

**Deerlake Village Community Association
Annual Meeting
Thursday, December 8, 2022, 3:30 PM
Conducted in Clubhouse and via Zoom**

John - Let's give a round of applause to the Clubhouse committee for the beautiful decorations. Someone in the audience thanked John and Brenda for their service.

Welcome—Call to Order—John Brown

John asked the Secretary to verify if there is a quorum. The Secretary , Donna Raspa, verified there is a quorum. Two new residents at the meeting, 2 on Zoom. 19 in person. 7 board members. 78 proxys, as well as residents on Zoom. The meeting was opened and called to order at 3:30 PM.

A. Welcome new residents John welcomed new residents.

B. Thanks to committee chairs and members. John thanked everyone stating it is the only way we exist.

C. Qualified voters roll call – there was no call to order.

AGENDA CHANGE – Regarding the amendments sheet

John explained that when the Board sent out the annual mailing there was confusion regarding the format of the ballot. The new form should have been attached to the ballot. The Board held a special meeting to discuss the confusion and decided to withdraw the count of the amendment vote for this annual meeting. 2022 Board made a recommendation that the 2023 Board re-send the amendment vote.

The 2023 Board can continue to conduct business without the amendments. The amendments are supported by NC law and Van Winkle Law firm. The board will be able to hold virtual meeting; will be able to consider electronic voting, and will be able to continue the budget approval process since our attorneys validated the way it is being done is in accordance with the NC law. The definition of nuisance was actually picked up by the law firm . Van Winkle stated that currently the definition is too broad and they recommended a narrow version of nuisance be in our Covenants. The Board and potential Appeals Committee will continue to use the current covenants but also keep in mind what the lawyers said. Our attorneys felt the current definition gave too much power to DVCA which should with the police.

II) Treasurer's Report—Brenda Bryan

DVCA finances remain sound. The financials as of the November 30, 2022, are as follows: DVCA has \$210,758.45 in various bank accounts. From the 2022 operating budget \$86,930.80 has been expensed which is 91.94%. Funds to date expensed from the Capital Contingency account is \$27,222.66. Funds to date expensed from the Capital Reserve accounts are \$79,567.66.

You received the Operating and Reserve budget for 2023 showing additions, adjustments and deletions of accounts. Brenda asked if there were any questions which there was no response.

Assessments for 2023 will be sent out the second or third week of December. Multiple lot owners will receive individual invoices for each lot. The assessment collection policy will be on the back of the statement. DVCA Assessment mailing list will include the legal name of the deed holder as recorded

Please remember that assessment payments are delinquent if not received by January 31, 2022. Do not mail postdated checks. If a check is not received at the post office box or the DVCA mailbox by (which will be in the clubhouse) January 29th, you will get a “courtesy call” from me or another board member. If you send a bill pay bank generated check, please be aware that although there may be a charge to your account, the request is sent to a processing company or division and may not be received at our PO Box until 7 to 10 days later. Assessments are due Jan. 1st with a 30 day grace period. If you have not received your assessment coupon statement by January 5th, please call the Treasurer. Please wait for your coupons before mailing.

The 2023 Assessment will be in the amount of \$ 650.00.

Insurance Issue - John read the following to all in attendance.

ARTICLE IX
INSURANCE

The Association’s Board of Directors, or its duly authorized agent, shall obtain the following insurance coverage, if reasonably available:

(a) Blanket All Risk Property insurance, including mechanical breakdown, covering the physical assets of the Association in an amount sufficient to cover one hundred percent (100%) of the replacement cost with a reasonable deductible(s) amount.

(b) Comprehensive General Liability policy covering the Association, members of the Board of Directors or its agents, against liability from third party claims for damages or injury. The policy shall have at least a One Million Dollar (\$1,000,000) single person limit as respect to bodily injury and property damage, and a Two Million Dollar (\$2,000,000) limit per occurrence.

(c) An Umbrella Liability policy excess of coverage (b) with limits of at least Two Million Dollar (\$2,000,000) per occurrence.

(d) A Fidelity bond in an amount at least equal to the maximum total funds in operating and reserve accounts projected for the policy period.

(e) Directors and Officers policy indemnifying directors, officers and committee members for personal liability arising from their services to the Association with coverage of at least Two Million Dollar (\$2,000,000).

Brenda Bryan’s explanation of Insurance :

For the last 15 years or more, we have had Auto Owners as our insurance coverage. Most HOA’s have also carried them. They not only covered our coverage on our Clubhouse and pool, but the liability coverage on our dam exposure with very low rates. Recently, Auto Owners had

a dam breach and have decided not to cover any of our amenities due to the dam/levy exposure.

Our dam exposure would include if there was a breach in our dam, the insurance would cover any lawsuits downstream including losses. As you may or may not know, this would include the houses on the west outside off Cambridge, the Car Wash, the CVS, the Auto parts store, etc.

With this decision, it has made us look for different insurance, a high-risk market insurance that so far, we have not been able to obtain. We have found coverage with Cincinnati Ins. but with exclusion to the dam. 10 other insurance companies have denied us. This coverage has raised our insurance amount overall by \$3,050 and again that is without the dam liability insurance.

We have put in our contingency account \$12K extra if we do get the coverage along with the \$2,000, we have in our operating fund. This will give us \$14K towards the dam insurance which has been given an estimate of \$20K or more.

If we get a quote, the contingency account will have to be made up in next year's assessments.

We were waiting for our last quote, all others have been denied, which was supposed to be within 30 days of 1/1/2023. It is now that 8th and no word from the underwriters of Johnson and Johnson. Our Auto Owners coverage is until 12/31/2022. The Board of 2023 will have to make a decision of what to do after 1/1/2023.

John summarized and concluded with these statements. The concern is DVCA as of January 1, 2023 will not have insurance if there is a breach of the dam which causes damages downstream. A state guideline does not say we need dam insurance for liability. However, DVCA considers it an important issue. If we don't get liability insurance by January 1, 2023, the Board will need to explore options and put these options to a vote of the QVM residents.

III) 2023 DVCA Budget Ratification

Article 9 of the by-laws, section 9.3. John read the requirement for 9.3

9.3 Preparation of Budget and Levying of Assessment. For each Fiscal Year, the Board shall prepare and adopt a budget, including therein estimates of the amount necessary to pay the Common Expenses, together with amounts considered necessary by the Board for reserves. Within 30 days after adoption of any proposed budget, the Board shall provide the members of DVCA with a summary of the budget and a notice of the meeting to consider ratification of the budget by the membership. The budget shall be ratified unless at that meeting a majority of all the members of DVCA entitled to vote rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified by the members shall be continued until such time as the members ratify a subsequent budget proposed by the Board. After the ratification of the budget by the membership as provided above, the Board shall give each member notice of the assessment made against that member's lot based upon such budget and may also state the interest to be charged [eighteen percent (18%)] on delinquent payments thereof. The assessment shall be deemed levied upon the giving of such notice.

John asked if there is a motion from any Qualified Voting Member to reject the budget. If a motion is made, it will need second. A roll call will be held of those in person and on Zoom. A majority is required to pass or reject the budget. If a QVM is present, they can vote and not need the proxy.

Question from Bobbi – do we need a roll call of qualified voters?

John stated a roll call is only needed if there is a motion to reject. Then we will call for a roll call of all Qualified Voting Members.

There was no motion made to reject the budget.

The 2023 adopted budget is now ratified.

IV) Committee Reports

A. Architectural Review—Phil Davis, Geoff Davis

Geoff volunteered this year to be co-chair. He is managing any changes and request to modify. Phil is still the co-chair for new home construction. Tomorrow, there is a meeting with the owners of lot 25 on Stone Drive to present their preliminary plans to build.

B. Clubhouse—Bonnie McMahon, Lois Graboski

Bonnie reported how wonderful the committee is and they work very hard. An inventory of all things was undertaken and it now digitized. A copy of this inventory is in the safety box. New items this year include a new dishwasher, new cleaning crew. As of January 1, 2023, the new cost to rent the clubhouse is \$100, which is still by far lower than most HOAs.

C. Community Activities—Carol Weinhofer

No additions or changes to the report.

D. Community Relations—Brent Dormann

No changes to his report.

E. Conservation Easement—Melissa Driver

Jack reported there is nothing else in addition to her report.

F. Emergency Preparedness—Bob Williams

No changes or additions. Mike reported the Board is still struggling to get the Emergency Preparedness Plan. A meeting is set for tomorrow, 12/9/22 with Mr. Garner.

G. Finance—Brenda Bryan

No other report.

H. Lake Management—Jim Furniss

Phil stated Jim is out of town. There are no updates. Dead and dying trees in the livery are scheduled to be removed. All boats will need to be moved while work is being done.

I. Landscape Review—Sue Jones

Nothing new.

J. Maintenance—John McKowen

Mike stated John is out of town. Mike reviewed maintenance accomplishments this year: Meadows concrete completed; Water leak fixed at clubhouse; Tree removal with the

grinded material being left as it will sink because over time; Meeting with John Wayne regarding the condition of the Meadows cherry trees. A decision was made not to treat them next year and let them live out their life expectancy. The plan is to replace the tree but not as many. The 2023 budget has a reserve fund which begins the saving of money to remove the cherry trees. John Wayne Hardison recommended DVCA not replace all 21 trees but perhaps half be replaced. Three highly skilled artisans will build a new kiosk. Every event at the clubhouse will be posted in a space below the kiosk.

K. Membership Directory—Robert Overbeck

No additional report

L. Newsletter—Rich Schram

Rich tried to address the group ; however, Zoom was having sound issues.

M. Pool—Sandy Westney

No comments

N. Welcome—Bob Agnew

Bob attempted to make a comment; however, no sound could be heard on Zoom.

O. White Squirrel Lane—Marcia Schneider

John reported the damage caused by a trucker who got lost. There are three private roads in Deerlake. A judge decided White Squirrel Lane residents had to pay for the road maintenance. The judge also made Deerlake responsible for collecting the assessments. Windsong Way in the process of developing road maintenance internally. High Vista has their own road agreement.

Donna read updates from Marcia

V) Board Election / Governing Documents Amendments Results

A. Nominating Committee—Mike Thompson

B. Results of Ballot Count—Donna Raspa

Andrew Barrett and Brent Dorman received the two highest votes. Congratulations to Andrew and Brent. We look forward to having you serve on the Board.

VI) Long Term Landscape Plan—Sue Jones

Micah Rogers sent drones and walked the property several times. He presented a plan; however, at this time the funding is not available Micah is a Brevard native and worked on landscaping at Deerlake at one time. The plan is to bridge maintaining and cutting back what is here and healthy. This will include new plants around the foundation. There are good bones here. I looked at things that have grown out, or are not healthy or already died.

My three main priorities are blooms, coloring, and textures. I will give perennials a breath of fresh air while keeping a lot of the existing shrubs up and against the building. Then, the plan is to build out from the foundation plants that are only 2 or 3 feet tall, such as periphery day lilies and ornamental grasses to lighten it up. The crepe myrtles that are standing over the roof etc. will be removed, keeping what is healthy and trimming back. I would like to see a bed around the three memorial dogwoods, while selectively taking out plants around the gazebo. The upper gazebo plants will be thinned out to open up site line to the lake. The plant area outside the pool is healthy enough and could be the next phase.

The Meadow Park includes leaving what is existing and try to transplant a lot of the individual plants and put them together. A few pockets of new shrubs will be added. Most of the plants in front of the gazebo are overgrown and taking over each other. Pink milly grass holds its color and only grows about three feet. The plan is also to clean out some invasive plants at the bridge in the center of the Meadows Park.

Mike asked about any plan for the stream. Micah said it would be very expensive but perhaps in another phase. He would add some boulders to where the pipe comes out and plants along the bank such as iris and Solomon seal.

Residents were asked to review the plans and send comments to Sue Jones, Chair of the LRC.

VII) Other Business

Borhaug development - Nothing new from the Planning Board. The next required steps would be for Mr. Borhaug to submit a more detailed architectural design, utilities, landscaping. He then needs planning board approval. The next step is to submit construction applications. G8 to 12 plus phase 2 or 3 12 to 18 units as second phase.

VIII) Adjournment

Mike made a motion to end the 2022 Annual meeting. Susan Seconded. Approved. The meeting is adjourned at 4:57 P.M.

IX) Open Discussion

JoEllen Risacher asked if the insurance on the dam is tied to the Emergency Action Plan. John stated the Sheriff and Police, in conjunction with DVCA, would put a plan in place, if necessary. They would call for an evacuation and would notify those in the Meadow's section. Phil reported the Lake Committee does monthly inspections. Yearly inspections are completed and the lake has always passed.

The open discussion meeting adjourned at 5:12 P.M.

Respectfully submitted,
Donna Raspa, Secretary