

Annual HOA Board Meeting – October 19, 2024

The annual HOA meeting was held at the CMF Common Area's Bard facility. Communications for the meeting were mailed and posted on the CMF HOA Website on August 12, 2024 and members who could not attend in person were given the option of connecting by a virtual, internet connection.
https://us06web.zoom.us/j/79919616986?pwd=SvWExqrun5zDGRA4a5tkAimayB86i7.1
Meeting ID: 799 1961 6986 Passcode: 756931

In the invitation letter, members were provided with a copy of the meeting agenda and link connections to the CMF HOA website for all of the content related to the agenda and a proxy vote to be submitted for the two action items on the agenda.

The meeting was proceeded by a member and invited guest community social and lunch which began at noon. Name tags were used since there were a number of owners in attendance who had recently purchased property in the community, and it was their first opportunity to meet other HOA members.

Prior to starting the meal service, the community was led in a short moment of reflection and prayer of gratitude that CMF damage from Hurricane Helene while substantial in downed trees, electrical distribution line breakage and power loss for a number of days, no home was damaged and the M&M Mowing service had the roads open and mudslides cleared in 48-72 hours. There was also a request made by the HOA Board for silent prayers for the many residents and business owners in counties further west of McGrady who lost lives, homes, and businesses.

The HOA Business meeting began at 12:30 and the Zoom connection was initiated. There were 52 individuals at the meeting and almost all stayed through the conclusion of the business meeting. An attendance roster was updated by the Board Secretary, Susan Catoe, and many of the attendees at sign-n were able to update their email address/phone number/mail address for future reference.

CMF HOA Annual Meeting – October 19, 2024 – Agenda

1. Welcome and Introductions – HOA Board President Bruce Anderson opened the meeting and welcomed all participants, in person or via the virtual, Zoom, connection. He also thanked the Felts family who provided the room decorations in

nd outside the barn and also catered the lunch meal and drinks for the group. A copy of the presentation to guide the discussions was posted on the website and throughout the meeting, there were hardcopy documents provided for some of the discussion topics; Primarily the financial results and 2025 Budget.

2. Review of Meeting Authority, Quorum validation and Proxy statements submitted by owners. -In accordance with the HOA Bylaws and charter as an organization, for any voting Issues published in advance on the agenda, there must be a quorum of the HOA Owners of no less than 20% of the community's lots. Given the current portfolio of lots, the minimum number would be 43. The final total for in-person representation, virtual (Zoom participation) and official proxy votes received by the time of the meeting, the total participation numbers exceeded fifty (50) and therefore a quorum was confirmed.

3. CMF HOA Review of 2024 Activities – Bruce made a few comments, but encourage participants to connect to the Website for the month-by-month list of activities, decisions and actions impacting the HOA's responsibilities: The Website link is https://www.chestnutmountainfarms.com and the password access for the property owner content is cmflogin.

   One issue which generated input, and a few questions, was insurance coverage. There were comments on the status of the fallen trees and damaged trees at risk of falling into other neighbor lots or onto power lines. Likewise, the water tank focus as a fire protection option brought to light the importance of understanding our HOA policy coverage as well as individual home policies. Board member Susan Catoe has particular experience of property insurance from her decades of work in the industry. The Board will do additional research on these insurance issues in Q4 2024 and Q1 2025.

4. Overview of Property Sales, Website content and usage. – HOA Vice President Perry Swaim updated the group on the level of activity during 2024 involving the interest in properties and in the regular updating of the website.

   - Perry has received some 200 inquiries on CMF properties, most of which were generated by the website in addition to any real estate agent communications since the onsite access to non-members (potential buyers with or without real estate owners) which is controlled by one-time password action.
   - From all the activities above, Perry reported that there have been twenty-three (23) sales transactions. Perry shared the information that to the best of his knowledge, in sales, the price ranged from a low of $1,800 per acre on one lot to a high of $6,500 per acre on a transaction.

- At the start of 2024, the HOA had ownership of four (4) lots; 56, 65,88 and 89 which was been sold with the total sales revenue of near $60,000.
- During the course of 2024, Owners of four properties (lot #'s 77,118, 230 and 231) have been transitioned to HOA ownership in negotiations regarding their overdue Annual HOA fees and late fee assessment. The price to the HOA is the payment of the closing costs, which was no more than $600 for any of the transactions.
- Another important matter involving progress was the Approval and Initiation of the Architecture Review Committee during the summer. This is a Standing committee on the Board with five (5) members and they have been working on formalizing the operational practices and documentation. Perry, Pat, Craig, Marvin, and Karlei were recognized at the meeting and thanked for their volunteer work on the committee. Karlei has coordinated the effort to create a checklist for the architecture review process and in addition to the document being uploaded to the HOA Website, hardcopies were distributed to all in attendance.
- The meeting also included comments from Board members and others regarding the shortage of qualified, licensed contractors across the professional skills needed. It is recognized that the availability may also be further compromised with all of the likely reconstruction work as a follow up in western counties as a result of Hurricane Helene.

5. Update - CMF Road conditions, Common Area maintenance & Security – The HOA meeting presentation for HOA members includes a summary of the current procedures and activities for these important functions.

6. CMF HOA Financial Condition:

   a. Current Year Financial Summary – The Financial Condition of the HOA through September 30, 2024, was uploaded to the website and hardcopies were available at the meeting. 2024 has been a year with significant activity related to the capital expenses and the sale of HOA owned lots. In addition, the professional, progressive follow up on owner accounts in arrears on annual fee payments has generated considerable transaction activity. The change of bank accounts from Regions Bank to Truist is generating interest revenue for the first time and a stronger working relationship.

   b. 2025 Proposed Budget – HOA Treasurer John Belton and President Bruce Anderson made a couple comments on the proposal for 2025 which was also available in a hardcopy for the attendee review and comment. The Board with this presentation will consider the budget as approved pending the successful Q4 financial results and no further surprises like Hurricane Helene.

c. Discussion on Potential 2025 Capital Projects – A summary of potential, future projects were included below the operational budget. The point was made by Board officers Bruce Anderson and Perry Swaim that the list are projects which the Board believes can great value to the community. However, further investigation is needed on each of them before and an estimate of cost and time is prepared and adequate for HOA approval to schedule and proceed. No action was requested by the Board on this topic.

7. <u>CMF Proposed amendment(s) to Restrictive Covenants.</u>

   a. The Restrictive Covenants Article VI proposed revision to allow the trademark siding product Hardie Board as an exterior option along with wood and stone was approved by a vote of _____.
   b. The second proposed change to clarify "Single Family Residential purposes…" was discussed and there was a concern regarding the minimum months for any rental agreement to be reviewed for approval by the CMF HOA Board. The Board agreed that the recommendation was with the intent of the scope, purpose and expected outcome. To follow compliance with required procedures, the wording change will be made and the document uploaded to Website along with a proxy form for this re-submitted issue to be voted on by the HOA membership. The posted material will be uploaded no later than Monday, October 21 and the voting will be through Friday, October 25, 2024.

8. <u>Open discussion on "Barn"</u> - Perry Swaim led this discussion. The last time there was a serious discussion with the HOA membership was 2019 and the Boad has this year taken action to prevent further damage from termites and other animals who found was to enter the barn and provide added risks. The completion of a uniform concrete floor was a necessary investment to prevent further infestation.

   a. Parry introduced a number of potential options to be further investigated. Each was focused on consideration as a valued service and amenity exclusively for CMF HOA property owners.
   b. Among the options discussed were a simple, internal storage option for property owners for a modest fee. The options that expand the facility to usage outside the barn for limited (three) temporary RV storage or potentially RV hook-ups do require more implementation costs and set-up.
   c. The premise for any service available to owners was that a "first come/first service" would be consistently applied in recognition that there may be a waiting list for any of the options.
   d. At present, including annual insurance coverage, electricity and normal maintenance of the building and grounds along with the need for re-staining the exterior every five years sets a minimum annual average cost of approximately

$10,000. Perry said that covering the operating costs by any single or combination or options will benefit the community's financial stability in addition to any quality-of-life benefits if owners value the benefits from the service.

9. Follow-up on Action Plans – in the presentation document for the meeting, HOA and comments at the meeting HOA President Bruce Anderson covered the current Board roles for 2025. Given that this will be the second year of two-year terms, the Q4 2025 annual meeting will include the election of Board members.
10. The meeting adjourned at approximately 1:35 pm.