

ANNUAL MEETING

MAY 15, 2016

The Annual Meeting of the Stockholders of the Nicholas County Development Corporation was held on Sunday, May 15, 2016, at the Nicholas County Health Center, at 2 PM, with thirty six persons signed in.

- I. CALL TO ORDER - President Douglas Darbro called the meeting to order, and asked the persons present to identify themselves, and state their location at Lake Carnico Estates. Officers Douglas Darbro, President, Roger Baird, Treasurer, and William M. Klutka, Secretary, were present.
- II. BALLOTS – were called and Mrs. Lee Peters and Mr. Steven Morrison were named to count the ballots.
- III. MINUTES – 2015 – It was brought to the attention of the group that the name of Kevin Zachary was shown incorrectly in the minutes, as a write in on the ballots, after which Mr. Birdwell moved that the Minutes be approved with the correction of the name, seconded by Mr. Gabriel, and all voted therefor.
- IV. SEWER PROJECT REPORT– Mr. Denny Gallagher, representing the Sewer District stated that the project seemed to be working fairly smoothly. He stated that there was still some problems in the area caused by gray water which was not running into the systems, and that this was not saving the homeowners anything by not going in to the system, because the fee was based on the water usage and not sewer usage. He also reported that they had not started the rotation yet but lotowners would be notified, and this rotation project would be completed by working on one third of the systems over a three year period. Mr. Gallagher continued his presentation by answering various questions of stockholders, pertaining to the project or their own system, and explained to the group the present status of the sewer system.
- V. ARCHITECTURAL REVIEW BOARD REPORT – Heather Baldwin & Mike Klutka – explained to the group the process needed to get a Building Permit, and reminded them that a permit was needed to make any improvements on their property, or work on trees.
- VI. BEACH RENOVATION – Mr. Klutka explained the work that has been ongoing on the Beach such as the installation of five new anchors, the process of removing the old posts which are in concrete in the water, and need to be removed; the painting and repairing of the fence surrounding the beach area, which is being completed by volunteers. He also stated that the building at the beach entrance needs some repairs, such as the screen door, steps and walls, and the picnic table; and the dock needs some attention. It was also reported that there was an old refrigerator in the lake that needs to be removed, and the officers were working on this. Mr. Darbro reported that new signs with rate changes had been completed, and that the Officers had talked about a Memorial for the late Gene Sparks who had worked the beach and dock for many years, and that some decision would be made soon on what would be done.
- VII. REPORT OF THE TREASURER – Mr. Baird reviewed and explained the report in detail, which had been mailed to the stockholders, and stated that it was self-explanatory, in that since the expenses far outweighed the income that there would be a time in the near future that there would be no funds to operate the corporation on. He continued by saying that he believed the homeowners fees were the most logical way to raise funds to operate on.

VIII. REPORT OF THE PRESIDENT- -

- (1) Year in review -Mr. Darbro reported on some of the projects implemented this year such as -- Auto Pay for Sewer services, Grass Carp released in lake for vegetation problem- 3/22/16; water testing on 10/5/15, with a report of "E coli well below any advisory level, pH was fine for body contact and no indication of harmful algal blooms was seen".
- (2) US 68 Project – negotiated for months -with a beginning damage figure of \$1500 and settled for \$41,570, of which some will be used to repair a green on the golf course replaced by the road.
- (3) Mr. Darbro reviewed the insurance coverage, which is the most expensive item on the financial report, and stated that the officers had reviewed this coverage with the agent, and did not believe there was any way to reduce this coverage by much and still be protected.
- (4) Sources for Additional Revenue – (HOA vs Lot Sales) –The sale of lots would require a vote of the stockholders because the stockholders voted to stop the sale of lots many years ago; and the lots would be classified as unbuildable lots because they could not be added to the sewer system for any new sewer services.

IX. OPEN SESSION-

- (1) Boat/trailer storage – Mr. Kluka asked the group if they would be interested in establishing a boat storage place in the area, if it could be worked out, so that boats/trailers would not have to be parked at the home sites, and the group expressed interest in this endeavor.
- (2) Sales of Lots –HOA fee - Lengthy discussion followed pertaining to sale of lots vs HOA fee, with many present stating that they paid homeowner association fees at other places where they owned property, and many openly voiced no opposition to the assessment. After a vote on the subject 39 persons voted for the assessment, 2 against, 1 abstained, and 5 proxies for.
After further discussion, Mr. Polus moved to permit the Board to pursue the \$10 per month homeowner assessment fee -not to be raised for a certain number of years, and the consequences if the fees are not paid, with the proposal to be sent to all stockholders. The motion was seconded by Steve Morrison, and a majority voted therefor (all except three).

- X. BALLOT COUNT – It was reported that the Directors elected for a new two year term were Douglas Darbro, Roger Baird and William M. Klutka. (Kevin Zachary and David Sparks also received write in votes.)

XI. ADJOURNMENT.

s/ Mike Klutka _____ SECRETARY
William M. Klutka