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January 16, 2026

Dear Southern Village Homeowner:

The Board of Directors has decided to hold the Annual General Meeting in the same hybrid format as last year. There will be two parts. The first part is a mail-in meeting consisting of this package which contains what is necessary to have the AGM; President's message, the biography of three residents running for office, 2025 AGM minutes for approval, 2026 budget and a ballot for voting. The second part will be a Zoom meeting hosted by the board to answer any submitted homeowner questions. This Zoom will be on Tuesday, February 17th at 7PM (the link is provided in the packet). **Because the Board must have a quorum to conduct business, please send in your ballot as soon as possible. We must receive your ballot by Friday, February 13, 2026. If the quorum is not established, the Board will need to organize another mail-in process.**

Owners can submit questions to Board members for the Zoom meeting. These questions will be answered and posted to the front page of the Southern Village HOA website at www.southernvillage.org. When you return your ballot, please include any questions, or concerns you may have. You may email (ballot is a fillable document) or mail your ballot to Mill House Properties addresses included in the packet.

Thank You,

Michelle Johnson

Director of HOA Operations
Mill House Properties

Neighbors,

In my letter last year I wrote with a certain optimism that this year's letter might be significantly more boring than the last, and this would be ultimately a sign of success for the board as we've managed the challenges put forth to us through 2025. I can happily say that this is the case, and what follows may be one of the most wholly uninteresting and drab missives you may ever read, which fills me with tremendous relief.

I am thankful once again to be surrounded by wonderful board members who consistently work tirelessly and diligently in the interest of our residents. Thank you Chris, Kim, Rana, and Suzanne for all of your work and dedication this year. Also a genuine thank you to Michelle Johnson, our partner from Millhouse Properties, who does much of the heavy lifting of coordinating the day to day work that maintains our community.

From a finance perspective we've weathered the major storms of rising costs and required maintenance. Our retaining ponds are in good condition now and withstood the rains this year that flooded other parts of Chapel Hill. We've also been able to maintain our existing structures and replace and repair key parts of park areas that have required work.

More broadly, one thing our board believes firmly in is transparency around the work we're doing. This year you will note that we've shared a helpful visual guide around our budgeting over time. To the board, it's very important to us that neighbors have an understanding of how money has been allocated over time in the village and how we've had to shift these allocations in order to maintain our neighborhood and continue to provide a wonderful shared quality of life experience to the people that call it home. While we often do the quiet work around setting and adjusting our budget, we want to reiterate that this information is always available to our neighbors in the spirit of transparency and partnership.

This year we've spent much of our time working actively within our board and in conjunction with our sub association boards to tackle some challenges faced by some of the Townhomes that are part of our neighborhood. Southern Village is a vibrant and multi-dwelling design neighborhood, and the needs of Townhomes are often different than the needs of Apartments who have different needs than Condos who have different needs than free standing houses. This complexity in conjunction with a large amount of shared common area and land is really what sits at the center of making the HOA's job complex and arduous at times. Our goal though is to navigate the ebb and flow of management challenges all while being as invisible to every day life as we can be. What I would want you to take away from this is that our board is working very hard for you, our board listens when you engage with us, and the volunteers and neighbors who make up the board genuinely do their best to act in what we believe is the best interest of sustaining the best place to live in the world.

In that spirit, I hope you'll join us in our Annual General Meeting session to be held on February 17th at 7:00 PM via Zoom. Hopefully we'll see you there. If not, as always we're just an email away. We read and respond to every single one, as quickly as we can, which is what I closed

the letter with last year, and which still holds true, through exciting times and the happily mundane.

Yours in service,

J. Kevin Kelly
President
Southern Village HOA Board of Directors

**Notice of Meeting by Mail and Ballot
For Southern Village Homeowners Association.**

**Tuesday, February 17, 2026
7:00 PM
BY Mail/Zoom Meeting**

Pursuant to N.C. Gen. Stat. § 55A-7-08, please take notice that the annual meeting of the Southern Village Homeowners Association is being conducted by mail for the purposes of (1) electing two individuals to serve on the Board of Directors of the Association for a term beginning in 2026 and (2) to approve the 2025 Annual Meeting Minutes.

All Ballots Must Be Returned No Later Than 5:00PM On Friday, February 13, 2025, and the presence of a quorum will be determined from the ballots received as of that date & time.

Please return your ballots via regular mail to:

Southern Village HOA
c/o Mill House Properties LLC
1525 E. Franklin Street #5A
Chapel Hill, NC 27514

or via email to: hoa@millhouseproperties.com

or hand the ballot to a current board member.

Mill House is inviting you to a scheduled Zoom meeting.

**Topic: Southern Village Homeowners Association 2026 Annual General Meeting
Time: Feb 17, 2025, 7:00 PM Eastern Time (US and Canada)**

Southern Village Homeowners Association
Annual General Meeting Minutes
Tuesday, February 18, 2025
7:00 pm to 8:00 pm

NOTE: Ballots were sent out via email to neighbors; a quorum (per bylaws, a minimum of 67 participants necessary) was established.
There were 82 ballots returned.

Results:

The minutes from the AGM in 2024 were approved.
Kevin Kelly and Rana Singh were each elected for another 3-year term.

Present at Meeting:

Kevin Kelly, President
Rana Singh, Vice President
Chris Stas, member
Suzanne Lyman, Treasurer/Secretary
Kim Van Horn, ARB liaison
Michelle Johnson, Property Manager for Mill House Properties
About 12 neighbor participants

The meeting was called to order by Kevin at 7 PM. It was established that the minutes from the 2024 AGM were approved by email ballot.

Kevin noted that the articles the SV Board has placed in the Southern Village Magazine are an effective communication strategy; a way to reach residents about the board's efforts, and maintain transparency.

It was established that since the questions that some homeowners asked via email and/or ballot were answered directly in written format and also posted on the southernvillage.org website, it was not necessary to read them at the meeting.

Open Comments:

Fred Gerkens expressed concern that the South Creek development just across 15/501 from Southern Village lacked a planned safe crossing between the two communities, particularly as children in that neighborhood will presumably be crossing to attend Scroggs Elementary in SV. Kevin mentioned that the developers of that neighborhood did reach out to the SV Board of Directors when that developer broke ground on that neighborhood to establish a dialog. Kevin reported that during planning of South Creek, it was deemed too expensive by the Town of Chapel Hill to create a tunnel or bridge between the neighborhoods. Fred suggested that in the future the two HOAs might work together to create a pedestrian-friendly crossing. The board agreed this was a worthwhile effort.

Daniel Kiechle and his wife attended the meeting and expressed their displeasure that SV condo owners were not included in the emailed ballot or the announcement of the annual general meeting sent out by MillHouse to SV HOA members prior to this meeting.

It was explained that SV Condominiums are not under the purview of the SV HOA; technically, they have their own HOA organization, and it is the responsibility of that organization to inform them of neighborhood meetings they might like to attend.

The Kiechles stated their opinion that since they paid annual dues to SV HOA, they should have a say in greater neighborhood-wide votes and be invited to the annual general meeting. Former SV Board President Susanna Dancy was on the zoom and explained that in about 2019, MillHouse made an extra effort to include condo owners in SV HOA emails and activities, after those owners expressed their interest in being included. MillHouse noted they had sent the condo HOA the emails and ballot for this meeting. They agreed to send emails for the SV HOA neighborhood to the condo HOA especially noting that they should be disseminated to all owners; and they will also include in the initial email any condo owners who give them their email address directly.

Treasurer's report:

Kim noted that there was no increase in monthly dues for townhome owners, and that the increase in the annual dues to \$488/year paid for the pond maintenance, therefore a special assessment was avoided.

Suzanne reported that we had a reserve study done a little over a year ago to project income, expenses and necessary reserves to meet those expenses. What stood out was the costly pond maintenance needed on an ongoing basis for 20 years.

Current scheduled pond repairs, which are necessary since all four Southern Village retention ponds failed the Town of Chapel Hill pond inspections in 2023, will continue through at least 2026. As a result of these expenditures, our SV HOA reserves are not up to the amount recommended by the reserve study at this time. However, they should be square starting in 2027.

The significant pond maintenance costs this year (\$111,425.00) and next year (2026) (\$140,523.05) led the board to make the decision to decrease the budget line item for tree maintenance, and instead have the Town of Chapel Hill, who technically has responsibility for street trees in SV, assume maintenance. However, the Board did appropriate \$35,000 in the budget for 2025 for street trees. This year, the Town of Chapel Hill will prune, cut dead trees, grind stumps and possibly replace cut trees. So far, they have been very responsive. However, if the town's tree replacement is not satisfactory to the SV HOA and neighbors, the \$35,000 is available to be used for tree replacement.

Our alley reserves are currently well-funded, therefore SV HOA homeowners were able to skip paying an alley assessment this year.

Excess funds in the accounts for Alleys, Westend Townhomes, and Townhome II have been invested in either CDs or treasuries, and are earning between 3.7% and 5%.

The swingset at Edgewater Park has been replaced.

President's report:

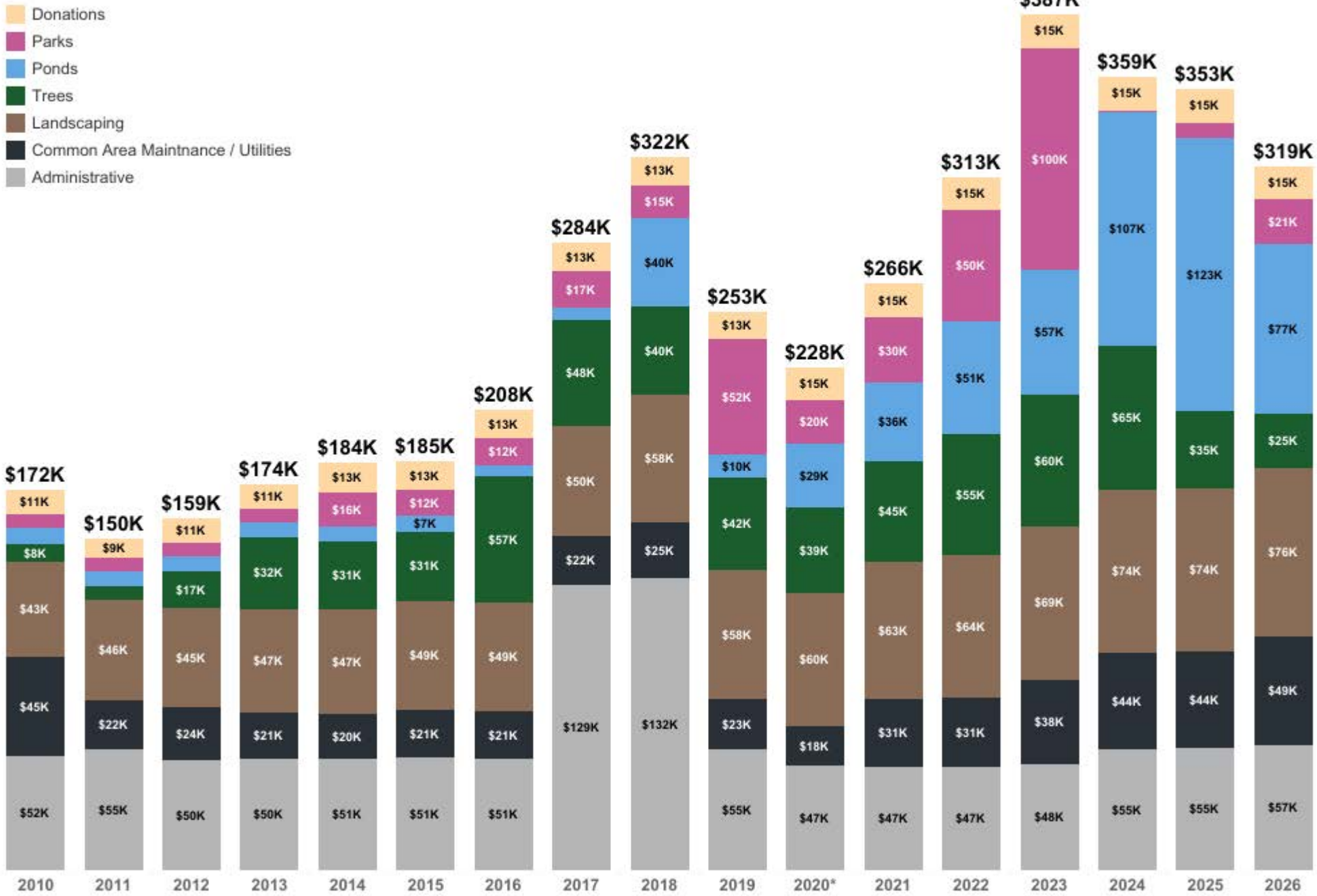
Kevin referred to his letter to the homeowners in the AGM packet that was sent out along with the ballot. He pointed out that we continue to explore the results of the gas-powered leaf blower ban and the system for reporting and adherence to the guidelines. He also mentioned the work that the ARB does, which keeps our neighborhood progressive and yet keeps continuity, so as to continue to improve the value of SV homes. Looking forward, Kevin viewed his role as a steward of the community; he thanked the board members, Michelle/MillHouse, and the residents who joined the meeting.

The meeting was adjourned at 7:53 PM.

SVHOA	2022 Actual	2023 Budget	2023 Actual	2024 Budget	2024 Actual	2025 Budget	2025 Actuals	2026 Budget	
Operating Income									
estimated carryover								43,708	
Homes (Detached, TH & Courtyard) (664 units)	228,886	245,680	243,730	282,200	270,725	324,530	327,224.50	340,756	5% increase 488 to 513
Class III (2 units)	692	740	740	850	850	978	976	978	
Condos (230 units)	29,210	31,280	31,280	35,880	35,880	41,262	41,400	47,451	15% increase
Apartments (250 units)	7,750	8,750	8,750	10,000	10,000	11,500	11,500	13,225	15% increase
Market Street Association	1,389	1,458	1,458	1,676	1,676	1,927	1,927	2,216	15% increase
Late Fees	1,840	-	2,435	-	1,120	-	2,140.00	-	
Alley annual assessment							600.00		
NSF Fee	-	-	-	-	35	-	-	-	
Prepaid HOA Assessments	-	-	-	-	4,952	-	-3,991.01	-	
Reserve Interest	1,197	-	3,551	-	9,322	-	5	-	
Other Income (Rentals, Misc.)	-	-	7,759	-	3,465	-	4,400	4,400	
Highgrove roof correction								(51,825)	
Total Operating Income	270,964	287,908	299,702	330,606	338,025	380,197	386,182	400,909	
Administrative Expenses									
Admin Misc. & Bank Fees	768	100	430	500	205	500	380.08	500	
Audit/Tax Returns	1,000	500	800	-	-	800	2,218	2,000	
Insurance	10,035	11,300	10,841	12,000	11,655	12,000	12,152.00	12,000	
Legal	25	1,000	4,225	2,000	3,456	2,000	750	2,000	
Management	35,000	35,000	35,000	40,000	40,000	40,000	30,000	40,000	
Market Street Events	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
NC Symphony Donation	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
Postage and Printing	-	-	-	-	-	-	106.24	-	
Reserve Study	-	-	4,200	-	-	-	-	-	
Total Administrative Expenses	61,828	62,900	70,496	69,500	70,316	70,300	60,606	71,500	
Grounds									
Landscape	44,966	58,920	69,109	62,664	64,464	62,664	48,966.00	64,560	
Mulch All Areas	9,813	10,079	10,107	10,956	10,956	10,956	10,956	11,503	
Tree removal	2,500	18,000	18,000	15,000	13,920	-	-	4,000	
Trees (Maintenance) (pest treatment)	41,108	42,000	64,820	50,000	52,050	35,000	8,736.35	20,600	
Total Grounds	98,386	128,999	162,036	138,620	141,390	108,620	68,658	100,663	
Maintenance									
Reserve Project							22,877		
Building maintenance							1,733.26		
Common Area- Maintenance	55,396	20,000	13,261	20,000	15,254	20,000	5,250.14	20,000	
Common Area/Pond- Improvements	18,263	25,000	24,673	-	209	-	-	-	
Parks-Irrigation repairs	-	-	-	-	436	-	1,808.00	500	
Parks- Improvements	40,434	75,000	95,339	-	70	7,000	12,894.02	20,000	
Pond- Maintenance Contract	6,396	6,700	6,652	6,700	11,033	12,000	10,755.00	12,000	
Pond- Other	-	-	-	-	-	-	1,275	1,400	
Pond- Major Maintenance	25,900	25,000	22,933	100,000	116,188	111,425	117,325.00	63,500	
Total Maintenance	146,389	151,700	162,858	126,700	143,189	150,425	173,917	117,400	
Utilities									
Compost	260	1,560	3,905	4,680	4,680	4,680	3,510.00	5,148	
Electric	2,751	2,652	3,154	2,800	4,350	2,800	3,132.96	3,200	
FA- Inspections	-	-	-	-	-	-	369	500	
Storm Water Charge	4,091	1,700	-	1,700	2,728	1,700	1,570.53	1,700	
Trash/Recycling (Weekly Service)	7,913	10,680	13,772	10,680	12,180	10,680	8,091.00	13,000	
Water	3,920	1,697	4,088	4,000	5,254	4,000	2,729.79	5,516	
Total Utilities	18,936	18,289	24,919	23,860	29,192	23,860	19,403	29,064	
Total Operating Expenses	325,539	361,888	420,309	358,680	384,087	353,205	322,585	318,627	
Net Surplus/ Loss	(54,576)	(73,980)	(120,606)	(28,074)	(46,062)	26,992	63,596	82,282	
							Actuals as of 9/30/2025		
Suggested 2026 starting reserve	63,669								
Suggested 2026 reserve contribution	47,741								

Southern Village HOA Budget* 2010-2026

*actuals used when budget isn't available



Candidates for the Southern Village Board of Directors

Suzanne Lyman

My husband and I have lived in Southern Village for 29 years. We raised our daughter here. We live in one of the townhomes on Westgreen Drive and have been the beneficiaries of timely improvements to our property. I have served on the SVHOA board for 3 years as secretary and as treasurer for the past 2 years. During this time I have witnessed many improvements to Southern Village as a whole, including additions and repairs to the parks and required repairs to the ponds. I have also instituted separate checking accounts for the individual townhome entities to make it simpler to keep HOA and townhome finances separate. I am submitting my name as a candidate for the Southern village HOA Board of Directors with the hope that I can continue to be part of the process of keeping our community beautiful and in good repair. I am especially interested in continuing oversight of the pond repairs while minimizing annual assessments. I will continue to work diligently to be a good steward of your HOA dues.

Andy Strada

I was born at a very young age. Even from then, I have wrestled with the tension between freedom and structure recognizing that true freedom depends on sound moral and social order. That tension has shaped my professional life and my civic involvement, including my eight years as a resident of Southern Village. I have stayed actively engaged through local schools, neighborhood activities, and community service. I recently served six years on the Chapel Hill Board of Adjustment where I worked to apply town standards, thoughtfully balancing consistency with the real-world sitch. Serving on the SVHOA Board would allow me to bring that same approach closer to home helping maintain Southern Village's high standards while applying them with clarity, fairness, and common sense.

Kim Van Horn

Kim Van Horn has lived in the neighborhood for 9 years, where she raised two sons who attended Culbreth Middle School & Carrboro High. She currently sits on the the HOA Board of Directors and the ARB , and has worked to keep fees and dues low during her tenure. She also writes articles for the Southern Village magazine to keep neighbors updated on the ARB and the Board's projects and priorities.

Southern Village Homeowners Association.

BALLOT

1. ELECTION OF DIRECTORS

On the issue of electing two individuals to serve on the Board of Directors for the Association, I vote for the following (vote for no more than two (2) candidates):

___ Suzanne Lyman

___ Andy Strada

___ Kim Van Horn

___ Write-In Candidate _____

Please note if you vote for more than two individuals it will cause your ballot to become void

2. APPROVAL OF THE 2025 ANNUAL MEETING MINUTES

On the issue of approval of the 2025 annual meeting minutes, I:

___ **Approve** the 2025 annual meeting minutes.

___ **Do Not Approve** the 2025 annual meeting minutes.

Signature of Member

Print Name

Street Address in Southern Village

Date

Question or Comment for the Board:
