

Annual Sky Harbor Property Owner's Association Meeting
August 6, 2011

The meeting was called to order by Steve Akers.

The minutes of the previous Annual Property Owner's meeting of August 7, 2010 were read by Donna Chismar. Junior Webb made a motion to accept the minutes as read. Larry Buckner second the motion.

John Cameron presented the Treasurer's report. A motion to accept the report was made by Greg Bullock and second by Debbi Akers. A question from the floor was whether or not bids were gotten for work performed in Sky Harbor. Junior Webb and John Cameron stated that at least two bids were obtained for all work done. One of the homeowners stated that he is a contractor and would be interested in bidding on work done in Sky Harbor. We will look into posting work that needs to be done on the website and Junior Webb suggested that the bids go to him.

Darrell Sperry gave the security report. He said that blocking some of the roadways into Sky Harbor from other areas has drastically cut down on speeders and robberies in the area. He suggested that we contact the rental agencies and inform them that we will not tolerate speeding by their employees. Debbi Akers made a suggestion that the address of the cabin should be posted somewhere in the cabin where it is evident to the renters. They could possibly need this in case of an emergency. Another homeowner shared with us some information about a camera spot light which is a security camera/recorder. It is called the Stealth Cam Patroller made by Stealth Cam, LLC, PO Box 539504, Grand Prairie, Texas. Website is stealthcam.net.

The road report was presented by Marion Kincheloe. He stated that all pot holes will be filled soon. Wendy Paxton has requested that the Road Committee look at Eastview Dr. where the asphalt ends and the gravel begins. She states that it is a big drop off and has requested something be done about it. She also stated that she likes her road not being paved as it cuts down on traffic. The road committee will look into this request. Another homeowner stated that mowing has not been done as often as needed. Junior Webb stated that the mowing equipment was not working but is now repaired. Also, it was suggested that the plant area by the Sky Harbor sign is covered in weeds and should be maintained better. The Road Committee will look into this.

Dr. Robert Chambliss presented the proposal for the need for a manager in Sky Harbor. Duties were discussed and comments were taken from the floor. The committee will meet and revise the proposal to incorporate ideas presented from other homeowners.

Denise Dorsey presented her feelings about hiring a manager. She is against hiring a manager and feels that we do not need one at the present time.

A comment was made that we should have a place on the website that ideas or suggestions could be made. Another suggestion was made that the Board look into a rental agency that could represent all homeowners in Sky Harbor. These suggestions will be discussed at the next Board meeting.

John Cameron made a motion that the meeting be adjourned. Second by Steve Akers.

Submitted by,

Donna Chismar
Secretary, Sky Harbor POA

Board Meeting following the Annual Homeowner's Meeting
August 6, 2011

Election of officers was they are as follows:

Steve Akers, Chairman
Denise Dorsey, Co-chairman
Donna Chismar, Secretary
John Cameron, Treasurer
Marion Kincheloe, Road Chairman

Committees were established. They are as follows:

County Road Committee – Denise Dorsey, Dexter Christenberry, Junior Webb
Manager Committee – Robert Chambliss, Chairman, Roy Chismar, Emil Gumieny, Mary Jo Beard and Wendy Paxton
Sky Harbor Road Committee – Roy Chismar, Emil Gumieny, Marion Kincheloe, Chairman and Larry Buckner
Sky Harbor Lodge Roof Committee – Junior Webb, Larry Buckner and Dexter Christenberry
Delinquent Dues Committee –John Cameron, Chairman, Wendy Paxton and Dexter Christenberry

A committee was established to see what we can do to collect on delinquent dues. Liens are placed on properties that are delinquent but further investigation is needed to find out what else can be done to collect these dues.

Darrell Sperry is getting maps made of the area. If you are interested in one they are \$20.00.

A new roof for the Sky Harbor Lodge was again discussed. A motion was made by John Cameron to allow the roof committee to hire an architectural engineer to evaluate the roof. This will include specs and drawings. The cost is not to exceed \$2000. Marion Kincheloe second the motion. Motion passed.

A gas card for Junior Webb was discussed. It was decided that Darrell Sperry is reimbursed for driving the roads and will report to Junior Webb if anything needs his attention. A suggestion was made that a sign be posted at the front entrance - for any road issues call Junior Webb and his phone number. This will be discussed at a future meeting.

Raising the dues was brought up. John Cameron stated that in order to raise the dues, 51% of the homeowners must agree. The Restrictive Covenants have to be amended to be able to do this. The letter would have to be drawn up by an attorney and mailed to all homeowners. Again, this will be discussed at a later date.

Marion Kincheloe stated that there are two abandoned properties that he is aware of and also businesses operating out of some residential cabins. He proposed having a letter drawn up by an attorney and a certified letter be mailed to the owners of the properties. The Board will look into this.

The Sky Harbor Lodge was not cleaned for the meeting today. A suggestion was made that they be notified of this. Steve Akers said he will call them.

John Cameron made a motion to change the next meeting date from November 5, 2011 to October 1, 2011. Steve Akers second the motion. Motion passed. Donna Chismar will have the date posted on the web site.

Motion to adjourn the meeting was made by John Cameron. Second by Roy Chismar.

Submitted by,

Donna Chismar,
Secretary, Sky Harbor POA

Sky Harbor Property Owners Association
Quarterly Board Meeting
August 6, 2011

The Sky Harbor Property Owner's Association held its quarterly Board Meeting at the Sky Harbor Lodge on August 6, 2011. Members present included:

Emil Gumieny
Denise Dorsey
Roy Chismar
Donna Chismar
Darrell Sperry
Marion Kincheloe
Larry Buckner
John Cameron
Steve Akers
Mary Jo Beard
Junior Webb
Dr. R. Chambliss
Dexter Christenberry

Members absent included:

Jim Hale
Roy Switzer

The meeting was called to order by Steve Akers. The minutes of the last meeting were read by Donna Chismar. Denise Dorsey stated that the minutes did not include the addition of Dexter Christenberry to the Board. This had been approved at the meeting in May. Minutes were amended and Dexter will be added to the list of Board members. John Cameron made a motion to accept the amended minutes and was second by Marion Kincheloe.

The Financial report was read by John Cameron. (see accounting report from Kirk Fortner) Sky Harbor had owed the accounting firm, Kirk Fortner, \$27,000 dollars. We paid them \$15,000 of this and they forgave the remaining balance of \$12,000. Dexter Christenberry suggested that we send a letter of appreciation to the accounting firm. John stated that we have 181 cable members. The prospect of being able to bundle services was again brought up. One of the members said they were able to bundle cable and internet. When we previously looked into this last year, we were told that we would not be able to do this. Roy Chismar will look into this and report at the next meeting. Steve Akers suggested that we get a further breakdown for roads and maintenance instead of the monies being lumped into one category. John Cameron will make this request to the accounting firm.

The budget proposal was presented by John Cameron. Junior Webb made a motion to accept the budget. Mary Jo Beard second the motion. Motion passed.

Marion Kincheloe presented the road report. He stated that all previously approved road monies have been used. \$75,000 has been approved for next year for road paving. (see attached road paving proposal) Junior will begin by fixing all the pot holes and then proceed with the other proposed projects. Donna Chismar made a motion to accept the road report. Mary Jo Beard second the motion. Motion passed.

Report of Special Committees:

Robert Chambliss presented the proposal for the need of a Manager in Sky Harbor and a list of his/her possible duties. Discussion ensued. We are all aware that there is no money available to hire a manager at this time but the proposal will be refined and presented again with the addition of suggestions on how to pay for this manager. Suggestions from the floor will also be taken into consideration when drafting the next proposal. This will be presented at the next Board meeting. Marion Kincheloe made a motion to accept the proposal as read. Mary Jo Beard second the motion. Report accepted as read.

Dexter Christenberry stated that part of Silver Poplar Dr. is located on his property. He would like to quick deed this part of his property back to Sky Harbor. He will look into doing this.

Steve Akers was going to have letters sent out to the homeowners who had dead trees that were perilously close to the Sky Harbor road ways and in danger of falling. He apologized for not having done this yet but stated that he did not have the addresses for the parties involved. Darrell Sperry has the list of property owners who are responsible for these trees. A suggestion was made that the letter should be drafted by an attorney and sent registered. Steve will take care of this.

Dexter Christenberry suggested that an attempt be made to have the county take over the maintenance of Silver Poplar from the bottom to the top. This would include Schoolhouse Gap Road since Silver Poplar turns into Schoolhouse Gap Rd. This would free up a considerable amount of money in our budget if we no longer had to maintain this road with Sky Harbor funds. John Cameron made a motion to establish a committee to look into taking over responsibility of this road. Marion Kincheloe second the motion. Motion passed. A committee of Dexter, Denise Dorsey and Junior Webb was formed and they will take this proposal to the county and report back at the next quarterly meeting. Dexter also suggested that raising the dues would help pay for some of the needed improvements in Sky Harbor. This will be discussed further at another meeting.

Darrell Sperry presented the Security report. He stated that the concrete barriers placed by Junior Webb at the end of East View Dr. have drastically reduced the unwanted traffic in and out of Sky Harbor. Also, there is a lot in Gatlinburg Getaway (Lot #21) that is adjacent to Sky Harbor Property which allows traffic to enter in either direction. The possibility of installing a gate in this area was discussed and John Cameron made a motion to allow Junior Webb and Darrell Sperry to install a gate at this site. Second by Roy Chismar. Motion passed.

The Board is in the process of issuing Darrell Sperry a gas card in the amount of \$300 per month which was approved by the Board at the meeting in March. He should be receiving this shortly.

New Business:

Proposed road paving agenda was discussed. \$75,000 will be allotted for current work. John Cameron made a motion to accept the current road proposal. Second by Steve Akers. Motion passed.

Darrell Sperry stated that a light is needed at the mailboxes. A motion to have this installed was made by Mary Jo Beard, second by Larry Buckner. Motion passed. Darrell will have this work done.

The Sky Harbor Club House was discussed and the needed repairs to this structure. The roof is still leaking and in need of replacement. John Cameron made a motion to establish a committee to look into the cost of a new roof and what structurally needs to be done to maintain the integrity of the roof. Marion Kincheloe second the motion. Motion passed. The established committee includes Dexter, Junior Webb and Larry Buckner. Dexter Christenberry suggested that the Club House be fixed up and used as a church retreat and that the possibility of a home improvement loan be obtained. This will be discussed at a later time.

Donna Chismar presented some of the suggestions and complaints from E-mails from the homeowners. All questions pertaining to the paving of the roads can be answered by viewing the Road Paving Proposal for the coming year. There was also a question asking if anyone knew of a surveyor in the area that would survey Sky Harbor property. Junior Webb stated that he knows a Bob Britton from Iron Mountain in Pigeon Forge who performs this service.

Marion Kincheloe stated that there are a couple of places where owners have abandoned their cabins or where businesses are operating out of cabins in the Sky Harbor area. He has requested that if anyone knows of such places to please contact him with this information.

John Cameron commented that we should be on the look out for another truck. This will be in addition to the truck that we already have, not a replacement. Junior Webb stated that we have the salt spreader from the old truck that is usable after minor repairs are performed. This would provide us with 2 snow plowing trucks for the winter.

Denise Dorsey has requested that we provide Junior Webb with a gas card since he drives the Sky Harbor roads looking for problem areas such as downed trees and road conditions. This will be discussed at the meeting after the annual meeting.

A motion to adjourn the meeting was made by Steve Akers, second by John Cameron.

Submitted by,
Donna Chismar
Secretary, Sky Harbor POA



Independent Accountants' Compilation Report

July 19, 2011

Sky Harbor Property Owners Association, Inc.
Silver Poplar Lane
Pigeon Forge, TN

We have compiled the accompanying statement of assets, liabilities, and equity-income tax basis of Sky Harbor Property Owners Association, Inc. (a Tennessee C corporation) as of June 30, 2011, and the related statement of income and expenses-income tax basis for the eleven month period then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the income tax basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the income tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The American Institute of Certified Public Accountants has determined that supplementary information about future major repairs and replacements of common property is required to supplement, but not required to be a part of, the basic financial statements. Sky Harbor Property Owners Association, Inc. has not presented this supplementary information.

Sincerely,

Kirk, Fortner, Smalley, & Associates, PLLC

Kirk, Fortner, Smalley, & Associates, PLLC
Certified Public Accountants

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Member American Institute of Certified Public Accountants, Tennessee Society of Certified Public Accountants
and American Institute of Certified Public Accountants' Private Companies Practice Section

Sky Harbor Property Owners Assoc.
Statement of Assets, Liabilities, and Equity - Income Tax Basis
June 30, 2011

ASSETS

Current Assets		
Cash in Bank - Tennessee State	\$	28,901.65
Accounts Receivable-Dues		145,997.49
Accounts Receivable-Cable		7,044.87
Allow. for Doubtful Accounts		(145,542.45)
Total Current Assets		36,401.56
Fixed Assets		
Truck		10,500.00
Snow Plow		4,500.00
Equipment		3,899.99
Improvements-Air Conditioner		5,000.00
Signs		9,000.00
Clubhouse		354,500.00
Improvements		746,140.19
Improvements-2009		60,652.93
Improvements 2010		112,277.10
Less: Accumulated Depreciation		(315,102.08)
Total Fixed Assets		991,368.13
Total Assets		\$ 1,027,769.69

LIABILITIES AND EQUITY

Current Liabilities		
Accounts Payable	\$	5,000.00
Customer Prepaid Dues		777.30
Customer Prepaid Cable		515.00
Deferred Revenue - Dues		14,906.31
Sales Tax Payable		251.00
Total Current Liabilities		21,449.61
Equity		
Retained Earnings		943,238.68
Net Income		63,081.40
Total Equity		1,006,320.08
Total Liabilities & Equity		\$ 1,027,769.69

See Independent Accountants' Compilation Report

Sky Harbor Property Owners Assoc.
Statement of Revenue and Expenses - Income Tax Basis
For the Eleven Month Period Ended June 30, 2011

	Year to Date	
Income		
Property Owners Dues	\$ 163,969.86	53.94
Cable Fee Income	103,527.22	34.06
Rental Income	18,883.00	6.21
Bad Debt Recovery	11,904.15	3.92
Income/late fees	5,710.00	1.88
Total Income	<u>303,994.23</u>	<u>100.00</u>
Expenses		
Auto/Gas Expense	1,329.67	0.44
Bad Debt	37,979.52	12.49
Cable Expenses	41,715.02	13.72
Credit Card Fees	313.20	0.10
Contract Labor	605.00	0.20
Depreciation	47,601.55	15.66
Insurance	8,010.36	2.64
Interest Expense	239.73	0.08
Hot Tub Fees	570.00	0.19
Repairs and Maintenance	28,959.43	9.53
Licenses	20.00	0.01
Office Expenses	534.56	0.18
Other Taxes	288.83	0.10
Pest Control	347.78	0.11
Postage/Box Rental	60.00	0.02
Printing & Reproduction	200.00	0.07
Professional Fees	29,232.95	9.62
Property Maintenance	109.75	0.04
Rental Commission	5,664.90	1.86
Property Taxes	1,116.00	0.37
Road Maintenance	22,246.17	7.32
Repairs	1,595.93	0.52
Supplies	4,058.37	1.34
Telephone	406.05	0.13
Utilities	7,708.06	2.54
Total Expenses	<u>240,912.83</u>	<u>79.25</u>
Net Income from Operations	<u>63,081.40</u>	<u>20.75</u>
Other Income		
Total Other Income	<u>0.00</u>	<u>0.00</u>
Net Income	<u>\$ 63,081.40</u>	<u>20.75</u>

See Independent Accountants' Compilation Report

Budget

8/11 - 9/12

Assistant	24,000
Insurance	10,000
Lease	5,000
Gas - C.H.	2,500
Gas - Sand	2,500
Oil (Truck)	1,000
Truck - Maint.	2,000
Tractor Labor	10,000
Sub Control	300
Prop. Tax	1,900
Tractor - Off Exp	3,000
Gas tax (cable)	2,400
Gas	1,000
Oil (O.S.)	2,400
F/CH	10,000
Office	10,000
Retirement	10,000
10,000 <i>for gas</i>	
\$108,000	

Cable Income
 Est Accounts
 $(49.50 - 20.00)(171)(12)$
 $= 67,214$

Bank Bal. \$ 28,901 6/30/11
 Bank Bal. \$ 105,794 8/11/11

Dues
 873 Billed \$ 186,454

Estimate 80% \$ 149,163

\$ 149,163
~~27,214~~
 $\$ 121,949$ Tot. Estimated
 Income
~~-108,000~~
 $\$ 16,949$

Estimate \$ 75,000 available for road work
 this fall

SKY HARBOR PROPERTY OWNERS ASSOCIATION
ROAD PROPOSAL
AUGUST 6, 2011

1. Orchard Drive – 1150 Lin. Feet.....Appx. 300x16
12,000 Sq. Feet.....173 Tons.....\$25,604.00

Silver Poplar and Cherry View to Orchard – 300x16
4,800 Sq. Feet.....68 Tons..... \$10,064.00
 2. Hickory Hill (two pieces on hill) – Appx. 500x14
7,000 Sq. Feet.....100 Tons.....\$14,800.00

 3. Skyview – 3 pieces Appx. 14x1000 Sq. Feet
200 Tons.....\$29,600.00
 4. Patching Pot Holes On Some Roads
 5. Ridgefield – Hill #1 – Appx. 12x300
3600 Sq. Feet.....54 Tons.....\$ 7,992.00
Hill # 2 – 12x175....2,100 Sq. Feet
30 Tons.....\$ 4,440.00
 6. Minnie Homes Court\$ 9,500.00
Owners to help pay cost – ½ or more
- Total.....\$ 102,000.00