

Deerfield Village Community Association

Notes/Minutes of Town Hall Meeting on Perimeter Fence Project and special assessment Held Jan. 27, 2021

1. The main purpose of the virtual Town Hall Meeting held at 7:00 pm on Jan. 27, 2021 was to respond to any questions posed by residents regarding the proposed special assessment for kicking off the associated DVCA perimeter fence project.
2. Eric Toureilles, as Fence Committee Member and Board President, acted as moderator for this meeting. Eric introduced the other Fence Committee members who were also in attendance, i.e. Larry Vickers, Stephen Gunzelman, and Merle Garrelts, at the Recreation Center. Also, Deerfield Village Association attorney was in attendance by phone for support and answer questions.
3. Eric started the meeting by briefly reviewing the history of the special Fence Committee (FC), which started its work in late 2018 with efforts to compare different types of fences and associated pricing as well as research related legal issues. The Board then asked for a vote to gauge the sentiment of the community for building the proposed Trex perimeter fence, and it was held in March 2020. The results showed that over 500 people from the community voted and that a significant majority of those who did vote voted in favor of the perimeter fence. Accordingly, the Board (believing the project would be transformational for the community) recommended the FC continue forward with the next steps in the process, including securing easement agreements from perimeter homeowners, soliciting bids to construct the fence, and gathering loan proposals to finance the fence. Finally, when the aforementioned elements were determined to be positive (and after some delay due to the pandemic and the need to affirm the community's financial health despite the pandemic), the Board authorized that a Special Meeting of the members be held Feb. 17, 2021 to approve an \$85 special assessment to begin funding the perimeter fence project. It was noted that a vote in favor of the special assessment was a vote to proceed with construction of the perimeter fence.

4. A resident asked about the procedural requirements related to the Special Meeting vote. The HOA attorney, Mr. Gaynor, replied that the relevant documents require that a minimum one-third of the community households, i.e. one-third of 1058 lots, attend the meeting to constitute a quorum and that two-thirds of those voting are needed to vote for the special assessment in order that such special assessment and related perimeter fence project be authorized to proceed forward. Attendance at the Special Meeting can come in the form of an absentee ballot, a proxy ballot, or in person, and the sum of all three forms constitutes the number of attendees at the Special Meeting as well as the votes to be counted. It was reaffirmed that the absentee and proxy votes could be dropped off at the Association Management Office at the Recreation Center between now and the date of the special meeting.
5. A resident asked about whether a special tabulator of the votes should be appointed to ensure objectivity. Eric T. stated that the ballots would first be confirmed to be from valid separate households in the community. Then, Mr. Gaynor suggested that a second tabulator could be appointed to confirm the vote tabulation, and he offered his paralegal as a tabulator. [Those who performed such tabulations would not be members of the FC, the Board, or the Financial Services Committee.]
6. A resident asked about what happens in future years regarding assessments after the special assessment is paid in 2021. Eric T. answered that the plan is for the same \$85 amount to be rolled into the regular yearly assessment from 2022 forward until the fence is paid off in about 15 - 20 years. Then, it would be up to the Board to determine what assessment would be appropriate to possibly continue to fund insurance and maintenance costs of the perimeter fence as well as to possibly fund a future fence replacement (projected to be sometime after the 25-year warranty on the Trex fence runs out).
7. A resident said he heard the total fence project cost was \$1,010,000 (winning contractor's bid) and that the Board was considering taking about 25% of the project cost from reserve funds plus a proposed \$75,000 contribution from the MUD to put towards the fence up front to reduce the principle on the construction loan. Eric confirmed what this resident had heard (though none of this has been finalized to date). Eric also confirmed that the interest rate on the proposed loan

was quoted at 4.06%, which is very good for an unsecured loan. Such loan would not be officially signed and executed until the Board gives its official approval to the project and the construction contract is signed. The Board could give its final approval shortly after a vote in favor of the project is cast at the special meeting of the members on Feb. 17. The Board will not give final approval until such a vote is officially cast.

8. A resident noted that a similar length of cedar wood fence recently installed by a contractor associate in the Sealy area was significantly less costly than the Trex fence proposed here. Eric T. stated that different types of fences and associated costs were explored by the FC and presented to the Board but that the Board determined the Trex fence to be the best option in our case, both financially and architecturally, over the next 25 - 30 year period that the Trex fence is expected to be in service. Another resident joined in and stated that, even with accepting the numbers presented by the aforementioned resident, the Trex fence is still both financially and architecturally more attractive over the longer term (25 - 30 years, including capital and maintenance costs).
9. Another resident asked about sound dampening qualities of the Trex fence, and he was informed that the Trex fence does have some additional sound barrier qualities compared to a traditional cedar wood fence. It is believed that the Trex website contains some detailed information on this matter.
10. Another resident asked about the status of the easement agreements, and Eric T stated that only 6 out of 121 perimeter homeowners have not yet signed the agreement. Eric stated that the Board would likely proceed with the project even if there were a few isolated holdouts on the easement agreements. History has shown that such isolated holdouts usually come around and sign the agreement when they realize they will be paying for it anyway. Following another homeowner's question, Eric T noted that construction plans for the fence will be available.
11. A resident asked if there might be any delay in the project if another resident sued the HOA over the project. Eric T. explained that any resident has the legal right to sue, which might result in a limited delay, but the Board would probably ask for a prompt judicial

response to dismiss the suit. In any case, Eric T. noted that, based on the March 2020 vote and other resident input, there appears to be strong support for proceeding with the perimeter fence project and that therefore the Board feels obligated to move forward.

12. A new resident made a plea to support the special assessment and associated perimeter fence, noting that he almost passed the community by when recently looking for a house because the existing, rather dilapidated, perimeter wood fence did not make a good appearance from the outside.
13. A resident, who was in favor of the perimeter fence, asked that, in case the special assessment does not pass, would the Board ensure that the Deeds Committee proceed forthwith to enforce deed restrictions to get individual perimeter homeowners to replace and/or repair their fences, as required. Eric T. assured the resident that the Board would do this, if needed.
14. A resident asked what he could do to help the fence project proceed forward. Eric answered that the best thing that could be done was to encourage as many homeowners as possible to vote at the upcoming special meeting.
15. The Town Hall Meeting was adjourned at about 8:15 pm.

Note - The following points are meant to capture highlights from the meeting, based on a recording of the meeting, and do not cover everything that was stated.