

SOUTHERN VILLAGE HOMEOWNER ASSOCIATION, INC

Minutes of Board of Directors Meeting: December 16, 2004

Directors Present: Tom Hanlon, Joe Cole, Nancy Morton, David McEntee, and Ed Flowers
Others Present: Paul Mraz (Parks & Recreation); Dick Lowe (Townhome Committee); Rob Koontz;
(Townhome Committee) John Lawton (HRW); Eniko Nagy (HRW)

Preliminary Matters :

- With all Directors present, the meeting was called to order at approximately 7:05 P.M.
- The Minutes of the October 21, 2004 meeting were reviewed and unanimously approved.

First Order of Business: Financials

- Mr. McEntee reported that the financials are much improved. Accounts are accurate and balanced; procedures have been put in place (including requiring invoice details).
- Mr. Hanlon and Mr. McEntee discussed various details of the financials, including legal costs, general reserve shortfalls due to reallocation, and town home overages due to issues with water and security systems. Mr. McEntee noted that with the financials in order, greater priority would be given to delinquencies in the upcoming fiscal year.

Second Order of Business: ARB

- Mr. Cole discussed HRW's handling of architectural violations and noted 60 violations over the past few months. He further noted that violations were generally resolved within 60 days.
- Mr. Cole reported that ARB guidelines were in place along with an enforcement policy and that the guidelines addressed typical issues facing HOA's, including regulation of signs and landscaping (both traditional and Xeroscape).
- Mr. Cole asked and received confirmation from the Board that there would be no appeal process from any architectural decisions rendered by the ARB

Third Order of Business: President's Report

- Mr. Hanlon reported that a slide for the Edgewater Park had been purchased and was in his garage awaiting installation.
- Mr. Hanlon provided an update on the possible traffic calming study to be conducted by the Town of Chapel Hill in the neighborhood.
- Budd Landscaping will replace certain trees in the neighborhood

Fourth Order of Business: Townhomes

- Ms. Morton reported that the bid for painting certain town homes submitted by Performance Paint has been accepted. Townhomes 1 wished to be included in the proposal.

-The Board held a general discussion on the desirability of amending certain of the townhome covenants for consistency and for equitable allocation of owner versus Association responsibility. All agreed that this issue would be addressed more comprehensively next year.

-Mr. Hanlon, Mr. McEntee and Ms. Morton discussed the need for greater responsibility for all townhome financials, including the need for the Board to approve all purchases greater than \$500.00 and the provision of a full set of financials to the Townhome Committee.

-Mr. Hanlon wished to go on record as recognizing the hard work and accomplishments of Marion Yates and expressed the appreciation of the Board

Fifth Item of Business: New Landscaping Contract

-Mr. Mraz reported on the status of the RFP for Southern Village Landscape. Mr. Mraz presented a spreadsheet that indicated that through the bidding process, he was able to obtain greater service for the neighborhood at significantly reduced cost. True Green Chemlawn will be providing service for single family residences and Townhomes 1. Ecoscapes will be used for the other Townhomes. The net savings to the Association is \$16,000.

-Mr. Hanlon made a motion that Truegreen Chemlawn be approved as the landscape provider as outlined in Mr. Mraz's report, provided that Board and vendor can agree on terms and conditions of contract.

-Second by Mr. McEntee

-Unanimously approved by Board

-Mr. McEntee made a motion that Ecosystems be approved as the landscape provider as provided in Mr. Mraz's report, provided that Board and vendor can agree on terms and conditions of contract.

-Second by Mr. Hanlon

-Unanimously approved by Board

Sixth Item of Business: 2005 Budget

-Mr. McEntee presented a proposed 2005 budget for the Board's consideration.

-Of particular importance was the Board's discussion of the proposed Police sub-station, the possible costs of funding the police station, and the contribution that might be required of the Association.

-Mr. McEntee discussed the need for an improved reserve study. He believes the present reserve study and the requirements therein are adequate for the short term, but an improved study should be considered, as funds become available

-Mr. McEntee reported that the 2005 budget will require an assessment increase from \$225.00

annually to \$245.00 annually or a 9% increase and recommended that the Board adopt the increase.

Motion by Mr. McEntee to set the 2005 assessments at \$245.00

- Seconded by Mr. Hanlon
- Unanimously approved by Board

-Mr. McEntee reported on the following assessment recommendations by the Townhome Committee

- Townhomes 1: 15% increase and a possible special assessment
- Townhomes 2: No increase
- Highgrove Townhomes: No increase
- West End Townhomes: 15% increase plus a special assessment

-Mr. Hanlon noted that the townhome budgets resulted from hard work by members of the townhome committee and that the plans presented are reasonable in every respect.

-Motion by Mr. Hanlon to accept the proposals rendered by the Townhome Committee and includes them in the general budget

- Second by Mr. McEntee
- Approved unanimously by Board

-The budget discussion concluded with Mr. McEntee noting that he would work with HRW to resolve any unresolved discrepancies in the proposed budget, make the appropriate changes, and e-mail the budget to the membership, "accepted as is."

Seventh Order of Business: Sub-Association Issues

-Mr. Hanlon reported that all sub-associations have been billed for assessments in the past with the exceptions of Market Street and the Racquet and Swim Club. The Board needs to decide the appropriate assessment amounts and bill. He recommends \$50.00 per door per unit per year.

-Mr. Hanlon brought to the Board's attention a letter from the President of West End Condominiums raising issues as to the validity of assessing those condominiums. Mr. Hanlon will meet with him in the coming week and present a bill.

-After a general Board discussion, the Board determined that the assessments for the Apartments would not be raised until all sub-associations are brought current. This issue will be addressed in greater detail in the coming year.

Motion by Mr. Hanlon that the assessments for the Sub-associations by approved as recommended.

- Second by Mr. Cole
- Unanimously approved by Board

Eight Item of Business: Capital Improvements

-Mr. Mraz discussed ongoing capital improvements to the neighborhood, including signage and the work on Arlen Park. He recommended that three improvements be implemented immediately and asked for \$5250.00 to fund the improvements:

- 1) Arlen Park Improvement as recommended by the Project Team
- 2) Backstop for athletic field (\$2500.00)
- 3) Park Sign replacement (\$2750).

-Mr. Cole made a motion to accept Mr. Mraz's recommendations as presented

-Seconded by Mr. Hanlon

-Approved unanimously by Board

Ninth Item of Business: Annual General Meeting (AGM)

-The Board held a discussion on the advantages and disadvantages of expanding the Board of Directors and determined that the number of Board members would remain as is.

-Mr. McEntee noted that per the decision in 2003, the Board of Directors served as the nominating committee for open Board positions.

-Mr. McEntee moved that Mr. Cole and Mr. Flowers be nominated as candidates for the open Board positions

-Second by Mr. Hanlon

-Unanimously approved with Mr. Cole and Mr. Flowers abstaining.

-Mr. Hanlon moved that the Board of Directors would serve as the nominating committee for open Board positions for 2006

-Seconded by Mr. Cole

-Unanimously approved

Final Item of Business: Report by Members of Townhome Committee

-Mr. Lowe and Mr. Koontz presented to the Board their findings on incomes, reserves and expenses for the town homes and noted the presence of possible discrepancies. Mr. Hanlon thanked these members for their hard work and indicated that the Board would take their findings under advisement.

Meeting was adjourned at approximately 9:50 P.M.

