

MINUTES of the July 6, 2019 CSPOA ANNUAL MEETING

CALL TO ORDER

The meeting was called to order by President Bill Richards at 11:03 AM. A quorum was established with 18 proxies submitted and 32 Owners in attendance for a total of 50 Owners eligible to vote represented.

Board members present were Bill Richards, Sheryl Wilson, Randy Foster, Sumter Bradwell, Jerry Bogage, and Dave Fouser.

PROOF OF NOTICE

Proof of notice was established with the mailing of the meeting notice and information packet mailed to all Owners on June 20, 2019.

ADOPTION OF MINUTES OF THE 2018 ANNUAL MEETING

Minutes of the 2018 Annual Meeting were included in the information packet mailed to all Owners. With no questions or corrections introduced, Bud Katz made a motion to approve the minutes, Lisa Richards seconded, and the motion carried by acclamation.

REPORTS OF OFFICERS AND DIRECTORS

President's Report – Bill Richards

Bill gave a brief overview of the year including the challenges and accomplishments achieved by the Board. He also explained that as a result of issues encountered with the unusual snowfall in December, our snow removal company has decided to terminate their snow removal business. Considerable cost was incurred by the Association for removal of many trailer loads of brush which made some roadways impassable. The new Board will be responsible to find a replacement contractor for snow removal.

Treasurer's Report – Sheryl Wilson

Sheryl reviewed the year-end financial statement. All dues for the year have been collected. The estimated FY 2018-2019 Operating Budget was overspent by approximately \$2,236 and the Capital Budget was underspent by approximately \$3,346. It was pointed out that the FY 2018 -2019 Budget provided no plan to add to Reserves and no funds were added. The proposed FY 2019 -2020 Budget does plan for a \$5,000 contribution to Reserves. Currently the Association has approximately \$63,000 in the Reserve Money Market Account. A copy of the proposed FY 2019-2020 Operating and Capital Budget was made available for those who didn't bring theirs to the meeting.

Secretary's Report – Sumter Bradwell

Sumter introduced our new owners to the neighborhood and announce that the 2018 Directory was again available, together with a new owner insert. Bill emphasized the importance of providing name and address changes to the Secretary. As they are received the Digital Directory update will be sent by email. The increased email communication with Owners throughout the year was well received by those present.

Landscaping Report – Bill Richards

Bill gave a brief explanation concerning landscaping changes. Cattails now provides trimming and bed service in addition to their mowing contract. He explained the need for additional trimming and bed service and Cattails' agreement to provide a trim crew for a full day weekly through the months of May through October. He then handed off the presentation to Leslie Lewis, who as a NC Master Gardener, will provide design oversight to our landscape service. She highlighted our long-range plans to rework many of our landscape beds.

Streets and Tennis Courts Report – Dave Fouser

Dave reported that our streets have a good asphalt base and minor crack repairs have been made as needed.

Bryson's Paving is available to do small patching work throughout the year. The shoulder work will continue beginning later in the year or first of next.

Dave also announced that the new tennis court nets are installed and the courts have been pressure washed.

Bill pointed out that some damage to the tennis court fencing and pasture fencing was done by the heavy snowfall. Repairs to all of the damage was completed in the Spring at a cost in excess of \$1,000.

Water System Report – Randy Foster

Randy reported that our water system is, as always, continually monitored for quality and NC State guideline compliance. The 2018 Annual Drinking Water Quality Report was made available to all Owners per North Carolina regulations. Copies are available in the barn.

He described the process and selection of Greenstone Construction, the sister company of our system testing operator Goldie Associates, as our contractor to maintain and upgrade our water system. He briefly described the three major water system leaks this year, efforts and costs to make necessary repairs, and the resultant temporary causes of the water pressure issues we experienced. Thanks to our special assessment for the Water System Renewal Project, our new contractor will continue to locate and replace faulty cut off valves, may install metering valves throughout our system to help to quickly isolate failures, and provide other needed preventative maintenance to our system.

Randy also explained longstanding current and future policy that (1) the cutoff valve for a residence at a roadway is the Association's responsibility, but (2) Owners themselves are operationally and financially responsible for maintaining all components (e.g. water lines and valves) beyond that point to the residence.

Mailbox Report – Jerry Bogage

At several Owners' requests, Jerry has explored the different possibilities for new locking mailboxes. He also explained the significant costs involved and the difficulties in finding a replacement location inside the confines of Cold Springs that does not increase congestion or safety hazards. Mailbox designs were made available for those interested in reviewing them. No action is anticipated without the support of a majority of Owners.

REPORTS OF COMMITTEES

Rental Rules for Owners and Renters – Hal Lewis

Hal provided a history of rental restrictions in Cold Springs and how our proposed Rental Rules for Owners and Renters seem to be consistent with the North Carolina

Planned Community Act of 1998 as amended. As part of his presentation he emphasized the importance of rules for renting by Owners and renter conduct rules in the face of increasingly popular Internet-arranged short-term renting and the resultant impact on property values as well as noise and nuisance disruption to Owners in a residential community. Hal stressed that the rules provide for written or electronic leases that would inform renters in advance of conduct rules that all owners are also expected to follow; and that they are designed to protect the Owners' quiet enjoyment of their homes and both Owners and the Association from financial liability. Of particular concern is the improper or dangerous use of community amenities (lake, tennis courts, etc.), proper control of animals, the observance of speed limits and the usage of community roads, and excessive noise. In response to a question whether the new rental rules limited the number of times an owner could rent a home in any period of time, he replied that as long as each rental exceeded the new required minimum of fourteen (14) days, there were no such limits.

Additional discussion took place regarding the enforcement of Owners' obligations under the Rental Rules. It is hoped that all Owners and Renters will voluntarily cooperate and conform to these new rules as good neighbors. In addition, the current version of the North Carolina Community Act provides that the Board may determine violations of Association Rules and Regulations. After such determination, the Board may then impose daily fines (treated as assessments and secured by liens) or suspend services provided by the Association (e.g. water) until a violation is cured.

Rules and Regulations for Owners – Hal Lewis

Hal described the need for a compilation and update of the many various Rules and Regulations currently in place for Cold Springs residents. He addressed questions regarding several of these rules asked by attending Owners. As a result, several Amendments to these Rules and Regulations for Owners were voted on and approved. Those Amendments are described below. They will be incorporated into the RULES AND REGULATIONS FOR OWNERS that are being mailed to each owner together with these Minutes and the invoice for the 2019-20 Assessment for improved and unimproved Lots.

Barn Management – Leslie Lewis

Leslie reported that her horses, Pip and Boom, are gentle horses and enjoy a limited amount of sliced apples or carrots as a treat. She does ask that people keep their dogs on leashes and do not allow them within any pasture, paddock or the stable to avoid a

dangerous situation for your pet. Also, recently stones/gravel have apparently been thrown into the barn each evening or night, so please be certain children are controlled and not permitted to throw stones/gravel around the barn/paddock area.

Lake Report – Fred Rodenbeck

Fred reported that the lake has been restocked with approximately 500 trout. Lake fishing rules are essentially catch and release but four fish per day per home is allowed for consumption purposes. Fred indicated that weed control for the lake continues and, due to warmer weather, more weed control spraying may be necessary – perhaps as often as once per month during the Summer season.

APPOINTMENT OF ELECTION INSPECTORS

Bill Richards appointed Sheryl Wilson and John Bauknight (substitution for Randy Foster) as Election Inspectors to count votes for various items.

ELECTION OF DIRECTORS FOR 2019-2020

Bill Richards called for a vote for the election of proposed Directors as presented to the Association Owners. 100% of those attending and 100% of those submitting proxies voted in favor. Next year's Board will consist of Bill Richards, Sheryl Wilson, Sumter Bradwell, Randy Foster, Jerry Bogage, Hal Lewis, and Fred Rodenbeck.

CAPITAL BUDGET FOR FY 2019-2020

Bill Richards called for a vote on the Capital Budget for 2019-2020 as presented to the Association Owners. 100% of those attending and 100% of those submitting proxies voted in favor.

OPERATING BUDGET FOR FY 2019-2020

Bill Richards called for a vote on the Operating Budget for 2019-2020 as presented to the Association Owners. With only one dissent in a proxy regarding budget allowance for Legal Expense, the vote was in favor.

RENTAL RULES FOR OWNERS AND RENTERS

Bill Richards called for a vote on the proposed Rental Rules for Owners and Renters. The proposed Rental Rules for Owners and Renters was approved by 100% of those present. There were 5 dissenting proxies to the proposed Rental Rules for Owners and Renters. The vote passed with approximately 90% of those voting by proxy or presence in favor of approval.

RULES AND REGULATIONS FOR OWNERS

Bill Richards called for a vote on the proposed Rules and Regulations for Owners as Amended during the discussion. The proposed Rules and Regulations for Owners was approved by 100% of those present. There were 5 dissenting proxies to the proposed Rules and Regulations for Owners. The vote passed with approximately 90% of those voting by proxy or presence in favor of approval.

Amendments to Rules and Regulations for Owners

The following are the Amendments that were approved by a 100% vote of the attending Owners. As noted above, a set of Rules and Regulations for Owners as finally approved at the July 6, 2019 Annual Meeting will be printed and mailed to all Owners with the Annual Assessment invoices.

A written motion made by the Board and seconded at the meeting was approved to:

- (1) provide a process for amending the Rules and Regulations for Owners;
- (2) allow propane tanks visible from neighboring Lots, roads or streets to remain in place if they were in place and operation before the July 6, 2019 effective date of those Rules (see Rules, Paragraph 11)
- (3) to exempt from Paragraph 17 of those Rules satellite dishes exceeding 30" that were in place and operation before the new Rules' July 6, 2019 effective date.

A motion was made and seconded to add the words "or national holidays" at the end of Paragraph 27. The motion has the effect of permitting machine-generated noise during the hours of 1-5pm on national holidays. There was no objection, and the motion is deemed accepted by acclamation.

A motion to amend Paragraph 7. ("Approval of Plans") was made, seconded and carried that would deem the Board and Association to have given formal approval whenever the Board fails to act within 15 days of receiving a request for approval of architectural plans or specifications. (The motion was initially limited to architectural approval but was later expanded to include other plans and specifications). Further discussion limited such

deemed approval to cases where the owner requesting approval had (1) emailed a request for approval to each current member of the Board and (2) failed to receive any response to the request within the 15 days following the date of the emails.

Approvals by inaction are extraordinary exceptions to the general provisions of Paragraph 7. Those provisions require that plans and specifications submitted to the Board or Architectural Committee be approved not by inaction but "in writing"; and there is no time limit stated for a decision on approval or rejection. Accordingly, if the Board or Architectural Committee responds within 15 days to an email submission made as required by the motion that it requires more than 15 days to reach a decision, that response will be deemed a temporary rejection of the request. If there is a final rejection, then, as Paragraph 7 also provides, "the Plans and Specs may be resubmitted for subsequent approval."

An Amendment regarding burning of leaves, brush, trash, etc. in the community was discussed. As various County and State Laws or U.S. Forest Service directives during droughts might already ban this activity, an amendment addressing this concern will be studied by the new Board.

NEW BUSINESS, DISCUSSION, AND ADJOURNMENT

Having no further business to consider or other discussion, a motion was made, seconded, and unanimously approved to adjourn at approximately 1:00 PM.

Respectfully submitted,

Sumter Bradwell
Board Secretary