

SEVEN LAKES HOMEOWNERS BOARD MEETING

March 9, 2020

Location: 7 Lakes Clubhouse

Meeting Called: 6:30 p.m. by President Steve Cooper

Board members in attendance: Steve Cooper, James Pratt, Charles Shirley, Barbara Graham, Cindi Hearne, Jim Travis and Jerry Simulis.

Also in attendance: Barrett Oakley SPMG, Cindy Phillips SPMG, Wanda Morris (Social Committee), Ken Davis and Donna Davis (Social Committee).

Board member not in attendance: Harrison Santiago

Agenda Items

How will the HOA, SPMG and the Pratt organization function together?

- HOA hired Duncan, Hatcher, Holland and Fleenor, P. C. legal office to explore that question. They also wrote the original covenants for Seven Lakes HOA.
- James Pratt has no problem with that.

Synopsis of How James Pratt sees his role

- James Pratt took over the development from Emerson Russell in 2015.
- Emerson Russell funded the HOA out of his pocket
- Pratt appointed Velvet Mitchell to be president. An election was held with Jim Zinc becoming the president who was to be the eyes and ears between the developer and the homeowners. The next president was Jim Higgins when Jim Zinc moved.
- The developer is the official board while the volunteer residents are the advisory board.
- Pratt paid the legal fees for the requested covenant change reducing the required votes for passage of an item.
- He has had an amicable relationship with past presidents and wants the homeowners to take on the day to day responsibilities as much as they want.
- In 2019, Pratt wanted out of HOA's, except for the final veto vote. He hired SPMG to manage his properties. He presented the management group to Jim Higgins and the board hired them. The board was to be a policy setting group while SPMG would manage the group and funds.
- "At the end of the day, we all want the same thing." Pratt is obligated to finish the neighborhood. It is hard property to build on.
- There are forty lots remaining and the market will determine its completion. Two to three years until completions is expected.
- Turning over the HOA is a formal process with legal documents and an official election. The HOA then has an official board who becomes the true decision makers. The developer then exits when all the documents are recorded by Hamilton County.

Southern Management Company

Concerns

- Jerry Simulis, Jim Travis and Cindi Hearne voiced concerns that SPMG is actually making their jobs harder.
- The web site is too confusing.
- Local representatives are over extended
- Our neighborhood is unique to other Pratt communities and SPMG does not fully embrace the differences.

Barrett Oakley of SPMG admitted to falling short of expectations

- It was reinforced that SPMG works for Seven Lakes HOA.
- SPMG has filed the necessary government forms, including the taxes.
- Barbara Graham asked if liens had been placed on various homeowners homes that are delinquent. SPMG said that the lawyer recommended a letter should be sent first to the homeowner informing them that they will be taken to court for money owed. No liens have been filed to date.
- The board should set the amount owed before putting a lien on a property or foreclose on a property.
- SPMG will hold up a closing if dues are owed.

Other Business

Sinkhole Situation and Erosion Concerns

- It is thought that a 48" drainage pipe in the development was not installed properly. It has separated at the joint and compromised the area. Pratt suggests that his crew can put a camera down to see the extent of the damage. The cost is unknown. It is not agreed whether the HOA is responsible for the cost or Pratt.
- The HOA cannot cover the costs of lighting for the new section being developed, road repairs, a sink hole, mud flowing into the ponds and everything else. The HOA feels that Pratt should help with some of those expenses. There is a difference of opinion regarding this between Pratt and the HOA.
- James Pratt says he will address the erosion concerns in the new section this spring when it is dry enough to work on.
- There is a missing manhole cover by the cattail pond and gray house that poses a hazard. James Pratt will see that it is taken care of.
- The unfinished cat tail area and erosion concerns will be addressed when it is dry. The HOA is not expected to take over the care of the area until it is completed.
- The yards on the left side of Bear Claw Crossing are in rough shape. Mark Franitza can be contacted regarding those issues by phone: office 423-267-9917, cell 423-715-2794 or fax 423-265-4412.

Covenant Changes

- The HOA wants to combine and simplify the covenants. There will be a legal cost. The declarant has the authority to wipe out and put new ones in place.

Will There Be a New Exit at the Back of the Neighborhood?

- There are no plans for a new exit. There is a 25' easement behind the homes on Deer Run that has to be honored.

Leasing Problems

- A background check for renters might be a good idea because renters are not being vetted by the owners.
- Lease requirements could be changed to one year
- Homeowners that lease properties should be nailed down and notified of fines incurred as well as the renter.
- Board needs to address these issues.

Submitted by Cindi Hearne