



Mountain Harbour Property Owners Association
1665 Mountain Harbour Dr., Hayesville, NC 28904
828-389-9000

i Call to order at 2:00PM, August 29, 2023

Board members present:

Jorge Azor, President

Perry Mustian, Vice President

Jim Ackerly

Ed Hooker, Secretary

Allen Horne

Chuck Bridger

Betty Applegarth, Treasurer (non-voting member)

Excused:

John Walvoord

Architectural Review:

Beth Hooker

Guests:

Beverly Koon, Exit Realty

Rick Sjolholm, Atlanta Community Const.

Skip Smith, Atlanta Community Const.

Bill Hickok, Friends of Mountain Harbour

1. Pledge of Allegiance led by Ed Hooker.
2. Motion to approve July 2023 minutes made and 2nd. Approved 6-0. Minutes will be posted on the web site.
3. **Presentation and summary of the offer to purchase Mountain Harbour POA lots.**
 - a. An offer to purchase 33 POA owned Mountain Harbour lots was presented to the board at today's meeting.
 - b. Beverly Koon, Broker with EXIT Realty, Rick Sjolholm and Skip Smith representing the buyer, Integrity Development Group, LLC presented to the board the terms of the Offer to Purchase.
 - (1) Terms of the offer are:
 - \$330,000.00 for 33 POA owned lots. (Exhibit A for lot identification is in the Secretaries office located in Mountain Harbour.)
 - \$20,000.00 in earnest money.



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- Initial 90-day due diligence time period with the option to extend due diligence upon written request. If due diligence extends past 90 days, earnest money of \$20,000.00 will become non-refundable.
- Settlement to occur 30 days after due diligence ends.

EXHIBIT A – Identifies lots by lot #, parcel #, Deed Book/Page, Plat Book/page & size of lot.

Special Stipulations modified:

- The POA votes associated with the prorated annual fees will be proportionate to the percentage of fees paid annually. Year 1- 20%, Year 2-40%, year 3-60%, year 4-80% and year 5-100%.
- There will be no rental services such as AIRBNB, VRBO, etc.
- Buyers understand all the Covenants and Restrictions have to be adhered to and any building plans must be submitted to and approved by the Architectural Review Committee.

After discussion of the modifications to the original proposal, a motion to approve the proposal was made and 2nd. Passed 6-0.

4. Mountain Harbour Golf LLC Report including the Grill.
 - a. GM report provided by Jorge Azor.
 - b. The June and July financials were reviewed and approved 6-0.
 1. Mr. Azor reported that food costs are slowly going down to the preferred percentage of 40%. For the midyear report, the grill lost money in January and February. In March it saw a small gain. From April to July, food and beverage activity generated nearly \$89,000.00 in gross revenue. Overall, the grill is at an 18% profit.
 2. The golf course has \$80,000.00 on hand. So far this year, the golf course has generated nearly \$536,000.00 in revenue.
 - c. **Financials:** There were 678 member rounds, an increase of 31 from July 2022. There were 2896 greens fees paid, an increase of 536 from July 2022. A total of 3,574 rounds played, an increase of 567 from the same time last year. Green and cart fees resulted in \$69,798.20, memberships resulted in \$24,343.98. Tournaments fees collected this month totaled \$00.00. Prepaid 10/\$380.00 cards sold was \$760.00. Total cash collected was \$94,902.18. This total is an increase in revenue of \$32,703.88 from last year. Golf



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The commission from Golf Now was \$2,476.03. Golf Moose rounds resulted in \$7,020.00. The beverage cart had 1,213 sales resulting in \$3,783.66. There were 416 snack bar sales totaling \$2,563.78. The golf course was closed for 1 days for due to weather. The course was cart path only for 3 days. The Pro shop had 1626 sales resulting in \$2563.78 of revenue. The card room generated \$80.00. The pool had 8 guests totaling \$100.00. Special event income was \$1,425.00.

Below is a summary of sales and income for the grill for the month of May.

| | | |
|---------------|---------------|----------------------------|
| Lunch: | 1072 meals | Income: \$10,109.99 |
| Dinner: | 277 meals | Income: \$5,350.91 |
| Drinks: | 925 beverages | Income: \$3,064.89 |
| Special Event | | Income: \$0 |
| Total Sales: | 2,274 | Total Income: \$18,525.79. |

d. Mr. Azor gave a report on Golf Moose. Since we entered into an agreement with this 100% Facebook advertised promotion, most players come from 10 miles away. 68,000 people have access to the ads. The website has had 3,300 visitors with 442 sales. From March to August, the ad has generated nearly \$31,000.00 in revenue. Although on its face this seems great, most of the tee times made are during prime tee time bookings. Since Golf Moose is basically a “buy one get one” free ad, this blocks many tee times that could be sold at full price. Mr. Azor stated that when our contract with Golf Moose expires, if they won’t renegotiate to only sell afternoon tee times, the contract will not be renewed.

POA Report & Financials:

- a. The June and July financial statements were presented and approved by unanimous vote. They will be posted on the POA website.
- b. So far this year we have collected approximately \$404,000.00 in dues. We had budgeted for \$414,000.00. We are close to the budget number.
- c. As of the end of July, the POA has approximately \$722,000.00 in our accounts.
- d. Mr. Mustian updated the board on the called meeting of August 5, 2023, to elect the current slate of Directors. The proxy/election ballots did not meet the quorum requirement. Since the August 5 meeting did not meet the quorum threshold, then



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- a second meeting was held on August 21st to elect the board. In accordance with the current Covenants, a vote was held to ascertain if the current board should be retained as is. The vote was unanimous. The current slate of elected board members will run until the next election in April 2024. In response to a question from members, Mr. Mustian advised the board that all members must cast ballots during an election. We cannot call members and ask them to vote over the phone.
- e. Mr. Azor and Mr. Mustian gave the board an update on discussions with FirstService Residential concerning a proposed management contract with the POA. Further discussion was tabled pending the development of a financial cost proforma specific to add-on fees.
 - f. Mr. Mustian updated the board on a member's misinterpretation of the covenants as it relates to votes per lot. The board's attorney approved a letter for Mr. Azor to send that outlines the board's position on this issue.

Maintenance:

- 1. We are waiting for an estimate from the fire suppression system company to change from water to compressed air. This will eliminate the possibility of the sprinkler system freezing in the colder months.
- 2. Mr. Hickok presented a proposal to handle the many dangerous trees in our wooded development. He proposed that AB Tree Service be contracted to remove trees that are an immediate threat to roads and property in and around Mountain Harbour. The cost would be \$3,800.00 per day for 4 days. The motion was made and approved to authorize funds for this much needed project.

SOCIAL COMMITTEE:

- 1. The Friday night scramble is ongoing depending on weather. Stop by the pro shop to sign up. There is a \$5.00 throw in per player.
- 2. The last Mountain Harbour Navy social gathering is September 10, 2023.

ARC Review:

- 1. Still waiting on Landscaping plans for all the houses currently under construction.
- 2. The Sylvester home is progressing.
- 3. The Perrys have moved into their new home.



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4. The Stubbs family will meet with the ARC and their builder in August.
5. A reminder that homes cannot be used as VRBO.

SECURITY:

1. Instillation of the new front gate hardware and software is complete.

NEW BUSINESS:

1. None.

Adjourn: Meeting adjourned at 4:20PM. The next scheduled meeting is September 19, 2023, at 2:00PM in the Falcon Room. Please email efhooker@me.com with any items you would like added to the agenda.

Submitted:

E. F. Hooker

Secretary

Approved:

J. Azor

President