

**DEEPWOOD III HOMEOWNERS ASSOCIATION
SPECIAL MEETING MINUTES
7006 GEMINI DRIVE
DECEMBER 3, 2016**

CALL TO ORDER

The special meeting of Deepwood III Homeowner Association was called to order by President Pannone at 10:15 AM.

ROLL CALL

Homeowners present were: Janet Allen, Nancy Eakle, Norbert Eakle (Treasurer), Cynthia Green, Linda Hawn, Ivagene Howerter (Vice President), James Miller, Dennis & Meike Paniza, Mike Pannone (President), Tara Walker and Mary Wells (Secretary). Absent were: Christine DeCourtney, Dan Dougherty and Skye & Steven Hostetler. Proxies provided to the Secretary were: Tara Walker for Christine DeCourtney and Meike Paniza for Skye & Steve Hostetler.

PROOF OF NOTICE

Homeowners were provided with a written notice of the Special Meeting via US Postal Service.

READING OF THE MINUTES OF THE PREVIOUS SPECIAL MEETING

The minutes of the October 22, 2016 special meeting were distributed. President Pannone asked for a motion to approve the minutes as written. After much discussion, Tara Walker moved not to accept the the minutes as written, retain the minutes for reference and create an abbreviated version. President Pannone modified the motion to retain information related to motions, suggestions and/or recommendations; and, retain pertinent information for legal purposes. Mary Wells seconded the motion, the motion passed unanimously.

DUES INCREASE

Treasurer Eakle distributed the dues increase analysis worksheet to each homeowner and stated that as of 12/3/2016, the Association had approximately \$17,000.

After extensive discussions with Homeowner Meike Paniza delineating the difference between dues increase and special assessments, President Pannone solicited a motion to approve the 20% dues increase.

President Pannone solicited a motion for the dues increase from the membership. Homeowner Meike Paniza moved a 10% increase for the reserves and the other 10% for day to day

operation. The motion was seconded by Tara Walker. President Pannone opened the floor for discussion.

Homeowners Nancy Eakle, Vice President Howerter, Treasurer Eakle, President Pannone and Secretary Wells discussed and recommended the level of reserve funds should be around \$50,000 to \$60,000.

After extensive discussion with Homeowner Meike Paniza regarding clarification of reserves, purpose of dues increase, expenses, revenues, historical expenses, spread sheet analysis, Homeowner Meike Paniza rescinded her motion.

President Pannone concurred with the recommendation of modifying the motion to a 20% increase with half (1/2) restricted for the wall repair and half (1/2) for operational reserves and solicited the homeowners to make the motion.

Secretary Wells moved to approve a 20% dues increase and of the 20%, half (1/2) restricted for the wall repair and half (1/2) for operational reserve to be effective January 1, 2017. Homeowner Walker seconded the motion. With no further discussion, President Pannone called for a vote. The motion carried a vote of 9 to 3 to approve a 20% dues increase and of the 20%, half (1/2) restricted for the wall repair and half (1/2) for operational reserve to be effective January 1, 2017.

AUDIT

Homeowner Meike Paniza stated she wanted to have a five-year audit.

Homeowner Allen moved to untable Secretary Well's motion from the 10/22/2016 Homeowner Meeting to approve \$50,000, one-time special assessment to be paid in full prior to audit start-up. Homeowner Nancy Eakle seconded the motion. After considerable discussion, President Pannone restated the motion asked for a vote to approve \$50,000, one-time special assessment to be paid in full prior to audit start-up. There being no second, the motion failed.

Homeowner Allen moved to eliminate the audit portion of Section 8 of Article IV, Auditor from the Deepwood Bylaws and recorded. The motion was seconded by Secretary Wells. President Pannone opened the floor for discussion. Secretary Wells stated that the audit was previously removed and approved in years past annual meeting and this action will be for recording. After discussions, President called for a vote. The motion passed 10 to 2 to eliminate the audit portion of Section 8 of Article IV, Auditor from the Deepwood Bylaws.

Homeowner Meike Paniza stated "I strongly oppose the motion to amend the by-laws in order to avoid providing an external audit that is required in the by-laws." President Pannone responded with the motion has been made to remove the audit and passed.

PROPERTY MANAGEMENT

Homeowner Meike Paniza stated what will bring her satisfaction is a vote right now to have a management company to come in and manage everything from here on out.

Homeowner Meike Paniza moved to request a management company for Deepwood II. There being no second, the motion failed. Homeowner Walker followed with I'll second the motion. President Pannone rescinded his statement of there being no second, the motion failed. Tara Walker seconded the motion and President Pannone moved for discussion.

Homeowner Meike Paniza modified her motion to obtain three property managers present their services to Deepwood III Homeowner. Each company will be allocated one hour for their presentations, questions and answers at one of the consecutive weekly presentations. The motion was seconded by Homeowner Walker and the motion passed 8 to 2 votes.

OTHER BUSINESS

President Pannone again offered to Homeowner Meike Paniza to have her representative review the association financials. As members of the association, you all have the right to look at the books yourself. Please make an appointment to do so.

Secretary Wells offered to Homeowner Meike Paniza assistance on how to review the Association financials, verify expenses, how to cross reference bank statement, how to look for fraud, check it against minutes, what was approved and interpretations.

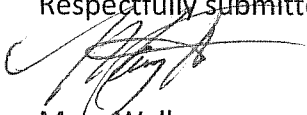
President Pannone stated let me say this and will take some executive action. The accommodation for an offer has been made as much as we can. If the accommodation which by the way is refused this time, then that subject will not be discussed.

Homeowner Meike Paniza stated she had given permission for her realtor, a former Real Estate Commissioner to use Deepwood III situation for her class case study.

ADJOURNMENT

Treasurer Eakle moved to adjourn the meeting and was seconded by Vice President Howerter. There being no objection, the meeting was adjourned at 12:42 PM.

Respectfully submitted,



Mary Wells
Secretary