of the board is to advance and improve the lives of our owners, while working within the budget. We attempt to keep the association fees reasonable and as low as possible; we have foregone raising the fees at the last two opportunities. We intrude on our owner's lives as little as necessary to achieve those goals.
- What the SRPOA Board is not: The SRPOA board is not a code enforcement agency. Nor is it a policing agency. We are not arbitrators of disputes between property owners. We are not an inspection agency. We will not go about the community looking for violations of the CCR, most of which are technical due to the archaic CCR, such as the restriction of satellite dishes and outbuildings. We will, and have, dealt with issues that are clear violations of the CCR that cause a negative impact to one or more property owners, such as the instance when a property owner placed a number of used tires on his property.
- Were SRPOA property owners in support of the purchase of Lot 19? (the lakes and barn area): All board members were in support, which were contacted by various other owners, by

telephone or email before the auction. There were about twenty owners at the auction, many who expressed support from other owners not present. There were no dissenters at or prior to the auction. The board felt that it was in the association's best interest to own and maintain the property to ensure it was kept in good condition, which we were forced to do while it was still in the Davis estate prior to the auction.

- Were there sufficient funds for Lot 19 purchase, and what is our current fiscal status? Sufficient funds were available to complete the purchase. Saddle Ridge residents were sent notice on 12/6/12 of the proposed self-financing of the purchase. Subsequently \$45000 was raised to replenish our funds. The first return payment of 50% plus 6% annual interest will be made before July 10, 2014, with the remaining 50% plus 6% annual interest returned on July 1, 2015. We have sufficient funds on hand to make the first payment, leaving an adequate reserve balance. Our self-financing saved the SRPOA about \$700 in closing costs, and \$600-\$1200 in interest that would be paid through a five year conventional mortgage loan. Complete details of the self-financing may be found at the website. We also have listed the Oakwood lots for sale through a realtor. Completion of the sale will put our association on an outstanding financial footing.
- What about the sale of upper lake property, Lot 19, Tract 2? A survey and evaluation of the lot was done. It was determined that the required setbacks from the lake would preclude any residential building. An independent market appraisal was not done, but we consulted the State of Tennessee Real Estate Assessment Data entry for the tract. The 2010 reappraisal set the total market value at \$6900. We negotiated the sale for \$12500. Because we did not have a realtor involved we able to realize about \$1200 more in total return to the SRPOA. The property was not offered for public sale because we had a willing buyer, who approached the board based on hearing concerns expressed during the 2013 annual meeting. The buyer has several attractive qualifications: he is a SRPOA member and property owner in good standing, he has a vested interest in maintaining the property in good condition as an owner of multiple properties, and he has the wherewithal to maintain the property, especially the dam, through his company resources. We had no assurance any other buyer could or would do so, just as our experience with having to maintain the entirety of Lot 19 prior to the auction. Some necessary repair has already been made to the upper dam, with more planned soon. Those repairs would have been an unplanned expense to SRPOA if we still owned the property.
- Horse housing: The board discussed the housing of a horse at great length. We decided to make the arrangement to allow housing the horse for the following reasons: The barn was constructed to house horses, with stalls and a tack room; the barn and the surrounding property was used to house a horse(s) on several occasions in the past, as well as elk; the property is not owned privately, it is the common property of the SRPOA and its use can be determined by the board within reasonable standards; philosophically and esthetically it is in keeping with desirable standards for a community that is called "Saddle Ridge" and prominently displays a horse on the gate entering the community. We have only received positive feedback from residents and owners to date. As to being an "attractive nuisance," our research shows that a horse confined in an enclosed barn and fenced in pasture, inside a gated community with a posted trespass warning, would be highly unlikely to be considered an "attractive nuisance" in a civil court judgment. We feel that we would prevail if challenged by an owner of a residential lot who would attempt to place livestock on their lot, based on this board decision.
- Potential damage to adjacent properties by beavers: Beavers are a native species of wildlife in East Tennessee. The beavers were in place at the time of SRPOA's purchase of the property

and had been there for a number of years. They were not introduced to the property by SRPOA. They are not considered a domesticated animal and as such are not owned by the association. We have a wetlands committee that works to determine the best course of action regarding the beavers. We have taken some control measures to date and anticipate more in the future. We will not allow the situation to endanger the dam at the entrance, but we will exhaust all options that will allow us to retain the unique wetland ecosystem. The committee continues to evaluate the situation to provide recommendations to the board. Our research shows no indication that a property owner would be held liable for damage by caused by wildlife activity that crosses from one private property to another. Our insurance coverage is adequate and appropriate for our needs.

- Roads and the frequency of grading: Roads have always been a point of contention in Saddle Ridge. Many long-term owners have shared their experiences over the years with road concerns. Opinions can vary wildly at any given point. Currently, we have received much more positive feedback than negative feedback since we had the change from an internal road crew to a contracted road service work provider.

Much of the disagreement revolves around how often the road box is run over the road. Researching our financial records, I found that from the 18 month period of October 2009 to April 2011, 415 work hours were paid for road grading, tree and debris removal and bush hog mowing, an average of 23 per month. In the 18 months from April 2011 to October 2012, 474 hours were paid for those services, an average of 26 per month. In the 18 months from October 2012 to April 2014, when the transition from the internal road crew to the contracted service took place, we have paid 374 work hours for those services, an average of 21 hours per month.

Research conducted on the internet shows that websites dedicated to gravel roads maintenance from the states of Maine, Minnesota and South Dakota have no set recommended frequency for road grading, although they all discuss grading and shaping in the spring to restore roads after winter, after a light rain during warm months to help with road compaction, and in the fall to keep roads in peak condition going into winter months. Verbal feedback from a representative of the Road Boss Company was that there is no official recommended standard for frequency of use of the Road Boss, but that informally he would not recommend more frequently than every eight weeks depending on weather conditions.

All of the websites we reviewed were consistent in stating that the roads should be graded after a light rainfall and that over grading in dry conditions was detrimental to maintaining a good road surface. The sites listed three primary issues that affected road conditions: First, the driving habits of the users. Excessive speed and heavy braking on down hills and corners causes wash boarding and potholes. Slowing down and using low gear on hills help alleviate the problem; second, dry road conditions. Prolonged dry roads cause the surface of the road to lose cohesion, which breaks down the surface and leads to wash outs, wash boarding and potholes; third the quality of gravel used. This is the only issue within our direct control. Gravel that is angular, with sufficient grit and fine materials, will bond to the road and provide as smooth a surface as possible. We believe that we have found the best locally available gravel in the “crush and run” that we use now.

We are constantly evaluating our road program and working to improve it. We feel that we are grading the roads when appropriate, but will continue to look to find the right mix of all factors. To grade the roads weekly would be detrimental to the surface integrity of the roads.

We have made a number of necessary road repairs and improvements within Saddle Ridge in the last 18 months, including heavy grading and shaping of most of the roads in the fall of 2012, and repair or improvement projects on Chilhowee Loop, Elks Point, Grouse Top, Journeys End, Sky Top and Walnut Flats roads during 2013. We have several other projects planned before the next winter season, including repair of part of Oakwood hill, and repair of areas on Chilhowee Loop where the outside edges have eroded due to the excessive freezing and thawing caused by the unusual cold this last winter. We will be restoring berms to those edges to help control run off.

- Low lake level and poor appearance: We have a plan for later this summer to restore the level of the lower lake to its previous depth and enhance its appearance. We will be closing the current primary drain tile and the one adjacent to it, as they have eroded and have caused the low lake level. We will be moving the beaver control device to the lowest of the four large drain tiles. This project will raise the lake level about a foot and restore the appearance of the lake and preserve the integrity of the dam.

We look forward to seeing all of you at the annual meeting on July 19, 2014.

Have a great day!

SRPOA Board of Directors