

SWRA Annual Meeting Report March 10, 2018

Call to order - Vice President Tom Dyne welcomed members to the Annual Meeting of the StillWaters Residential Association at 10:01 a.m. at the SWRA Centre. Board members Gene Akers, Penny Alexander, Mike Dollar, Tom Nicholson and Patti Richardson were present. President David Hargrove was excused. General Manager Kevin Eason and Community Administrator Susan Thames also attended. Tom stated that a lot of good and informative information would be covered this morning. Tom thanked everyone for attending. He then turned the meeting over to General Manager Kevin Eason who stated that his goal was to keep the meeting to an hour and then to open the floor for questions/answers.

Approximately 120 people, including SWRA staff and SWRA board members, attended the meeting. An attendance list, committee and email sign-up sheets, March newsletter and handouts of the 2018 budget were available.

Kevin introduced George Carleton - Tallapoosa County District 5 Commissioner

Mr. Carleton has served three and a half years and has been instrumental in having dumpsters for clean up placed at the SWRA Welcome Centre twice a year. The County Commission also gave a donation to the SWVF&R to support our local fire department. Mr. Carleton announced that he is running for reelection and stated he would appreciate peoples' votes in June. He also acknowledged and expressed appreciation for a good working relationship with our General Manager, Kevin Eason.

Keith Hiatt Owner of Stillwater's Golf Club spoke briefly. It has been three years since he came to speak to us for first time. He reported that they have made a lot of strides in the last 3 years. Everyone wanted a restaurant and it has caught fire. The golf course business is tough, they are making progress but not as fast as he would like. He expressed appreciation for people's support. They are slowly mowing the old (Legend) course. Keith stated that they had spent so much money on the restaurant and golf course to get started that they are working towards improving and becoming profitable. The golf club currently has 250 members total, revenue is improving each year and they are looking forward to summer. He would like to work toward a fitness center and opening the old golf course at some point in the future.

Kevin thanked Keith for attending and for his positive contributions to our community. Premium Turf also cuts Stillwater's' roadsides, SWRA partnered with him, which is good for both. We had a bit of a learning curve but are doing well now.

GENERAL MANAGER PRESENTATION

Kevin Eason gave a Recap of 2017

Largest thing going on in StillWaters is growth. There were 32 new homes built since January 2015 and there are more on the way. The Architectural Review Committee has approved construction for eleven houses, not counting cottages at Sunset Point. A few are waterfront but the majority are interior lots and most are full-time residents. The growth helps to keep property values up; the golf

course has really helped the growth, the marina also. People want to live here and get involved in a positive and growing community.

New Planned Developments to Start 2018

Owners of the current Harbor Pointe Marina have purchased the 17 acres plus Lots 1-10 of the Blue Creek subdivision and they plan to build another boat storage building, which will include wet slips and gas docks. They may also add residential units.

Cottages at Sunset Point where the old timeshares were are a great improvement and all these houses are sold.

Sunset Point II on the other side is getting close to the assets being liquidated and we hope to see cottages there as permanent homes also. They haven't settled the bankruptcy as of this date but once they do there will be no timeshares left in StillWaters.

Replat of lot off Moonbrook at StillWaters Drive intersection. Ten townhomes facing the Legends golf course (closed course) have been approved. And the same group is negotiating to purchase Goose Point (across from Pineview Pool with plans to build more townhouses. All townhomes will have a garage; they are single story, two to three bedrooms with nice decks. Plans have not been advertised but there is already strong interest in the units.

Beach Island Trace - Alabama Power has approved dredging of a slough there. It is the largest dredging project allowed in a number of years. Plans show a nice seawall on five or six lots. Alabama Power has allowed some other dredging in StillWaters. It looks muddy now but will be cleaned up.

ARC (Architectural Review Committee) Permits

Kevin shared a graph showing the number of permits approved. There were 125 in 2015 but over 200 each in 2016 and in 2017. People are building, remodeling, adding onto homes and sprucing up. ARC is a very active committee. Tom Dyne serves as chairman with members Jeff Cochran, Jim Rogers, Lee Eastman and Drew Heederick.

Kevin informed attendees of ARC meeting times and reminded all that if replacing anything on outside of their home a building permit is required. The ARC recently updated fence standards to match products that are currently produced. A covered boat dock is now limited to no more than eighteen feet.

SWRA and Alabama Power have a long-standing agreement that they will not approve a permit without SWRA first approving the work.

Damage to Common Area by Contractor - Who is responsible?

All this growth brings issues with it. More trash, more people entering through gate, contractors damage, etc. The Association has very little control over who can enter as a contractor; the homeowner or person hiring them is responsible for any damages. SWRA does require a building deposit to be held in case of damages. SWRA has authority over the property owner per the governing documents. New development brings growing pains.

Kevin met with Roads Engineer Hagan Waggoner and reported to the Board that we may need to hold off on some planned road repairs because construction will cause some damage.

Weather and Natural Disasters - Kevin reviewed some of the damages caused by weather. We are not a municipality and we have no ability to have funds or equipment to put salt or sand on roadways. Only way to pay for that would be to raise association fees, which is nearly impossible to do. SWRA tries to make people aware of conditions but SWRA owns the roads, they are private, so the County and State are not going to close our roads. It is up to each property owner to use common sense and make his or her own decision as to safety.

Nuisance Animals - SWRA has a policy in place, for pets that cause problems. There is a written procedure on how to handle complaints.

Wild Animals - When it comes to wild animals SWRA does not have the resources to do anything to control these. These animals are part of the natural habitat and are going to come in. We have tried in the past, have paid a critter control company but some residents took it upon themselves to spring the traps.

Entrance Gate Changes and Amenity Gate Changes - Biggest change this year, we have always had the transmitters but we were running two systems. The card system was no longer manufactured; we had to buy remanufactured parts with only 90-day warranties. The transmitters always worked, cards did not and the card readers were down a lot. We looked at replacing the card system, but both gates had to match and the cost would have been prohibitive. Instead, we switched over to an ALL transmitter system at nominal cost to the Association. It works great but card users had to buy a new transmitter. We have always had an annual gate fee. For the last two plus years, Gate 34 slide gates have been closed between 11:30 p.m. to 5:30 a.m. SWRA did so because of requests of property owners in that area. Of course, they can still come in on front gate at Highway 49. And Emergency personnel can enter at any time. They have special devices to enter.

Community Event - Be sure to save the Date for our Fourth Annual Family Festival. It will be held Saturday, May 26th, 2018 at Moonbrook Park. Recreation committee will sell refreshments, bigger slide 27 feet tall, DJ with games and prizes. We are working on some other events. Some local candidates would like for us to hold a "Meet the Candidates" event.

The Covenants	Number of Properties	
1987 Covenants (SWRA)	1450	+6
1974 Amendments	320	
1971 Covenants	41	-4
Waters Edge	<u>8</u>	
Total Property Owners	1819	

We added two more properties due to subdivision. For example, with the townhouses on the Legend golf course that were just approved, SWRA will receive ten more annual fees and the 1987 number will rise by ten. We continue to work towards more uniform governing and hopefully all properties will one day be subjected to the 1987 covenants.

Legal Issues (There are currently two major ones at this time.)

1. Riverwoods LLC /Tree/Covenants case

Over four years ago the former owner of the golf courses and several other properties started clear-cutting these lots. SWRA filed for and was granted a temporary injunction that stayed in place for over four years. It was a major tree-cutting plan and would have changed the landscape of the entire community. The good thing is that during that time a new owner acquired both golf courses and the driving range, a new contractor purchased the 54 lots to the left as you enter gate 49, SWRA purchased property at the Welcome Center to preserve the entrance at Gate 49, and a new LLC purchased the hotel site and Lots 1-10 Blue Creek Subdivision. All of these had been owned by the Zettlers so new owners who purchased have signed an additional agreement acknowledging that these properties are subjected to and governed by the 1987 covenants and SWRA. So we accomplished a great deal with all of this.

Unfortunately, Judge Steve Perryman made a ruling a few months ago. A document was filed one morning and signed the same day by him that lifted the injunction. In doing so his order did not acknowledge that the Zettlers no longer owned some of the properties and was very confusing. SWRA filed a Rule 59 to allow the judge to reconsider his ruling and to alter it or clarify. However, Judge Perryman did not respond. The SWRA board filed an appeal in the Alabama State Supreme Appellate court. We are waiting on a hearing on the appeal, which has been accepted by the Appellate Court.

2. Marian Edel/Lana Williamson Lawsuit

There is a pending hearing on March 14th in Tallapoosa County courthouse. This lawsuit was brought by two people claiming to represent all of the SWRA property owners and is suing the Association. SWRA's insurance company picked up the defense of SWRA and will be covering our legal fees. SWRA has filed a Motion to Dismiss.

Covenant Violations Cases

The number of cases has dropped dramatically over the last few years. Most of these involve trailers, building something too tall or something that is not allowed by the SWRA governing documents. A few years ago Judge Martin ruled in our favor on a case because it did not meet the guidelines, the fence was too tall and encompassed too large an area. This has been very helpful and effective in bringing others into compliance without having to go to court. The ARC uses common sense on their rulings. They are neighbors and are compassionate but must hold strong to the guidelines, they try to work with people towards mutually beneficial outcomes.

Collection Cases

Collections of Annual Dues and Assessments are doing well. The Deed for Debt program works for owners who no longer want their property. SWRA currently owns 81 lots that we would like to sell. Russell Balch's office handles collection cases for us and they have done well. Kevin pointed out that SWRA tries to remind owners and to collect directly before turning accounts over to legal collections. Susan Thames does a great job of collecting. She has collected consistently on some who have not paid in years.

TREASURER'S REPORT - Kevin introduced Mike Dollar and stated that this would be Mike's last meeting. He has served on the SWRA Board as Treasurer since 2009. Mike has done an excellent job for the Association and his dedication and expertise have benefited SWRA.

Mike thanked Kevin for the kind words and moved into explaining the SWRA Financial Highlights.

Mike first reviewed the financial performance in 2017.

SWRA - ACTUAL VS BUDGET 2017

	ACTUAL	BUDGET
REVENUE	\$1,191,923	\$1,135,934
EXPENSES:		
ROADS	202,288	192,312
GATES	209,541	191,660
LANDSCAPE	204,542	198,980
ADMINISTRATIVE	319,977	317,918
SWRA CENTRE	39,977	28,433
ALL OTHER	<u>167,511</u>	<u>165,674</u>
NET INCOME	\$ 48,088	\$ 40,957

Conversion of Gate Entry to Transmitter Only was a major issue. We constantly had to listen to Kevin explaining why the gate wasn't working. The impact of \$55,000 to replace card entry system was something we decided not to do. So there was a major upside to switching to transmitter only at the end of 2017.

70% of our revenue comes from annual maintenance fees and assessments. Our revenue stream was strong in 2017, however, due to construction and real estate activity. On the downside, we lost the revenue from SSP I and SSP II, due to bankruptcies.

- Looking at expenses in 2017, Mike explained that we were over budget in the roads account due to more extensive work than had been estimated at the corner of Dogwood and Cardinal Heights.
- Gate expenses are up and we have ordered over a 1,000 transmitters.
- Landscape had a bit more monthly expense due to a small contract increase.
- The Emergency Weather Siren had to be repaired and was \$4,500 we had not budgeted for in 2017.
- Insurance company we had for several years dropped us and the new company contract was more than the old one.
- An air conditioning unit at the SWRA Centre had to be replaced

We always target to have an unrestricted cash balance of \$40,000 - \$50,000 at year-end and we accomplished that again in 2017 after we allocated \$45,000 to our reserves. We acquired the Welcome Centre a couple of years ago and we began another reserve fund to cover the cost of maintaining for that building operating condition. After the reserve transfers, SWRA ended the year with unrestricted or operating cash of \$45,000.

Mike then reviewed the budget for 2018.

Our goal every year is to budget our operating expenses within the limits of our anticipated revenue and to leave enough cash to provide adequate reserves to cover future capital and extraordinary maintenance requirements. SWRA bills and collects most of our revenue in January and February due to structure of our annual maintenance billing.

SWRA Operating Budget 2018 - Revenue

Property Owner Fees/Assessments	\$812,412
Gate Fees and Devices	110,700
Boat Storage	17,345
Transfer Fees	45,600
Building/Realtor Permits	24,000
Facilities Rental	16,680
Condo Management Fees	120,360
Other (advertising, interest, late fees)	32,474
Total	\$ 1,179,571

Assessments are fixed, some years we have conversion of covenants from Waters Edge, 1971 or 1974, which is a positive for SWRA. For the first time in three years the annual fees were increased automatically by 2% or \$8 due to the Cost Of Living Increase (COLA) as per the SWRA Bylaws.

The growth in construction and real estate activity had a positive effect on SWRA finances. The Welcome Center leasing goes up and down. We had a good year last year and hopefully 2018 will be a good year also. Kevin did a good job of marketing the building for rental.

We have added bookkeeping fee from Stoneview Summit this year and a small contract with the Cottages at Lake Martin for management fees, which will replace lost revenue due to bankruptcies.

SWRA Operating Budget 2018 - Expenses

Administration	\$294,800
Gates	189,729
Roads/Drainage	190,420
Landscape/Grounds	206,749
Common Areas	38,308
SWRA Centre	36,321
Welcome Centre	32,457
Condo Management	92,522
Legal Expenses	24,000
Reserves	45,000
Total	\$ 1,150,306

We have a number of contracts that must be reviewed and evaluated annually and the budget adjusted accordingly. Assessments are fixed, some years we have conversion of covenants from

Waters Edge, 1971 or 1974, which is a positive for SWRA. For the first time in three years the annual fees were increased automatically by 2% or \$8 due to the Cost Of Living Increase (COLA) as per the SWRA Bylaws.

Mike reviewed details of each line item and explained how they fluctuate. Condo Fees took \$27,000 out of our revenue because of the loss of funds in 2017 due to the SSPI and SSPII bankruptcies.

We have added book keeping fee from Stoneview Summit this year and a small contract with SSPI for management fees. And Cottages and Lake Martin have combined worked to replace lost revenue. Revenue is down to condo association to manage areas, due to the above events.

SWRA Operating Budget 2018 - Cash Flow

This is the area that comes down to how effectively we manage the funds. We operate day-to-day on our general cash funds. Six to seven % is not collected each year. Much of that amount is due to two non-paying owners.

Cash, Including Reserves:

Balance 12/31/2017	\$ 435,886
Net from Operations	49,209
Capital Expenditures	<u>(54,200)</u>
Net Projected Change	<u>(4,992)</u>

Balance 12/31/2018 \$ 430,895

- Delayed Construction of Storage and Pool House renovation. We anticipate doing some modifications to the Pineview pool house. The special committee presented its report for plans to the Board to renovate the Pineview pool building and to build a storage building. The Board separated the proposal into two projects. The Board delayed it last year; we think there is a resolution this year for the storage that will be very beneficial to SWRA funds.
- Modifications for the pump in fountain are anticipated.
- Pickle ball is a new addition and we have \$2,200 in the budget in order to modify the tennis courts to accommodate pickle ball. This was in response to requests from SWRA Members.
- Repaired Major Drainage Issue on Dogwood - sinkhole that cost a great deal. Spent 10,000 in 2018 in the area.

RESERVES

Reserves are a reallocation of our cash. Mike explained some of the changes from last year and explained the categories. Ours is not a legally required reserve determined from formal studies, which are expensive. We have done informal studies, anticipated costs and have budgeted reserves accordingly. The Board works very hard to plan for the future. Mike explained some of the issues the Board has faced and how those have been handled.

	2018 Budget	12/31/18 Projected Balance
SWRA Centre	\$20,000	\$110,246
Welcome Centre	5,000	10,000
Fountain	5,000	50,000
Pineview Pool	5,000	25,000
Vehicle/Major Eqpt	-	8,500
Gate Equipment	3,000	30,031
Tennis Courts	2,000	3,800
Moonbrook Park	5,000	30,967
Contingency	-	90,000
Total	\$45,000	\$383,544

2017 SWRA Board - Tom Dyne stated that since March 2009 Mike Dollar has been on the board. He has elected not to seek another term so this is his last official function as treasurer for the association. Our community has benefited from his experience, his work and expertise. He is very cautious that our money is spent reasonably. The group expressed appreciation to Mike for his service.

David Hargrove has served as President of the board and he has also decided not to seek reelection. David has served the community well and his business experience has been a valuable asset. SWRA has been fortunate to have him.

Tom introduced the current board members.

David Hargrove	President	Gene Akers	Member
Tom Dyne	Vice President	Tom Nicholson	Member
Mike Dollar	Treasurer	Patti Richardson	Member
Penny Alexander	Secretary		

SWRA Staff - SWRA has made a transition from manning gate attendants ourselves to contracting part of those hours out to Delta Security. Kevin reviewed the list of employees and commended the staff on their quality work and dedication to our community. The work very hard to give you best service we can.

General Manager: Kevin Eason

Community Administrator: Susan Thames

Accounting/Bookkeeping: Monica Peterson

Maintenance: Alan Price, Crayton Vickers, Jeremy Vickers, Drew Heedrick,

Evelyn Mann, Tiffany Hagerty

Welcome Centre: Anita Gardner, Mandy Simmons

Gate Attendants: Brandy Price, Crayton Vickers, Clyde Ware, and Delta Security

Board Election 2018 - Tom Dyne reported.

Nominating Committee - Those serving were Gene Akers, Sally Gantt, Jim Martin, Earl Moore and Tom Dyne as Chairman.

Election Committee members were Nell Brasswell, Rick Linteris, Debbie Nigh, Rita McCollister and Earl Moore who met to validate the ballots and count the votes.

Tom thanked the Nominating Committee (NC) members for their time and diligent work. They started meeting in October 2017. The SWRA Board appoints property owners to the NC and it is their charter to try to interview and vet candidates to fill vacancies. Board members Mike Dollar and David Hargrove did not run for reelection. It is difficult to find people who will serve on the board. It is an all-volunteer board, is very active and time intense with a three-year term commitment. The Nominating Committee used a detailed evaluation system and conducted interviews with five candidates in order to choose two to put forward in their recommendation. It is great to have people interested. Lee Eastman has served on the Architectural Review Committee for several years and is familiar with what is happening in StillWaters. Ken Ledbetter chaired a committee tasked with developing plans for a storage building and plans for renovating the Pineview pool house. Tom introduced Ken and Lee, thanked them for their willingness to serve and welcomed them to the SWRA Board.

2018 Board - Members are Gene Akers, Penny Alexander, Tom Dyne, Lee Eastman, Ken Ledbetter, Tom Nicholson and Patti Richardson.

SWRA Committees - Kevin encouraged those attending to sign up list for volunteers to serve on an SWRA Committee. If interested in the Architectural Review Committee, Recreation (formally Neighborhood Council), Landscape/Maintenance, Financial, Christmas and Special Projects Committees please let us know.

Announcements - Kevin encouraged all to sign up to receive SWRA emails and to read the monthly newsletter in order to stay current on what is happening in StillWaters. He also requested that Members keep their account contact information up to date with the office. Members can find association documents, applications, special event details, announcements, monthly newsletter and more on the website (Stillwatersra.com) at their convenience.

George Brady - SWVF&R Board President - George reported that part of the last five-year plan was to get a new tanker truck. They filed grants with FEMA - one for a tanker and one that they just received for a new pumper. They do the beginning work and filing then hire a grant consultant to help write it in correct order for FEMA paperwork. The brush truck covered by the grant costs \$155,000 with the fire department portion being \$7,000. The pumper truck costs \$238,000 with the fire department paying \$11,000.

The fire department answered 46 calls last year, among those structure fires, grass fires, car accidents, gas leaks and mutual aid responses.

We have 5-7 people show up per call. Mutual aid with Dadeville and Paces Point Fire Dept. requires extensive training. Brush truck is more efficient for vehicle accidents and for brush fires.

It doubles as a “Service Truck” goal is to lower the ISO rating and the service truck helps to improve our ISO rating which effects home insurance.

There are 95 hydrants inside the gates of StillWaters plus 2 lake fed hydrants. There are only 7 hydrants outside of gate. The ISO rating inside StillWaters is 6 and outside is 9. Dadeville Fire Department has a ladder truck, which covers the multi story condo buildings. ISO does re-inspection about every 5 years so we should have one coming up in the next few years.

One goal was met when we added \$50,000 to reserves for 2017.

The Fire Department Board brought down insurance expenses \$12,000 per year. And they were able to negotiate a \$30,000 refund for over charges from their old insurance company.

A third fire station would not help the ISO rating. It would cost \$600,000 plus to build a station plus all new equipment so at least \$1 million. The SWVF&R Board determined that there was not a need for a third station and decided not to pursue it. They put the lot that the fire department had purchased at the 2003 auction up for sale and it recently sold for \$45,000.

This year they are writing a grant for a mini pumper, which is easier to handle and less expensive to operate.

They are planning to continue training on using the “Jaws of Life” and other training. They are concentrating on the ISO rating in an effort to improve it so we can have the best rating we possibly can.

We currently have 12 certified volunteers and 4 apparatus operators.

This year we put new siding on and repainted fire station one, as well as cleaning up the inside. It looks great and matches the StillWaters color for buildings.

George recognized Treasurer Chuck Coleman who is retiring, Jane Merrifield who is their board member who is in charge of the new landscape around station one. The SWVF&R department is alive and well.

Property Owners Questions and Comments

Kevin stated that he and the Board would try to answer what we can today and will get back to you if we do not have the answer today. Because of pending litigation, there may be some questions that we may not be able to answer at this time.

Kevin introduced SWRA’s Attorney Russell Balch of Akridge & Balch in Auburn to give a litigation report and to be on hand to address questions. Mr. Balch stated that Kevin did a good job in the synopsis of our outstanding cases and that in the Riverwoods (Zettler) clear cutting/covenants case there is still a counter claim pending in circuit court which means that our SWRA insurance is picking up the costs of that. The appeal at the Supreme Court level will take many months.

Russell briefly explained that the Marian Edel / Lana Williamson lawsuit they are filing under “Derivative action”. The plaintiffs are claiming to represent all of the members whether they want to be represented or not. If property owners do not want to be represented by Edel/Williamson they may call or contact their counsel and make their point that they do not want to be included. Russell stated that his fondest wish is to not have to be here to give a litigation report.

Kevin thanked Attorney Balch and then asked that property owners state their name, covenants they are under and speak into microphone. He announced that comments would be limited to three

minutes per member and that he and SWRA Board members would be available after the meeting if anyone had any questions or concerns to discuss personally.

Marion Edel - Lunker Court - 1987 Covenants. She stated that she filed the lawsuit and is concerned about 5.4 of the bylaws and the sale of SWRA owned property that included waterfront land.

Chuck Lehman - Holly Ridge - 1987 Covenants - He addressed his question to Russell Balch stating that he did not understand how two property owners could act as if they are representing him and other property owners when we have an elected board that represents property owners. He stated that he did not want them to and did not want to be a part of the law suit.

Attorney Balch responded that Mr. Lehman could contact the opposing counsel and let him know he does not want to be represented by the plaintiffs.

Judson Edel - Lunker Court - 1987 Covenants - He stated that he was a board member during the first 3 years after the Baptist left us. Bylaw article 5.4 that my wife mentioned, I think says that no sale of the land without 55 % approval of the people. This was never mentioned that we were selling waterfront property. I think people should be able to fish, swim, or do whatever they want. He stated that he lived on the water and did not need access to the water but that he still thought that this was a good area for a beach and swim area in this area. Mr. Edel stated that is was not in the minutes that the Board was selling this property.

He also complained that he did not agree with the process of the Nominating Committee. Mr. Edel stated that when he was on the board things were done differently on the nominations and that in his opinion anyone who wants to run should be put on the ballot by the nominating committee. Time was called and Mr. Edel ended his comments.

Debbie Nigh - Lakeview Ridge Circle - 1987 Covenants - Mrs. Nigh stated that she served on Board with Judson Edel when the use of the waterfront under the power lines in Cardinal Heights came up. Judson wanted to put a beach in that area. She stated that she met with a representative from Alabama Power because the land under the transmission power lines has strict guidelines and restrictions on its use. The Alabama Power representative told her that they would never allow a swim area under the transmission lines due to national safety codes. Nothing can be built under these lines. In addition to safety issues there were others, which included drainage culverts, no place for a restroom and no parking. There was also a petition signed by a majority of the property owners in the Blue Creek and Cardinal Heights subdivisions against the use of this area for any public use including that of property owners due to it being in the middle of the two-platted subdivisions. In 2006 the Board that Judson and I served on, approved a motion to subject all SWRA owned land under power lines to the 1987 residential covenants in order to restrict the use of this property in addition to the Alabama Power restrictions stating that it could not be used for commercial or public use. All this was done years ago.

She also addressed Mr. Edel on his comment that the Board was secretive about it. She asked if he received the minutes of the board that are regularly emailed to property owners. She pointed out that over a two-year period that the sale of the land under the power lines was referenced at least 15 times.

She was treasurer of the board when the "Deed for Debt" program was implemented. The Board and its attorneys researched the Board's authority to sell property. It is clearly allowed and

outlined in the association documents. Multiple attorneys have told the board that Bylaw 5.4 addresses SWRA transferring roads or parks to public entities like the City of Dadeville. The sale of the land under the power lines to reduce long-term costs for the association has nothing to do with 5.4 and that she felt that the board acted in the best interest of the association and its members.

Rick Maas - 53 Eastwood - 1987 Covenants. He asked why the board and Nominating Committee did not offer up 5 candidates and suggested that they do so and then just point out which two they endorsed.

Tom Dyne answered as he served as Chairman of the Nominating Committee (NC). SWRA Bylaws, Articles of Incorporation, Covenants and Robert's Rules of Order govern the Association. The governing documents outline that the Board appoints the Nominating Committee with two members from the board serving along with three other property owners. After discussion and input from candidates who have run in the past the guidance from the board this year and the past few years has been that the NC search out property owners under the 1987 covenants who are willing to serve and to interview and vet these candidates. After doing so, the NC recommends a slate of the best qualified for that particular year and its needs to fill the number of open positions. This year there were two vacancies. According to Robert's Rules this is appropriate because there is another way for members to get on ballot and run for the board. As per the Bylaws, they may be placed on the ballot by petition. They have 20 property owners in good standing to sign the petition and then their name would appear on the ballot. The NC's charter is to try to vet the best-qualified candidates for the board that particular year.

Once they found time commitments one of the five withdrew their name. This was a good year and we were lucky to find four people who considered serving. The committee looks at background and involvement in StillWaters in addition to the interview. The majority of property owners do not live here and do not know people. This process has proven to be effective.

Myrna Lehman - Holly Ridge 1987 - She stated that first she wanted to express her thanks to all the Board members for their hard work. They are criticized no matter what they do. Board members give of their time, patience and hard work. In her opinion they go above and beyond in your duties and she wants them to know that she and many others appreciate them.

Myra stated that she wants nothing to do with this lawsuit, that she was not interested in suing herself!

Herb Starzer - Overlook Circle - 1987 Covenants - He stated that he received a letter asking if were interested in purchasing a parcel of land under the power lines adjacent to a lot that he owns. He responded that he was, agreed to all restrictions, paid the purchase price and for the survey and all closing costs. A year or so later he is publicly being accused of collusion and of doing something wrong. The next thing he knows he has a lawsuit filed against him for purchasing this parcel. He was one of 40 parcels and does not understand why only he and one other person who purchased are being sued. Mr. Starzer stated that this all started a long ago. In 2003 he purchased this lot and began working with the Developer to purchase the land next to it under the power lines. The Developer agreed to sell it however time ran out and with the court decision to auction StillWaters the Developer could not sell anymore. Mr. Starzer had already paid for the survey so he asked Developer what he should do. They stated that it was of no value to anyone and that land under the power lines would be deeded over to the association at the auction so he should approach

the association. After the auction Judson Edel started saying that since the association lost its beach and boat ramp in auction, he wanted to replace it. Judson wanted to replace that and wanted to put a beach and parking lot in front of our property. It is hilly land, under the large transmission lines and in the middle of individually owned houses and residential lots.

Residents in the area got a petition signed and addressed the board. That Board in July of that year, board that Judson was on voted to be sure that the 1987 covenants were recorded on this land, no beach or boat ramp and it would not be sold.

Herb stated that in 2015 he received a letter from the SWRA Board offering the adjacent parcel for sale and he accepted the offer. He does not understand why he was targeted with a lawsuit filed against him. Time was called and Mr. Starzer ended his comments.

Kevin thanked everyone for coming, apologized for running over our time and stated that Members stayed because it is important for property owners to know what is going on in StillWaters. We want members to stay active and informed.

Sign up for the SWRA eflash to receive newsletters and notices and if you would like to receive copies of the approved SWRA Board meeting minutes, please put your email on the list in the back.

The meeting was adjourned at 11:54 p.m.

Tom Dyne, Vice President

Penny Alexander, Secretary

Date Approved by the Board