

**CANTERWOOD DIVISION 12 STEP ASSOCIATION
ANNUAL MEETING
TUESDAY NOVEMBER 15, 2016
Canterwood Clubhouse
6:00 pm**

The annual meeting of the Canterwood Division 12 STEP Association was held on November 15, 2016 at the Canterwood Clubhouse. The meeting was called to order by President Lynn Singleton at 6:04 pm. A quorum was declared allowing the meeting to proceed.

President Singleton introduced the other Board members Bruce Schmitz, Greg Piacitelli, Steve Tyson and Larry Fleming and the representatives from Diamond Community Management Carol Burton and Laura Perry and outlined the agenda for the meeting. A special note of recognition and thanks was offered regarding the work and dedication provided by both Steve Tyson and Larry Fleming for their efforts to move the HOA from a Declarant (Rush Residential) to a homeowners managed HOA.

A motion was made, seconded and unanimously approved to approve the minutes from the 2015 annual meeting of the association.

President Singleton reviewed the highlights of the Association during CY 2016. They included:

- Worked with Rush Residential and an independent legal counsel to amend the CC&R's and look at options to position the community for the future
- Turnover of the STEP Association to the Community

- Elected three new Board members that took office upon the turnover of the Association to the Community
- Evaluated leaking septic tank repair
- Worked with Rush Residential to obtain \$5,000 in monetary resources to further assist with STEP 12 systems
- Community reached the recommended funding level for the Reserve Account and the Board recommending reducing the rate of Reserve Funding

Secretary/Treasurer Bruce Schmitz presented the financial status for the Association. He stated that the association is in a healthy financial condition. The Reserve Fund is projected to have a balance at the end of 2016 of \$63,691.50. The Reserve Study conducted in 2014 and published in May 2015 projected the Reserve Fund to be 100% funded at \$49,683 for the end of 2016 so the Association is over 100% funded currently and is projected to be fully funded through 2018 without any further monies allocated to the fund. This is a very healthy financial condition for the association.

Mr. Schmitz presented the recommended budget for the association for CY 2017. The budget projects income and expenses of \$74,520. Since the Reserve Fund is projected to be fully funded through 2018 the Board recommended that the monthly fee for the association be reduced from the current rate of \$101 to \$90 by eliminating further additions to the Reserve Fund for 2017. A motion was made, seconded and unanimously approved to pass the recommended budget for 2017.

President Singleton explained a membership vote that is necessary for any excess income over expenses during 2016. Any excess of membership income over membership expenses for the year ending on December 31, 2016 is to be applied against the subsequent tax year 2017 as provided in the IRS Ruling 70-604, to maintain the non-profit status of the association. A motion was made, seconded and unanimously approved to apply any excess 2016 income to tax year 2017.

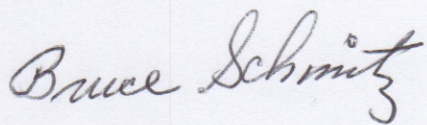
President Singleton discussed the major Board plans for 2017. They include:

- Solicit new Board members as Steve Tyson and Larry Fleming will retire from the Board at the end of the year and no replacements have yet been found so the Board will enter 2017 with three Board members
- The Board plans to organize the association records so that they are readily available for future Boards
- Work with the Canterwood HOA and the Canterwood STEP to have a web presence for the association
- Prepare septic system educational materials to be available for homeowners
- Prepare a new owner welcome package
- Select several homes in the association for system evaluations
- Evaluate STEP maintenance schedules and how to handle property transfers due to home sale

President Singleton opened the meeting to questions from the members. A question was asked about a recommended company for STEP system maintenance by the homeowners. Mr. Singleton replied that at this time the Board does not have a recommendation but hopes to be able to recommend a company(s) during 2017.

The meeting was adjourned at 6:45 pm.

Respectively Submitted:

A handwritten signature in cursive script that reads "Bruce Schmitz".

Bruce Schmitz
Secretary