

**DEEPWOOD III HOMEOWNERS ASSOCIATION
ANNUAL MEETING MINUTES
7006 GEMINI DRIVE
March 10, 2018**

CALL TO ORDER

The annual meeting of Deepwood III Homeowner Association was called to order by President Pannone at 1:00 PM

ROLL CALL

Homeowners present were: Linda Hawn, Janet Allen, Skye & Steven Hostetler, Gary & Mary Wells (Secretary), Mike Pannone, Nancy & Eek Eakle (Treasurer), Ivagene Howerter (Vice President), Brendan Dougherty. Absent were: Cynthia Green, James & Kathy Miller, Dennis & Meike Paniza, Tara Walker, Connor & Fabiana Mobley. No proxies were received.

Guest: Al Clayton, Attorney, Clayton & Diemer LLC

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 March 18, 2017 meeting were distributed. President Pannone asked for a motion to approve the minutes as written. Janet Allen moved to accept the the minutes as written. Eak Eakle seconded the motion. The motion passed unanimously.

PRESIDENT'S REPORT

President Pannone introduced Al Clayton with Clayton & Diemer, LLC and commented on the fiduciary responsibilities of the association and homeowners.

TREASURER'S REPORT

Treasurer Eakle reviewed the distributed financials (revenue, expense, detailed miscellaneous expenses, 2018 Operating Budget). Treasurer Eakle reported there was \$12,340 at the beginning of 2017 and \$29,750 at the end of the year. Under Miscellaneous Expenses of 2017, he highlighted roof repairs of \$1,100 and \$1,250. He stated that he anticipates additional roof

repairs and moss removal for the the coming year. The roof is 22 years old with a life expectancy of 25 years. Treasurer Eakle reviewed the proposed 2018 Operating Budget highlighting Far North's summer and winter standards and major capital expenses. After discussions and questions, Linda Hahn moved to accept and approve the Treasurer's report. Janet Allen seconded the motion. The motion passed unanimously.

AL CLAYTON, ATTORNEY, CLAYTON & DIEMER LLC

President Pannone introduced Attorney Al Clayton hired by Allstate Insurance. Attorney Clayton identified himself the attorney representing the association, shared his professional background, stated there has been a lawsuit filed, Deepwood III has not responded to the lawsuit as of yet, and to date everything in the lawsuit is considered disputed. He also stated he is not at liberty to speak to the plaintiff, but must communicate with their attorney directly. He cannot talk about the merits of the allegation or defense. Mr. Clayton discussed the legal process of this lawsuit and cautioned the homeowners that just because he is sending his bills to the insurance company for payment, and does not guarantee that there will be no financial consequences for the association. He shared a specific case where an association insurance was not renewed resulting from a substantial legal fees incurred during the association defense, even though in the end there was no liability from the association. He hopes to work with the lawyers and find common ground to expedite the process, dealing confidentially directly with the Board.

He further stated issues, discussions or questions regarding the retaining wall must be deferred. Questions could arise, but the Board or the President should not respond to a question regarding issues that are in dispute in the complaint. There is a different time and format for those questions.

Attorney Clayton responded to various questions from the homeowners regarding process, rules, discovery, depositions, legal responses, filing, pre-trial order, motions, judge ruling, jury trial and appeals. Homeowner Hahn asked Attorney Clayton if she can sell her unit while the lawsuit is in progress. Attorney Clayton responded affirmatively, but the lawsuit be disclosed in the resale certificate.

OLD BUSINESS

No old business was presented.

NEW BUSINESS

Gary Wells reminded the membership the 2018 Operating Budget needs to be approved, not just accepted. Mary Wells moved to approve the 2018 Operating Budget as written. Brendan Dougherty seconded the motion. The motion passed unanimously.

ELECTION OF OFFICERS

President Pannone asked Treasurer Eakle to present his proposal to rescind the 1999 amendment #4 which changed the "Board of Directors" to "Officers of the Association" and return to the original bylaws. Restoring three (3) staggered terms – as opposed to replacing the entire leadership annual – will allow continuity. This was approved and recommended by Attorney Baird.

President Pannone stated that Deepwood III is valued at \$4 to \$5 million dollars. People elected to the Board have the responsibility for maintenance and operation of this association. They may be criticized, accused of wrong doing or have dinner interrupted by complaints. There will be no pay, and praise should not be expected. Board members should put the good of the association above individual desires, fulfill fiduciary responsibility, maintain decorum, keep their temper, conduct themselves with integrity, and preserve the reputation of the association among local businesses and the community. They may have to work 10 to 15 hours per week at critical times and be responsible 24 hours per day.

President Pannone requested Eak Eakle to explain the voting process. Mr. Eakle stated that we need three or more nominations for Directors. Each homeowner will vote for one nominee. The nominee with the highest number of votes will serve a 3-year term; the second highest a 2-year term; the third highest, a 1-year term.

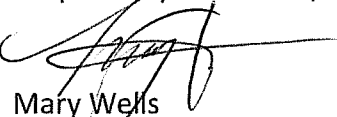
Nominations were opened for the Directors as follows:

Mary Wells nominated Mike Pannone, seconded by Nancy Eakle. Nancy Eakle nominated Mary Wells, seconded by Janet Allen. Mary Wells nominated Eak Eakle, seconded by Janet Allen. Vote results were Mike Pannone, 3-year term – 32.6%; Eek Eakle, 2-year term – 14.8%; and Mary Wells, 1-year term – 8.2%.

ADJOURNMENT

Treasurer Eakle moved to adjourn the meeting, seconded by Vice President Howerter. There being no objection, the meeting was adjourned at 1:41 PM.

Respectfully submitted,



Mary Wells
Secretary