

SOUTHERN VILLAGE HOMEOWNERS ASSOCIATION, INC.

Minutes of Board Meeting Held May 3, 2006
in Room 4, 105 Market Street

Present: Board Members – Nancy Morton (chair), Tom Hanlon, Ed Flowers, Tony Smith,
Jeremy Purbrick (secretary)
HRW – Eniko Nagy

With a quorum established, the meeting was called to order at 7:04 PM.

There were five speakers and 24 guests for open commentary from the community. Emily Martine, Michelle Engle, Paul Bogas and Kristen O’Berry spoke about daycare use of Southern Village parks. D.R. Bryan spoke about financial support for the Market Street Association.

The minutes of the March 22, 2006 meeting were approved as corrected.

1. Treasurer’s Report

Mr. Smith reported that he now has online access to all the association’s banking transactions. A discussion of the March accounts ensued.

2. ARB Report

Mr. Flowers reported that the ARB met on April 25 and approved all but one member request, but that it did not complete its proposals for revised architectural review guidelines. He undertook to complete them for review at the June Board meeting.

3. Communications Report

Mr. Hanlon reported that he has hired a webmaster, as authorized at the last meeting, and moved “that the Board authorize expenditure of up to \$210 to procure the domain name southernvillage.org and the first year of web hosting.” After debate, the motion was adopted.

The meeting discussed the upcoming newsletter. Suggestions for articles in this publication included: the proposed new ARB guidelines, proposed bylaw revisions, the status of the general reserve fund, sign-up for email communications, and a call for Parks & Commons committee members. Mr. Hanlon was instructed to plan for an issue along these lines and to report at the next meeting.

4. Management Report (copy attached)

Ms. Nagy reported that HRW had, today, received a copy of the daycare’s insurance certificate, as requested.

Mr. Smith noted that the Racquet and Swim Club seemed to be planning to use the association’s central park for one of its summer programs. Mr. Purbrick volunteered to speak with the club’s management to clarify its plans, and our policy for such use, and to report at the next meeting.

The reconciling entry of \$15,998.66 in the accounts was discussed. Mr. Smith was instructed to work with HRW to determine how this balance arose, to confirm that it is correctly allocated to reserves, and to report his findings to the Board.

Mr. Smith proposed “that any future transfer out of any reserve account must be approved in writing by either the President or the Treasurer, prior to the transfer taking place.” After debate, the motion was adopted.

There was concern that the CCR History Report dated 4/26/06 included 95 mailbox violations, and consensus that the standard being applied by HRW should be reviewed. As ARB chair, Mr. Flowers undertook to add a mailbox guideline to the proposed new architectural review document, for review at our next meeting. Meanwhile, HRW was instructed to take no further action on these violations.

5. Future use of field by Rainbow Soccer

Mr. Smith reported that he had contacted Scroggs school to inquire about use of its field next year. It would only be available from April 1, and after 5 p.m., which precludes it from use by Rainbow soccer.

6. Response To Unsolicited Email

Ms. Morton explained that it was her policy, as President, to ensure that all email reaching the five board members through the hoa-bod@southern-village.net alias was answered. Either she writes a personal acknowledgement, asks another board member to do so, or asks HRW to respond, as she deems appropriate.

7. Mission Statement

Mr. Flowers presented a draft statement of the Board’s mission, for discussion at the next meeting.

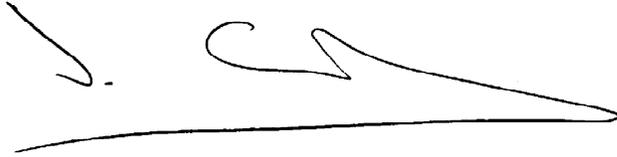
8. Bylaws

Prior to the meeting Mr. Purbrick had circulated a second draft of Bylaw revisions, incorporating additional amendments proposed by Board members. The Board conducted a detailed review of the first six articles of the document and undertook to review the rest at the next meeting.

9. Daycare Use Of Parks

Mr. Purbrick proposed that the daycare be permitted to continue using the Association’s parks and that the normal fee be waived. After debate and amendment a resolution was adopted as follows: “*Resolved*, That the daycare be permitted to use the parks under the Association’s current policy for non-profit use of its facilities, that the fee be waived for this year, that the daycare’s management be encouraged to work with affected residents to avoid future complaints, and that the President ensure all parties are made fully aware of this decision.”

The meeting was adjourned at 11:12 PM.

A handwritten signature in black ink, consisting of a stylized 'J' followed by a series of loops and a long horizontal stroke that tapers to a point on the right.

Jeremy Purbrick, Secretary

SOUTHERN VILLAGE HOMEOWNERS ASSOCIATION, INC.

c/o HRW, inc.
3815 Barrett Drive Raleigh, NC 27609
919-783-9530 or 783-9534 Fax

Board meeting: May 03, 2006

TO: Board of Directors
FROM: Eniko Nagy
DATE: April 25, 2006
RE: Manager's Report

Enclosures

March 2006 Financials
Open Violations Report
Letters sent to the Southern Village Daycare and letter received from daycare
Bank Rate comparison chart

As a part of our ongoing effort to bring the very best in community association management services to your association, we are pleased to announce our new affiliation with Associa®, the nation's leading manager of community associations. As an Associa® member company, HRW's staff and our clients will be afforded the opportunity to take part in a number of exciting and innovative programs, and we will have access to the nation's leading experts on a wide range of issues facing community associations. From the industry's most comprehensive training and continuing education program for our managers to a variety of volume discount purchasing programs and technology initiatives for our clients, we are confident you will be most pleased with what Associa® has to offer.

Rest assured that HRW will continue to provide the same dependable, attentive service your community has come to expect. This new affiliation does nothing more than add value to your relationship with HRW. You will see no changes to our company structure or operating methods, and our great staff are all still here working hard for your community. We very much appreciate your business and are excited to be able to enhance our services to your association through this new affiliation.

Daycare usage of the parks

I am enclosing the letters we sent to the Daycare in November of 2005 and March of 2006 asking them to maintain liability insurance and name Southern Village HOA as an additional insured, as well as to pay \$15 per hour for using the common areas.

A representative of the daycare will be present at the Board meeting to discuss the above requirements.

Collections

Twelve accounts have been turned over to the attorney in April.

Website

I requested a quote from Associa to maintain the Southern village website. They could maintain the website for \$60 a month, after an original setup fee of \$50, and a one-time transfer of the domain name of \$100. They would transfer the data currently on the website into a template, so it would look a little different than it does now. All updates can be emailed to the technicians, and these would be put on the website within 24 hours.

TH2 painting

Three buildings, 200-210 Brookgreen Drive, 401-415 Copperline Drive and 200-212 Greenview Drive were painted in the fall of 2003. They were inspected last year for a possible touch-up work, but the Townhome Committee decided that they had too much damage to be touched up and it would be best to repaint them in 2006.

So far I did not get a confirmation that the SVTC would like to get bids for painting these buildings.

TH termite

All townhome groups elected to have the HOA coordinate their termite inspections at \$36 per door per year. The contracts have already been signed and sent to Kilmor.

Tree replacement

A number of trees were scheduled to be replaced in the spring, but Ecoscapes recommends waiting until the fall. They could do it now if the Board insists, but the recommendation is to wait.

Banking

Per Tony Smith's request, I am enclosing a comparison chart of the interest rates offered by four banks on CDs. As you will see, North State Bank offers very competitive rates. In addition, because of the volume of transaction HRW has with NSB for all our clients, we are getting free lockbox services as well as free online banking, together with no charges for certain services (such as stop payment on checks) and electronic data transfer.

NSB offers a service called CDARS, through which they place CD's at partner banks – through this program, the funds placed at the other banks are insured through these banks' insurance. This allows an organization to maintain FDIC insurance on funds at NSB in excess of \$100,000.

Based on the above, together with the cost of transferring funds to another bank, as well as the cost HRW would incur by maintaining funds at multiple banks, we recommend keeping the SV funds at NSB.

Financials and Reserves

After the reconstruction of the Townhome Reserve funds was finalized in July of 2004, there was a reconciling balance of \$15,998.66 in the favor of the association which did not reflect in the books.

The adjustment to the general reserve bank balance and general reserve retained earnings balance has been reversed to reflect the correct cash balances.