



Minutes of the Annual Meeting of the Middle Island Property Owners Association September 1, 2018

Call to Order and Approval of Agenda

The meeting, held at the Bald Head Island Conservancy, was called to order at 3:05 pm by the President, Lynn Barnard. Twenty-eight property owners attended in person. Three property owners were present by phone. The agenda was adopted by unanimous consent.

Report of the Nominating Committee and Final Distribution of Ballots

The Nominating Committee, composed of Lou Anne Brown (chair), Alan Reyner, and Charles Rowe, reported on the call for nominations and the five Board candidates put forth by the committee. Ballots were distributed to in-person attendees who had either not voted by Proxy/Ballot or wished to change their votes.

Announcement of the Road Options Vote

Ballots were received representing 93 of the 109 lots.

On the proposal to pave the roads and convey them to the Village, 28 were for, and 64 against.

- East Beach Drive lots voted 4 for and 15 against conveyance.
- Forest lots voted 24 for and 49 against the special assessment and conveyance.

On the proposal to pave the roads, if they remain private, Forest lots voted 23 for and 47 against the special assessment to pave the roads.

On the proposal to have a non-binding 5-year moratorium on reconsideration of conveyance, 68 were for, and 25 against

- East Beach Drive lots voted 12 for and 8 against
- Forest lots voted 56 for and 17 against

Report of the Finance Committee

Jeff Alpert, Treasurer, reported that assessments had been received from all 109 assessable properties. We are currently on course to realize a small surplus with income exceeding expenses as we enter the fourth quarter in October. The Board will formulate the 2019 budget in the coming months, reassess the useful life of our assets, and possibly modifying the allocations assigned to each of our reserve funds. A meeting of the general membership to discuss the 2019 budget, and to vote on the budget will be scheduled for early December of this year. The proposed 2019 budget and third quarter

financial report will be emailed to all property owners prior to the budget meeting. Property owners are encouraged to attend.

Report of the Architectural Review Committee

The President presented a brief report on ARC activities. Village and Association policies regarding red bay trees infected by the ambrosia beetle were reviewed. If the trunk of the infected tree is in the Association's deeded road right-of-way, the Association will cut down the tree, chipping what can be chipped on site and leaving larger logs at the site. Trees on Middle Island lots are the responsibility of the lot owner. If overhanging limbs pose a potential danger to travel on the roadway, the Association will ask the owner to remove the limbs or cut down the tree.

There was a final call for return of ballots to the teller, Chuck Anderson.

Report of the Cape Creek Dock and Ramp Working Group

Alan Reyner, who chairs the Working Group, reported that the new docks with nine slips have been installed. A kayak/canoe launching dock will be installed on the shore side of the main dock. The Working Group will be meeting with the contractor, the engineer, and the CAMA project officer to plan the rebuilding of the boat launching ramp.

Proposed Changes to the Covenants to Unify Dues and Assessments

The president presented Tom Manley's proposal to make two changes to the Covenants. The first would remove the provision allocating the cost of maintaining the gravel roads differently to Forest and East Beach lots, so that all improved properties would pay the same dues, and all unimproved properties would pay the same dues. The second would assess any special assessment to pave the gravel roads across all lots, not just the Forest lots.

The proponents have asked the Board to survey East Beach Drive property owners first, and if they favor the changes, to present the proposed Covenant changes (and conforming By-Laws changes) to the membership.

Results of the Election of Board Members

The teller announced that the incumbents, Rex Cowdry, Fred Craig, and Alan Reyner, were elected to three-year terms. [Note: Because they have served more than six months since amendment of the By-Laws to change the terms of office and impose term limits, they will not be eligible for re-election at the end of this three-year term.]

Moving Forward as a Community: The President's Remarks

The president talked about the significant improvements made by the Board between 2015-2017: Entrance fence, landscaping, security cameras, rebuilding of beach access with additional parking, both docks on BH Creek rebuilt, Internet and cable TV brought to every MI lot and the gravel roads rebuilt.

She then went on to thank the current Board and David Ward for their dedication, perseverance and hard work to accomplish major improvements again this year while at the same time addressing everyday maintenance and legal issues along with prudent fund management. She mentioned that despite the challenges, the road decision was made. Open communications were maintained through frequent emails, website updates and 3 open board meetings and 3 road informational meetings. Four important bylaw changes were made addressing property owner's preference for staggered terms, a one-year term limit for officers, publishing nominees for the Board 60 days before the annual meeting and holding the annual meeting on the Saturday of Labor Day weekend. The major improvement was the renovation of the Cape Creek dock with 9 boat slips!

With this year behind us and a definitive vote to keep the gravel roads private, the president asked property owners to reflect on our collective good fortune. As stated by Preserve MI on MI's 40th anniversary "we live in a beautiful private community, in harmony with nature, protected from the development pressures all around us by self-governance and our own good judgement."

She thanked everyone for their confidence in her to lead the way this year as president and added that the new Board will find ways to improve our gravel roads, complete the Cape Creek ramp renovation with a kayak launcher, keep MI pristine, continue open communications and encourage new ideas, feedback and property owner participation. Hopefully there will be community activities to meet our neighbors as well.

In conclusion, she encouraged everyone to make MI the best it can be while also taking time to enjoy the tranquility, peace and amenities with family and friends.

Property Owners' Comments and Discussion

Several property owners articulated two different views of the community. One view emphasized that owners on East Beach Drive have interests that differ in significant ways from the interests of Forest lot owners. Some would address that through differential dues for maintenance and/or paving the gravel roads. One speaker advocated structural changes in the membership of the association. A second view emphasized the similarity of interests in the community and advocated uniform dues and special assessments, without East Beach and Forest distinctions.

One attendee asked about fees for boat and kayak storage at the new Cape Creek Dock. These are posted on the Association's website under MIPOA History and Documents. A newsletter about the rebuilt dock and how members arrange and pay for dockage and/or storage will be sent in the next month.

Adjournment

The meeting was adjourned at 4:30 pm.