

January 21, 2017

Dear Fellow Residents of Southern Village,

Enclosed are informational materials that will be presented at the Annual General Membership (AGM) Meeting of the Southern Village Home Owners Association. A ballot for the election of two new members to Board of Directors is also in this packet. Please review the budget and fill out the ballot.

The Board and its committees are comprised of volunteers. I realize that many of you are involved in other civic and educational activities as volunteers. Please consider volunteering for your Home Owners Association as well. It is this volunteerism that will help our community to remain vibrant and thriving.

Enclosed with the package is the main SVHOA budget for 2017 with comparative budget and year-end financial results for 2016. We approved a 13% dues increase to return our budget to the black for the first time in three years. The reality is that our community is aging and this has resulted in higher expenses for tree care and park and landscaping maintenance.

The Board believes that prudent financial management requires slowly rebuilding reserves. The proposed 2017 budget does this. The largest non-administrative expenditure items in the budget are tree care, landscaping, and park maintenance which together comprise nearly 50% of our entire budget. The board carefully weighs the balance between the high cost of common area maintenance and maintaining the level of appearance our residents expect.

The dues increase is spread evenly across all categories of residents (single-family homes, townhouses, condos, and apartments) since virtually all our expenses are for the common amenities we all share equally. Full financial results for 2016 are available on the SVHOA website.

On behalf of your Board I urge you all to participate in voting and attending the Annual meeting.

Sincerely,

Arun Kilara

President, Southern Village Home Owners Association Board of Directors

Hello Neighbors!

In order to keep you better informed of planned HOA activities such as road work, landscape and tree maintenance projects, and other events that may affect Southern Village, the HOA Board requests that you provide us with a reliable email address.

This can be done when you pay this year's HOA fees or by emailing finance@berkeleychapelhill.com with your **name, street address and preferred email contacts**; a street address can have more than one email in our database, and your email address will not be shared with any other organization.

Obviously, this is optional and you can always unsubscribe if you don't find these emails useful. However, we think this is one way the HOA can better serve its members.

If you have any questions please send them to manager@southernvillage.org.

Yours truly,

SVHOA Board of Directors

Arun Kilara, Susana Dancy, Jerry VanSant, Steve White, Dennis Carmody

Southern Village Homeowners Association

January 21, 2017

To: SVHOA Members
Fr: SVHOA Board of Directors
Re: 2017 Annual General Meeting

The 2017 Annual General Meeting of Southern Village Homeowners Association will be held at Christ Church Ascension Hall @ 7:00pm on Tuesday, February 21, 2017. Registration of owners will begin at 6:50pm. The meeting will start promptly @ 7:00pm.

The most important purpose of the meeting is to elect two directors to the Association's Board of Directors. **Candidate information, as has been provided to us, is included in this mailing package.** Also, a proposed meeting agenda is included in this mailing package.

Enclosed is a proxy for your convenience if you will be unable to attend the meeting. The governing documents for the Association call for 1/10th of the membership to be present in person or by proxy to have a quorum. It is essential to have a quorum, so please return your signed proxy if you will not be able to attend the meeting.

Questions? Please contact Berkeley Property Management at (919) 448-5150 (call or text) or send an e-mail to manager@southernvillage.org.

Please visit www.southernvillage.org for more Southern Village news.

**Southern Village Homeowners Association
Annual General Meeting
Tuesday, February 21, 2017
7pm to 8pm
Christ Church Ascension Hall**

Proposed Agenda

Establish Quorum

Open Comments

Beth Deacon from Market Street Associates

Call to Order & Approve Agenda

Approve Minutes of February 16, 2016, Annual Meeting

Elect **two** Board Members

- Further Nominations
- Candidate Questions
- Vote

Reports

- Treasurer
- Street Trees
- President

Other Business

Adjourn

Note, immediately following the AGM the SVHOA Board of Directors will meet

Candidate Statements

John Christian

I am interested in serving on the Southern Village Homeowners Association Board of Directors. I would like to contribute to keeping the Southern Village community vibrant and a wonderful place to live. I have expertise and special interest in environmental management given my 35 years of a 43 year career as a senior leader with the U.S. Fish and Wildlife Service in the Department of the Interior. My last duty station was in Minnesota where our family resided for 26 years.

After retirement in 2012, I served on the Budget Oversight Committee for the Minnesota Department of Natural Resources and I also served on the Board of Directors of the MN Audubon Society. In addition, I recently served on the Weathersfield HOA's Board of Directors in Ferrington Village before my wife and I moved to Southern Village to be closer to our new grandson in Carrboro. I was responsible for Board oversight on landscape and tree management in Weathersfield working with the great team at Berkeley Property Management. On a personal level, Kate and I have two sons, one whom remained in Minnesota and the other son is a professor at the Kenan-Flagler Business School at UNC.

I am very interested in improving Board communication with residents to ensure that homeowners are kept informed of activities and developments that may affect the Southern Village Community such as future plans for Google Fiber installation and Obey Creek developments.

I have extensive prior experience directing and managing budgets. I will work with the Board to ensure that expenditures are cost effective and homeowner's dues are consistent with services rendered.

If appointed I will work hard on behalf of the residents of Southern Village to provide services and information that will keep our community unique, vibrant and an amazing place to live and raise a family.

Arun Kilara

I own a consulting company, Nutri Food Business Consulting. My wife, Karen, and I have lived in Southern Village for 11 years. I served as a representative for the Copperline Townhomes, Highgrove Townhomes, as Chairman of the Architectural Review Board and am currently serving as the President of the Southern Village Homeowners Association.

My education includes a Doctorate from the University of Nebraska, Lincoln. For 21 years I was Professor of Food Science at The Pennsylvania State University, University Park, PA. I worked for Monsanto Company in Chicago as Co-Leader of Food Protein Research prior to starting a consulting practice. I am an adjunct Professor of Food Science at North Carolina State University and The Pennsylvania State University.

Southern Village is a unique and desirable community for people of all ages. Karen and I feel privileged to live in this community and would like to serve it to the best of my abilities.

SVHOA Budget - 2017

	2016 Budget	2016 Actuals	2017 Draft Budget
<i>Operating Income</i>			
Homes (Single Family, TH & Courtyard)	182,600	185,210	205,840
Apartments	3,675	3,675	4,150
Sub Associations	17,250	17,250	19,550
Class III	550	550	620
Other Income	4,000	6,425	3,800
<i>Total Operating Income</i>	<i>208,075</i>	<i>213,110</i>	<i>233,960</i>
<i>Operating Expenses</i>			
Maintenance Expenses:			
Landscaping	41,316	47,998	41,600
Mulch (all areas)	8,000	6,540	8,000
Parks	12,000	16,222	17,000
Pond Care	5,000	6,535	5,200
Trees (Street Care)	57,000	55,782	48,000
Electric	2,900	2,773	3,000
Market Street Events	10,000	10,000	10,000
NC Symphony	2,500	2,500	2,500
Police Substation	5,000	5,000	5,000
Storm Water Charge	1,050	1,020	1,050
Trash Cans (Wkly Service)	7,800	7,800	7,800
SV Charity Events	400	-	400
Water & Sewer Common Area	4,300	4,605	4,500
Other/Contingency	179	480	1,000
<i>Total Operating Expenses</i>	<i>157,445</i>	<i>167,255</i>	<i>155,050</i>
<i>Administrative Expenses</i>			
Admin Misc/Bank Service Fee	1,000	374	500
Insurance	4,800	9,126	8,409
Legal	3,000	3,566	3,000
Management Contract Fee	36,200	36,200	36,200
Printing & Postage	2,500	3,703	3,300
Tax Return Prep	630	640	650
Audit	-	-	10,000
Website	2,500	1,885	2,500
Reserve Study	-	800	-
<i>Total Administrative Expenses</i>	<i>50,630</i>	<i>56,294</i>	<i>64,559</i>
<i>Total Operating & Admin Expenses</i>	<i>208,075</i>	<i>223,549</i>	<i>219,609</i>
<i>Net Income (Loss)</i>	<i>-</i>	<i>(10,439)</i>	<i>14,351</i>
<i>Transfer to (from) Reserves</i>	<i>-</i>	<i>(10,439)</i>	<i>14,351</i>

Minutes of the 2016 SVHOA Annual General Membership (AGM) Meeting

A quorum being present, the AGM Meeting of the Southern Village Homeowners Association was called to order at 7 p.m. at Christ Church on February 16.

President Arun Kilara reported successful completion of the first year of the five-year tree project for maintaining the street trees at Southern Village standards.

Developer D. R. Bryan reported on a plan, awaiting town approval, to increase the number of Market Street parking spaces by reducing the number of lanes around the square from two to one. The square's traffic problem, he said, is that there is not enough traffic.

Two new members, Jerry VanSant and Steve White, running unopposed, were elected to the Board of Directors:

Treasurer Phil Meyer reported that the year 2015 proceeded according to plan with one major exception. This was the first full year of our new street-tree maintenance program, and because of unknown startup costs, the Board at its March 26 meeting authorized an additional \$50,000 beyond the budgeted \$31,000. We exceeded it. The total spent on the tree program was \$93,263. Fortunately our reserves were more than enough to cover the 12K excess, and we used this experience to set a 2016 budget of \$57,000 for ongoing care of the street trees. We ended the year with a healthy balance in the General Reserve Account of \$158,000.

There are separate reserve accounts for the alleys and each of the four townhome groups. As Southern Village ages, maintenance costs will increase, and we'll have to keep close watch on the reserve accounts. To help us do that, Raymond Engineering is updating its 2012 Reserve Study. A preliminary report, unlike the earlier one, gives separate results for each accounting unit. The final report will be of particular help to the townhome groups anticipating roof replacement in the near future.

Our bank balance at the end of the year was \$920,000. Our association's state and federal tax returns have been prepared and filed. No remittance was required and no amount was due or overpaid. Bottom line: we have money in the bank, and we're paying our bills.

Minutes of the SVHOA Board of Directors Meeting, immediately following AGM

President Kilara called the newly constituted board to order at 7:45. Members present were Arun Kilara, Dennis Carmody, Jerry VanSant and Steve White. Susana Dancy was absent. Officers elected, all unanimously, were Vice President, Susana Dancy; Treasurer, Jerry VanSant; Steve White, Secretary; and Dennis Carmody, member-at-large. The board approved a schedule of four more meetings: April 19, July 19 and October 18 in 2016 plus January 17, 2017. The board adjourned at 8:15.