

## Harbor Town Property Owners Association FAQs

1. How can I find out if I live in Harbor Town?

You can check the subdivision maps located on our website. Bigger map versions are also available in our Facebook Group. Harbor Town consists of 729 lots spread across four subdivisions: Harbor Town North, Harbor Town South, Kentucky Lake Heights, and Kentucky Lake Heights Unit 7.

2. How do I join the “Harbor Town Property Owners Association” Group?

Search for “Harbor Town Property Owners Association” in Facebook. Answer the questions to join. You must be a Harbor Town property owner to join.

3. What if I don’t want to join the Harbor Town Property Owners Association (HTPOA)?

If you own a lot in Harbor Town, you are a member of the HTPOA. The membership is conveyed with the land. The only way to “opt out” is to sell all of your HT property.

4. How long has the Harbor Town Property Owners Association (HTPOA) been in existence?

The Association was formed by the original Harbor Town Developer. The Developers turned control of the Association over to the HT owners in 1989. It has been run by property owner volunteers since 1989.

5. How big is the Board of Directors?

The HTPOA Board of Directors consists of nine volunteers elected by the owners at the Annual Meeting. Three positions become available for election each year. Four Board Officers are elected by the nine Directors amongst themselves. The property owners do not elect the Officers directly.

6. How much are the Directors paid?

The Directors and Officers are unpaid, volunteer positions.

7. How much are the dues?

The dues were initially \$15 in 1989, rose to \$20 in 2009, and increased to \$25 by 2014.

## 8. What are the dues used for?

Here is a list of expenses that the dues cover:

- Annual filing of HTPOA Annual Report with Tennessee.
- Legal fees associated with covenant enforcement and Board support.
- Insurance.
- Accounting software for tracking HTPOA membership, dues, and expenses.
- Office supplies and signs.
- Postage including registered letters and post office box rental.
- Website maintenance and development.
- Annual Meeting and other meeting costs.

The HTPOA is a non-profit corporation. If dues exceed expenses, the remainder is placed into a savings account or CD for future needs. This also helps offset higher than expected costs if they arise in any given year. Board members are all unpaid volunteers. Typically, the biggest expenses are legal fees, insurance, postage, and the Annual Meeting.

## 9. What good is a Homeowner or Property Owners Associations?

In general, some of the biggest advantages of a POA are that they stabilize property values, boost the value of your property, provide a stronger sense of community, provide more control over restrictions, and provide a bigger voice at the local political level. There are 30 times more HOAs in the United States today than there were in 1970. They're especially popular in fast-growing regions, such as in the South and West.

The HTPOA has added considerable value to all the subdivisions and property owners. The POA has worked hard to insure that property values are maintained by adherence to the subdivision covenants. The original gravel roads were upgraded to tar and gravel and then asphalt. They worked to get natural gas in the subdivisions. They coordinated efforts with law enforcement and other government organizations to address dumping, animals, vandalization, water quality, and sewage issues. Many of the things we now take for granted. We still have many of these issues today in various degrees and who will we turn to if we don't have a POA? In the past, the POA used the leverage of 4 subdivisions and hundreds of owners to get attention at various government agencies.

## 10. What is the difference between the HTPOA By-laws and the subdivision covenants?

The By-laws provide the framework for the administration and workings of the HTPOA. It specifies how to make changes in the By-laws, how to elect the Directors, how many meetings should be held, etc.

The subdivision Protective Covenants are the specific restrictions for each of the four Harbor Town subdivisions. Each of the subdivisions has its own set of Protective Covenants that are different from the other subdivisions. These cover such things as property setbacks, building requirements, minimum building sizes, garage requirements, etc. The

Protective Covenants run with the land and would exist even if the POA did not. They are not something that may be opted out of.

11. Where can I get copies of the By-laws and Protective Covenants?

All these documents are available at our website and Facebook Group.

12. Why did I get an invoice for multiple lots when I have them combined into one lot for my county property bill?

Dues are based on the original subdivisions plats as submitted to Benton County when the subdivisions were formed. They are not impacted by lot ownership or subsequent merging by the county. The number of lots does not change over time in regards to dues.

13. What happens if I do not pay my dues?

Only property owners with no outstanding dues and fines may vote at the Annual Meeting or other voting meetings. Further, liens may be placed against property with outstanding dues and fine balances. Liens impact property sales and may impact other financial dealings of the owner.

14. I never received a dues invoice in the past and I received one this year. Why?

The Board Officers worked hard with Benton County to purify the record of HT property owners in 2022. There were a number of errors in the HTPOA records and these have been corrected. This resulted in some lots being included in the current cycle of dues invoicing that may have been missed before. The records were scrubbed all the way back to the original and supplemental subdivision plat surveys as submitted by the developer.

15. I thought the HTPOA went bankrupt and was dissolved.

At the 2021 HTPOA Annual Meeting, the HTPOA Board of Directors was charged by the owners with determining the legal status of the HTPOA to answer these rumors once and for all. The Board engaged a Tennessee legal firm to dig into this issue and develop a legal opinion. After extensive research, the firm determined that the POA is a valid Tennessee non-profit corporation in good standing with the state of Tennessee and has been so since 1989. Additionally, the POA has the power and authority to enforce the covenants of all four subdivisions as a common scheme.

While the original HT developer did experience financial difficulty including the loss of the HT Clubhouse, pool, and beach area (all located in the Kentucky Lake Heights subdivision for the use of all HT property owners), this did not involve the HTPOA at all. Additionally,

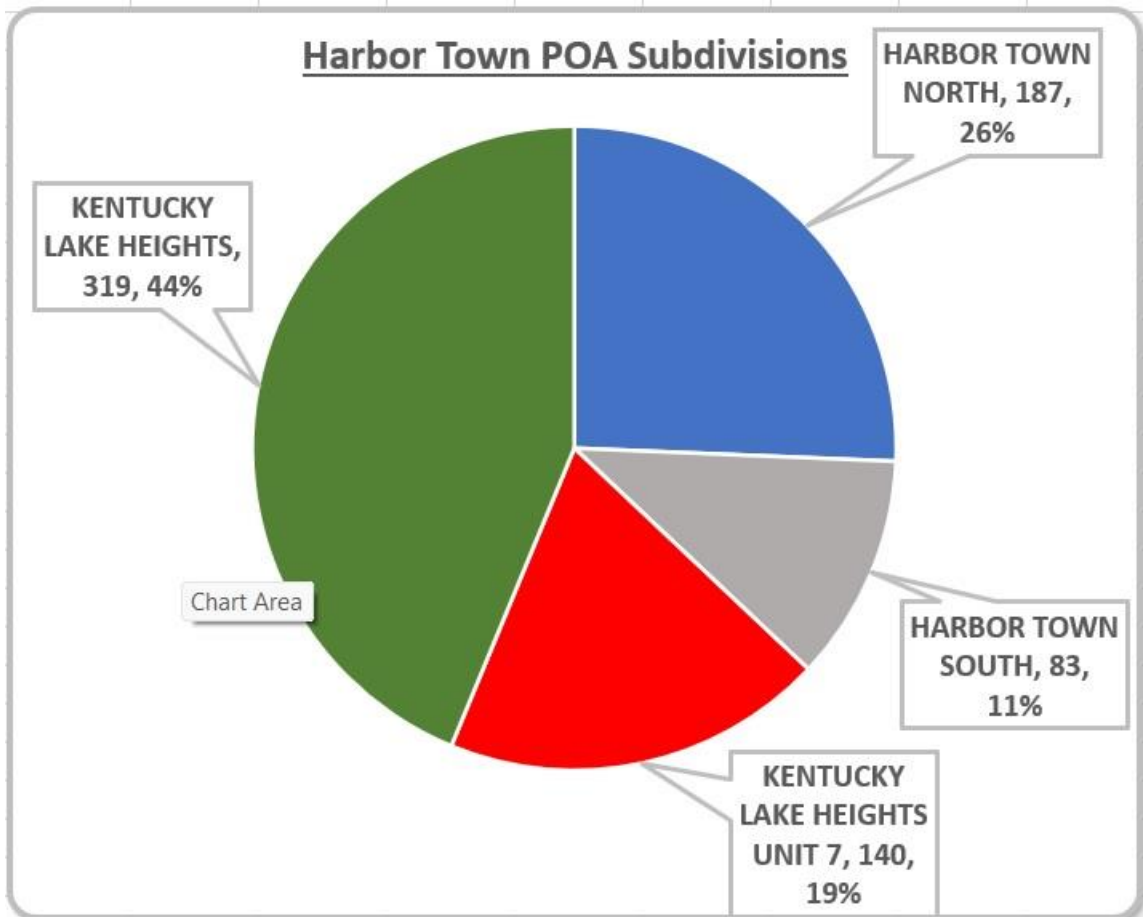
HTPOA dues were never used to fund any of these amenities.

16. How may I contact the HTPOA Board of Directors?

You may go to our website at HarborTownBC.com or join our Facebook Group.

17. How big are the four HTPOA subdivisions?

This chart shows the relative subdivision sizing:



Kentucky Lake Heights is by far the largest subdivision in terms of physical size and the number of lots. Harbor Town South is the smallest. Harbor Town North is the only subdivision without any lots fronting Kentucky Lake. Kentucky Lake Heights Unit 7 is the only subdivision surrounded by other HT subdivisions.