



Minutes of the Special Meeting of the Board of Directors July 16, 2018

Call to Order

Proper notice having been given to the Board members, the meeting, held by conference call, was called to order at 5:03 PM. In attendance were:

Jeff Alpert, Lynn Barnard, Rex Cowdry, Fred Craig, Brian Johnson, Alan Reyner, Shawn Smith, and Cooper Young.

Counsel's Opinions

On the wording of the first ballot item about the proposal to pave to Village standards and convey the roads and road rights of way to the Village, counsel opined that it would be customary to have both "For" and "Against" options rather than assuming that a failure to check the "For" box represents an "Against" vote.

On the question of whether a vote of the full membership could bind the future action of the elected boards by enacting a moratorium on reconsideration of the proposal to pave and convey, counsel, after reviewing the NC Planned Community Act, the Articles of Incorporation and Bylaws of Middle Island Property Owners Association and the Declaration of Restrictions for Middle Island, reached the following conclusion:

"Based upon my review, it is my opinion that a self-imposed moratorium by the association regarding the consideration of conveyance of the roads would not be binding on future boards or the members of the association. All of the above-referenced documents give very broad powers to your board with only a few exceptions. The language in all of these documents regarding the board's powers is very similar, and I believe would prevent this type of moratorium from being binding on future boards."

Finalizing the Ballot

During its June 18th meeting, the Board had approved the certification, the East Beach property ballot, and the Forest property ballot, pending review by counsel. In accordance with the review, the wording of the first question about conveyance and the "For" and "Against" voting options will be retained, and the binding moratorium will be removed from the ballots.

The Board then discussed whether to substitute a non-binding resolution expressing a preference of the membership for the binding moratorium. There being no objection, the Secretary was to draft the non-binding resolution and circulate the wording to the directors for email approval.

The Board revisited the question of whether the ballot for East Beach lot owners should include an item choosing between paving the gravel roads to private standards and retaining gravel roads with enhanced maintenance. A majority of the Board again took the position that the determining vote regarding paving to private road standards is the vote on a special assessment, an issue on which only Forest lot owners may vote under our Covenants. The East Beach lot ballot structure previously reviewed was retained. The ballots, including the non-binding resolution approved by email, are filed with these minutes.

Voting Process and Timing

The impending vacation of our accountant, Chuck Pardee, means that the ballots must be mailed within the next 4 days to allow adequate time to respond. Ballots will be mailed to the mailing address of record. A separate email will be sent to all email addresses of record and will include: 1) instructions about obtaining PDF copies of the ballot if the mailing address is incorrect or the property owner is away from their address of record, and 2) instructions about returning the ballot and ballot certification to Mr. Pardee either by USPS mail or by email, attaching a PDF file with completed scanned ballots and certifications. There was a discussion about whether to require receipt of the ballots by a certain date or to require a postmark by a certain (earlier) date. A receipt date of August 20th with a suggested mailing date no later than the 13th was chosen.

The timing of the balloting was discussed in relation to the upcoming Board election. There was general agreement to keep the voting process separate. The timing of the upcoming annual meeting and election of three Board members was reviewed:

- Final list of candidates are sent to the property owners by email at least 30 days before the September 1 meeting (i.e., by July 30th)
- The formal announcement for the Annual Meeting, the agenda, and proxy materials are mailed and emailed to the membership at least 14 days before the meeting (preferably by August 12th to allow a reminder to also complete the road options ballot, if the owner has not already done so).

Discussion of the Key Policy for the Sanctuary Gate

The President reported on a meeting with the Conservancy, who detailed the specific holders of the five keys they were given and asked that they be able to retain these. That suggested change in the policy met with no objection.

The issuance procedures were reviewed. Chuck Pardee will issue all original keys, additional keys, and replacements. David and selected Board members will have an emergency access key that can be loaned on a temporary basis with a deposit of \$50.

The final sentence of the original policy draft was reviewed. The Board agreed that it did not reflect the restrictive wording in the deed governing the use of the road through the Sanctuary and should be removed from the policy statement.

Updates

The new owner of the former Racquet and Swim Club (RSC) property has decided not to operate a racquet and swim club. He asked that the Association communicate this and specifically asked that we notify anyone renting their home that the swim club can no longer be represented as a benefit of property rental. An email to that effect has been sent. The owner's intention to post "no trespassing" or similar signs at the pool was discussed. Any signs visible from the street must be approved by the ARC. A strong sentiment was expressed that any such signs be of similar quality and materials to those used for MIPOA signs, but that they use a distinct color scheme different than the MIPOA specs.

The newly functional light at the intersection of East Beach Drive and Cape Creek Road, dark for many years, was discussed. The Board unanimously agreed that the light should be decommissioned, either by turning off and/or disconnecting the breaker if it is fed from the former RSC property, or by terminating Duke Energy service to that unit. The light across from the maintenance shed will remain in use.

Adjournment

The meeting was adjourned at 6:04 PM.