

MERIFIELD ACRES LANDOWNERS ASSOCIATION

THE 24TH ANNUAL MEETING MINUTES

September 22, 2000

Paul Lautermilch, Association President, called the meeting to order at 1:08 P.M, Sunday, September 17, 2000.

Minutes. The minutes of the 1999 Annual Meeting had previously been distributed by mail and had been posted on the Association's web site. The minutes were approved as written.

The President recognized the outgoing board members who are not standing for reelection, Marie Garratt, Ken Hensley, Joe Noah, Roy Wendt, and Michelle Yauch, and thanked them for their service to the community.

STATE OF THE COMMUNITY:

The President addressed the state of the Merifield Acres community. He made the following points:

MALA Honor Roll. The MALA Honor Roll representing those volunteers who have made a substantial contribution to the community this past year currently displays 32 names. He expressed the hope that this number would be doubled in the coming year.

Merifield Acres Districts. Merifield Acres has been divided into eight districts with a Board member responsible for each district. This was done to improve communications between the membership and the Board, and to reduce mailing expenses. He urged the membership to take advantage of this process and inform the Board member who visits regularly of their thoughts and concerns.

Memorial Day Pig Pickin'. The Memorial Day Pig Pickin' was very successful despite the rescheduling necessitated by weather. Based on comments received, this should become an annual event.

Adopt A Road Program. The Adopt A Road Program under the direction of Clarence Neese has also been implemented.. Only one road group (*Zone 8 - Occoneechee Drive from West Point Drive to Lewis Road including Cove Court and Longmeadow Drive*) remains an orphan. [Note: The last orphan was adopted shortly after the Annual Meeting.]

Sunday Afternoon Socials in the Park. The end of month Sunday Afternoon Socials have not been as well attended as was hoped.

Newsletters. The bi-monthly newsletters have been well received. The mailing costs for these newsletters could be reduced substantially if MALA had everyone's E-Mail address. If you're not sure we have your address, send MALA a "TEST" message (mala@kerrlake.com) to get your address registered. We can then provide much of our information via E-Mail at no cost to the Association.

MALA'S Website. MALA's website (<http://www.kerrlake.com/mala>) now includes a map of Merifield Acres, thanks to Garry Wilburn's idea, Roger Greenhalgh's computer expertise, and Wanda Fuller at Lake Country Online, our Internet service provider.

Maintenance Contract. Based on the economic research efforts of Ed Mazur (Comptroller at Virginia Commonwealth University), the Board has concluded that MALA is receiving good value from its current maintenance contract, thus obviating the need to recompete MALA's maintenance contract with Dennis Hayes.

Litigation. MALA has no litigation pending at this time.

Problem Areas. Dogs continue to be a problem; however the number of complaints received seems to have lessened somewhat. Merifield Acres dog owners have to realize that they are affecting adversely, other residents' quality of life when they allow their animals to run free, and that's wrong!

Service District Status. The Service District voting to date has 45.3% of the property owners in favor of creating a service district for road maintenance (49 % of the property) with 6.7% opposed. The tiered assessment alternative approach is slightly favored (54%). MALA needs 25 more approvals to meet the minimum requirements of the statute. The President noted that there are 71 homeowners who use the roads regularly who have not even responded.

The President stated: "To every property owner, but particularly the homeowners, let me say this. There are no free lunches; we all are going to pay for our roads, one way or the other. We'll pay up front (via the Service District) and have safe, serviceable, useful, and attractive roads and an attractive community OR we'll pay later in terms of safety and serviceability and in terms of reduced property values and ease of resale. We'll begin looking like a second class community and in short order, we'll become one."

He again urged all property owners who have not already done so to submit their Service District ballot..

ELECTION OF NEW BOARD MEMBERS: A member asked that those standing for election to the Board reveal how they voted on the Service District proposal. The President declined to accept this proposal stating that he did not favor applying a litmus test for a seat on the board. The President observed that he received a number of questions from property owners asking if they could vote for Board candi-

dates by absentee ballot (No, not permitted by the By-laws). He also read a letter from a property owner addressed to the membership suggesting that the membership amend the Association By-laws to permit absentee ballot or proxy voting for those unable to attend the annual meeting.

A discussion on allowing proxy and/or absentee ballot voting followed. The Association By-laws provide for absentee voting only on issues of *major importance*. It was pointed out that a proxy vote does not allow the person appointing the proxy to hear the issues raised during discussion of the *ad hoc* issues that arise. It was also observed that the Board members, in effect, serve as proxies for the members at regular Board meetings. Concern was expressed that an organized group could gather a number of proxy votes, and effect a vote that was not favored by a majority of the property owners. The question was raised of what constitutes a quorum; one more than half of the board members are required for a Board meeting, and there is no quorum requirement for the annual meeting. A motion to amend the Association By-laws to allow absentee voting on annual meeting agenda elements was made and passed.

Membership voting to elect six Board members for a three year term took place at this point.

TREASURER'S REPORT AND PRESENTATION OF YEAR 2001 BUDGET: The Treasurer reported that the Association has received 99 % of its expected income for the year, and has expended 55 % of the planned budget. Expenditures have been reduced below planned levels owing to savings on mailings and on tax preparation. A question was raised as to the distribution of the reserve funds. The Finance Committee Chair reported that MALA has \$66,305 invested in Fidelity growth, income and cash mutual funds, and in a Certificate of Deposit with Wachovia Bank. The reserve fund has grown by 10% per year.

Regarding the Year 2001 Budget, a member asked that the budget element for maintenance, which represents 60% of the annual budget, be broken down by the maintenance functions performed. The President replied that this item is a contract for services, and cannot be broken down owing to the variation of the services depending on weather and other factors. He again pointed out that the independent survey conducted by Ed Mazur found that we are getting good value from our current maintenance contract. A motion to approve the budget as presented was made, seconded and approved by voice vote.

NEW BUSINESS:

Fielding Covenants: The President reported that the Board of Directors, at their August 8, 2000 meeting, approved a resolution to amend the Fielding Development Co. Restrictions and covenants applicable to Roanoke Point Areas 1, 3, 4, and 5 by substituting the Merifield Inc. Restrictive covenants in their place. Because the Association's annual meeting was scheduled to take place a little more than a month after the Board's August meeting, the Board directed that the resolution be presented to the membership for their affirmation or rejection. A point of order was raised by Margaret White regarding this proposal. She stated that while she is not arguing against the proposal, she would like to have it done in a manner that would create the least animosity. The President outlined the Board approved procedure which is to present the proposal to the membership, file the resolution with the county Clerk of Courts and then send a letter to the affected property owners including a copy of the Merifield Inc. covenants. He also reported that the principal differences between the Fielding covenants and the Merifield Inc. covenants are the imposition of mandatory assessments and the requirement for property owners to restrain their pets to the limits of their property in the Merifield Inc. covenants. He noted that there were also some relatively minor differences concerning cutting of trees, architectural review, and differences in the allowable house size and set-back footage. A long-time Merifield Acres property owner observed that the Merifield Inc. covenants were an outgrowth of and had been based on

the earlier Fielding Development Co. covenants. Mrs. White thought that the membership should be able to see the covenants before voting, and that the County Clerk stated that deeds would not be clouded as long as a document affecting the change for each lot was prepared and notarized. Tom Lilly questioned the Board's authority to change covenants, and stated that this was tried 20 years ago and failed. He stated that he did not like anything forced on him, and offered the possibility that all of the owners in the now "voluntary" areas would refuse to pay the assessment. The President noted that the Fielding covenants contained a provision permitting covenant change and that the authority to implement this change was formally transferred to and accepted by the Merifield Acres Landowners' Association. A member questioned who had a right to vote on the Board's resolution and was informed that according to the Association By-laws, only those who have paid their assessments are eligible to vote. A motion to affirm the Board's resolution was made, seconded, and passed by a 47 to 10 vote.

Aircraft Hanger: The President asked if there was anyone present who had not submitted a completed hangar ballot provided with the Annual Meeting agenda and who wished to vote on the issue. These votes were counted and added to the votes held by the Secretary. The Secretary announced that the final vote tally was 128 for and 20 opposed. The proposal to permit construction of a hangar on common property for long-term private use, which required a 2/3 majority of the members voting, was approved.

The President reported that the zoning variance for the replacement of the existing structure by a structure capable of hangaring two aircraft had been granted, but subsequently one of the parties proposing to fund the project withdrew his offer. The remaining party wishes to proceed once another partner is identified. A question was asked as to the action to be taken if someone else proposed to erect a hanger. The President stated that this question would be addressed when the issue arises.

Input From the Floor:

Herbicide. A member questioned the necessity of using herbicide along the road shoulders, citing the danger of polluting the area water supply (lake and wells) from run-off. Dennis Hayes, Merifield Acres maintenance contractor and who is trained and certified to apply herbicide, stated that he uses the safest chemical available (Roundup™), in the minimal amount necessary, and there is no danger of runoff into the lake or wells. He stated that applying herbicide to the road shoulders was necessary to prevent damage to the shoulders caused by the incursion of vegetation growth under the road margins.

Community Appearance. A new resident complimented the Association on the appearance of the community. A motion was made to send a formal letter to Dennis Hayes expressing the appreciation of the Association for the excellent appearance of the community. The motion was seconded and passed unanimously by voice vote.

Entrance Sign. A member asked that the Merifield Acres sign on the brick pillars be brightened and made more visible. The President noted that the sign was partially obscured by the beautiful red maple tree growing in front of the brick pillars. He also noted that repairs to the weather-damaged brickwork were also under study..

OLD BUSINESS:

Service District: The Service district voting status was reported earlier in the meeting. The President expressed the hope that his comments at the annual meeting and in the next newsletter would sway some addi-

tional votes, and he asked members to talk to their neighbors. A request to provide the names of the homeowners who have not yet voted to the district captains was made by George Holzworth. The President will comply with this request.

COMMITTEE REPORTS:

Architectural Committee: Chairman Mike Gupton reported that eight houses had been built since the last annual meeting and five additions approved.

Aviation: Chairman Joe Noah complimented Marie and Dick Garratt for their efforts to getting the hanger proposal approved. He stated that the new hanger will increase the value of the airfield.

Common Facilities: Chairman Roy Wendt thanked Shirley Greenhalgh and her crew for their work on landscaping the front entrance of Merifield. Still to be completed are: reflectors and tie down posts placed on and at the dock at Oak Park; the windsock needs replacing every two years or so; and the orchard trees need to be replaced and/or trimmed.

Finance: Chairman Joe Noah reported previously when the 2001 budget was discussed.

Political and Environmental Liaison: Co-chairman Margaret White addressed the issues of additional water for the Mecklenburg Co-Generation plant and formation of the Southside Basin Association.

Roads: Richard Gray reported that adequate funding for the roads is a must. He reported that the paving contractor will repair the vital areas; that Mecklenburg Electric Co-Op will reimburse MALA for repair of ditches dug to lay underground cable; and he thanked Nancy Hayes for cleaning and brightening the Merifield Acres traffic signs. Replacement of road reflectors will be done as soon as the adhesive arrives. A suggestion was made to seek voluntary contributions to fund road repair. The President responded by observing that MALA is an \$80,000 a year business and should be managed on a businesslike basis. Financing the Association's expenses through voluntary contributions did not seem to be a businesslike answer to our road maintenance needs. He reiterated that establishment of the Service District was needed.

Security: Chairman Bill McLaughlin reported that there have been no criminal offenses committed in Merifield Acres this past year. There were numerous nuisance type infractions most involving dogs and ATV's with one report of a dog bite. He urged everyone to help in controlling pets. There will be a presentation on the subject of Neighborhood Watches by a Crime Prevention Specialist at the next MALA Board meeting in the Library at 7:00 P.M. on Oct. 10.

Youth and School: Chairwoman Cindy Carter reported that the Easter Egg Hunt was a success thanks to Margaret & Barney White and many others. It will be repeated this year. She is trying to set up Christmas Caroling. E-Mail Cindy (carterparty@aol.com) if you are interested.

ARCHITECTURAL COMMITTEE ELECTION: Mike Gupton's term is up. He agreed to stand for reelection, and was reelected by acclamation.

QUESTIONS FROM THE FLOOR:

Question: Was the court decision denying MALA's right to levy special assessments appealed?

Answer. No, it was not.

Question: Has the possibility of changing MALA's by-laws to allow for the special assessment been considered?

Answer: The basis for levying special assessments must originate with the Restrictive covenants. Changing the covenants was considered and rejected because of the complexity and difficulty of this route, Creation of a Service District was seen as being the most likely approach to generating the necessary resources.

ELECTION RESULTS: The following persons were elected to three year terms on MALA's Board of Directors: Bruce Alexander, Richard Allen, Mike Billings, George (Matt) Dillon, Paul Lautermilch, and Kevin Meek.

ADJOURNMENT: The President thanked the members for attending and reminded the Board of Directors of their meeting immediately following for the purpose of electing Association officers for the coming year. There being no further business, the 24th annual meeting of the Merifield acres Landowners' Association was adjourned at 3:00 P.M.