

MINUTES OF ANNUAL MEETING

DATED SEPTEMBER 5, 2015

MIDDLE ISLAND PROPERTY OWNERS ASSOCIATION, INC.

The Annual Meeting of the Middle Island Property Owners Association, Inc. was held at 4:00 p.m. September 5, 2015 at the Bald Head Island Conservancy. Some 28 property owners were in attendance. The purpose of the meeting was to elect the new Board of Directors, adopt the revised bylaws, update property owners of projects completed, in process and upcoming and hear property owner input regarding the Middle Island Plantation sign and installing an entrance gate.

ELECTION OF BOARD OF DIRECTORS:

Alan thanked outgoing Board members, Chuck Anderson and Melanie Robbins, for their outstanding service and many contributions during this challenging transition to property owner management of MI. The Nominating Committee recommended a slate of candidates composed of the remaining seven Board members, plus Robin Craven and Jeff Decker. Alan asked if there were any nominations from the floor. There were none and the nominations were moved to be closed. The following were elected as Board of Directors: Jeff Alpert, Lynn Barnard, Rex Cowdry, Fred Craig, Robin Craven, Jeff Decker, Brian Johnson, Alan Reyner and Rich Tarplin.

ADAPTION OF REVISED BYLAWS

Alan informed us that the proposed revision of our By-Laws would bring our existing By-Laws into agreement with the Declaration of Covenants and Restrictions, adopted by the property owners in May 2015 at the time of turnover. Officers will serve for 2 years, concurrent with their term as Board members. The revised bylaws were approved by a majority vote.

NEW COMMITTEES

Lynn Barnard gave a brief description of the new committees set up after the transition. She encouraged property owners to consider joining one of them by either contacting a Board member or emailing the MIPOA Board at middleislandpoa@gmail.com. Information regarding the committees has been posted on the MIPOA website. The committees are on ongoing process with emphasis on streamlining them to the extent possible.

MI ARCHITECTURAL REVIEW COMMITTEE - Melanie Robbins

Melanie said that the ARC is working on a formal agreement with the BHA ARC regarding the architectural review process. Stage I Guidelines will be used, adapted to specific differences in our Covenants such as setbacks. Our ARC enforces MI covenants and property owners may contact us regarding safety and nonconformity issues. In addition, the committee is developing educational materials for property owners, realtors and architects. Melanie said that there are now three members (Lynn Barnard, Brian Johnson and Melanie Robbins) and mentioned that the committee would welcome new non-board members.

FINANCE COMMITTEE – Jeff Alpert

Jeff reported that our Payroll account has \$13,700, Reserve account \$522,000.80, Historic account \$100 and Operating account \$82,703. \$92,631 has been collected from dues. Jeff said we were obligated in the settlement agreement to substantially improve the roads for a cost of approximately \$330,000. He went on to say that all Middle Island property owners have paid their assessments for the partial year 2015 -representing 108 of 108 lots. A detailed 2016 budget proposal will be sent to property owners this fall. It will be similar to the 2015 budget. At this point, we anticipate that 2016 annual assessments will be similar to the 2015 annual assessments in the covenants.

The Board also adopted a construction impact assessment for new construction and for major renovations of \$1 per heated square foot. This assessment defrays cost of road repair from construction vehicles. The assessment was waived for the two houses already under ARC review, in part because of concurrent road construction.

In addition, the Board adopted a supplemental assessment for annual permits covering boat dockage, boat storage, and launching ramp use. Details were provided in the meeting materials and will be posted on the website.

INFRASTRUCTURE COMMITTEE – Fred Craig

Fred reported that:

Infrastructure Projects – completed or underway

- The pier to the Cape Creek dock was entirely rebuilt. Damage was repaired from improper attachment of the aluminum gangway prior to turnover; new bracing and walkway built to meet code requirements
- Bulkhead at Bald Head Creek Dock was protected from damage from heavy traffic. Bollards now prevent access by heavy ICE vehicles and drive-through sightseeing and new parking area provides convenient access for property owners
- “Private roads” sign was placed at entrance to Middle Island, additional planned signage will improve safety and additional beach access parking is being completed

Overview of the upcoming road construction

- Rebuilding our gravel roads is a high priority, will reduce potholing, will make dust control easier and more effective and is required (and funded) by our turnover agreement with Young Entities
- The Island environment presents special contracting challenges. There are a limited number of contractors familiar with Bald Head Island and there are significant logistical challenges transporting both equipment and materials to the island
- After exploring several contracting options and soliciting preliminary bids, the Board adopted the following contracting approach:

- Contract separately for gravel and for delivery of gravel to the island. Gravel can be delivered and pre-positioned for more efficient road rebuilding. Pricing on a per ton basis will provide flexibility and be more cost effective.
- Contract with a road construction firm on an hourly basis for equipment and crews for the actual reconstruction of the gravel roads. The most likely contractor is Barnhill, a contractor with a fine reputation that will have crews on the Island working on Village roads this winter
- Contract separately for effective oversight of the project on behalf of the Association
- Phased construction will minimize inconveniences to property owners and assure an efficient road building process
 - Phase 1** –Pre-positioning of road building materials to assure timely availability
 - Phase 2** –a sequence of road segments will be rebuilt, beginning with the most distant segment as phase 2A, and ending with the segment closest to East Beach Drive. Each segment will be tilled and rebuilt with up to 6” of additional gravel or rock and related materials as needed
 - Phase 3** –final application of calcium chloride to the roads to bind fine materials and suppress dust and final finishing of roads.
- Pre-construction logistics:
 - Plan will be posted on the website for MIPOA comment and community awareness.
 - Road reconstruction work will take 4-6 weeks –the exact timing will depend on contractor availability
 - Plan will be published to provide advance notice of construction dates
 - Realtors, builders, and service agencies will need to coordinate house construction projects with the road construction schedule

Fred made it clear that some significant inconvenience is inevitable with some temporary daily closures. **The process will be disruptive, noisy and dusty.**

Question: When would the roads need to be redone?

Answer: Gravel or rock doesn't go away. If the roads are maintained and not damaged by a storm, re-work won't be needed for at least 15 years.

PROPERTY OWNER INPUT:

Changing the Middle Island Plantation Sign: Chuck Anderson

Some people questioned why we needed to change the sign and their rationale for keeping the word 'Plantation' while others explained why they felt the word 'Plantation' should be removed. In the end it appeared most people would be comfortable removing the word 'Plantation' or replacing it with the word 'Preserve' as long as it wasn't done right away.

Installing an entrance gate: Jeff Alpert

Jeff gave a presentation citing the pros and cons of installing an entrance gate and specifically how it would work. He said the cost would be about \$20,000 and was already in the budget, smart cards would be used and the gate would only be functional during busy times of the year and nights. A productive, cordial discussion followed with Property Owners on both sides of the 'gate' issue. There was also discussion about turning over East Beach Drive to the Village and putting the gate where the gravel road begins. According to Fred, this would require the road to be 6 feet above mean sea level or the Village Council making an exception to its ordinance on roads.

Suggestions included improving communication so all people know, including day trippers, that our roads are private, creating a turnaround at the entrance to MI, placing and perhaps rewording signs so they are clear and more visible, putting up a fake or "faux gate", etc. The consensus was to try alternative methods to see if the traffic issues can be significantly reduced before erecting a gate, as our ultimate goal is to reduce traffic so as to reduce our liability, our road maintenance and littering and vandalism. It was also pointed out that we are the only community where a marsh view is easily accessible from carts and everyone seems to be taking advantage of it.

ADJOURNMENT:

There being no further business the meeting was adjourned at 5:30 pm.

Respectfully Submitted

Lynn Barnard, Secretary MIPOA