

**Approved Minutes
Colington Harbour Association, Inc.
Board of Directors Meeting
March 16, 2010**

Board Members Present: Melissa McAllister, John Collins, Frank Hendricks, Don Brady, Stephanie Coleman, Rikki Schuster & Paulette Benz.

Proceeding:

Meeting called to order 7:10 pm by Chairperson, Paulette Benz. A moment of silence was observed.

Paulette asked for a motion to approve the agenda. Rikki made a motion to approve the agenda, Frank second the motion. All were in favor; motion passed.

Paulette asked for a motion to approve the consent agenda which consists of the minutes of the February 16, 2010 Board of Directors meeting. Melissa moved to table the Feb. 16 BOD minutes. Don second the motion. All were in favor; motion passed.

Report from the ACC: Bill Snidow reported that it had been a slow month. Four permits have been issued since the last meeting.

Report from Crime Watch: Prepared and presented by Jerry Raveling. Report attached.

Comments from the floor:

Doug Wirth: Comments were made regarding a meeting Doug had attended which was for the contract revision between the Colington Harbour Association (Association) and the Yacht and Racquet Club (Club). During the meeting, Doug was informed that Melissa and Paulette would like to open the Club up to the public for catering. He felt that the board members were forgetting it was a private community. Doug wanted the board members to show their hands of all who believed that CHA was a private community. All board members rose their hands and assured that they each believed CHA is a private community. Doug reported that the clubhouse was set up for the enjoyment for the residents of CHA for a reasonable rate for weddings, or any other function. The facilities that the club has, even with the newly remodeled kitchen, is not set up as a commercial kitchen. Further more, Doug believes that the board is opening up to a lot of problems by considering this public option. This could cause discontent owners, financial burdens with lawyer fees this community does not need.

Jack Leonard of 325 Eagle: Jack complemented Johanna on the job and wished her well.

Ken Paguearek of 205 Sunset Drive: Item I on the agenda was the topic of Ken's comments. Ken did not see that the Association should enter into any type of contract with the Colington Yacht Club (CYC) due to the fact that this club is open to anyone in the public. This would mean that the Association is entering into a contract with a club that is open to the public. Ken quoted CHA covenants which caused questions regarding who the owner of property or tenant is for the CYC club? This topic was on the agenda and would be addressed later in the meeting.

Albert Murdock of Sunset Drive: He was grateful to the board for the attempt of fixing the water problem on Sunset. As the attempt has helped, it is still not fixed. After a heavy rainfall of about ¼ to ½ inches, there is roughly 4 inches of water on the road that takes approx. 3 to 4 days to dissipate. Previously, it would take 2 to 3 weeks. The mosquitoes and the diseases they carry make this an unsanitary condition. He felt that the board should finish topping off Sunset Drive and raise the level of the street 3 to 4 inches. He would like to see some action by the board to fix this problem.

Joan Beall- Joan reported that she had discussed with Stan White, Dare Co. Commissioner, the condition of Colington Road during sound side flooding. Stan had received many photos of Colington road. Stan indicated that Dare County is aware of the condition but that the money was not in the budget currently. Stan said there had been talk about putting up a temporary bulkhead area for now. Joan also discussed the

zoning for CHA which is R-4 residential. Joan stated that no commercial activity was allowed in R-4 zoning and wanted to know if the CHA BOD was considering changing the zoning?

Reid Hinson of 132 Clipper Court: Reid was on the Covenants Revision Committee. Reid noted that there had been a lot of work done on the covenants revisions which were now at the attorney office for review. Reid understood that this had been placed on hold due to other items pressing the Association in the legal area. Reid asked for the amount the Association has spent on legal fees and for what?

Eric Morrison of 436 Colington Drive. Eric commented on the purchase of the new tractor. He felt as though the BOD should review the costs in fixing the old tractor and that he had contacts that would be glad to come and assess the repairs of the current CHA tractor. Eric also commented on Sunset Drive. He thinks that the maintenance crew should scrape the shoulder of the roads two times per year. He feels that our maint. Dept. has the equipment and ability to do our own road maintenance. He would like to see this start happening. Eric also had comments in regards to replacing the bulkheads at the marina. He does not see anything wrong with them and does not understand why CHA is going to spend money to have them replaced.

Terry Gannon of 107 Craigy Ct.: He wanted to discuss the issue of flooding within Colington Harbour. Terry reported that roughly 90% of the bulkheads in the harbour have been replaced since the community was first constructed. The sediment of the land was of marshy soil that has since settled. The original drainage system for CHA is no longer applicable and there is no drainage system through the current bulkheads. This along with the settling of the land has caused the flooding issue CHA is now facing. Terry also noted that hurricane season is coming up and he works for FEMA and has brochures for any one. He would like to see if the BOD is interested in having a seminar on improving your homes safety in the face of hurricane. This would be done by Terry free of charge.

Jean House of Outrigger Drive: Jean has had standing water on her road for many years. It is her understanding that Dare County had denied a request for running a drain into the canal for the rain water and therefore, that is not an option.

Managers Report: Attached.

Old Business:

A. A contract is under revision between the Association and Club. The two parties involved agreed that there were so many issues to be answered that it would be in the interest of both parties to send this contract and agreement to legal. Legal will negotiate a contract between the Association and the Club. Melissa added that it had been relayed to her by countless community members that they feel this asset (the clubhouse) of this community is underused. She felt that since the contract must be revised by Aug. 2010, that the committees should be dissolved and that an attorney be hired to negotiate the contract. Melissa made a motion to dissolve the committee and retain Hornthal, Riley, Ellis & Malland to negotiate the contract.

John questioned why Dwight Wheless was not being used by the Association for this task. Melissa pointed out that he was hopefully going to stay focused on the covenants revision and that he had previously made a decision on this same contract and that another attorney's perspective would be a positive thing. John second the motion. All members were in favor; motion passed.

B. The new tractor was discussed. The purchase of the new tractor had been placed on hold at the last meeting. There are 6 weeks to the start of grass mowing. A decision needs to be made on the purchase or repair. John went over the current status of the costs of the new tractor vs. the repair of the current tractor. Rikki suggested that another quick evaluation from an independent would be good to have. John made a motion that the purchase of the new tractor be tabled until an independent evaluation on the tractor which will occur prior to our next meeting. Don second. All were in favor; motion passed.

C. Melissa wanted to clarify comments made at a prior meeting in regards to the change orders for the East finger pier replacement. The first change order was for \$2,400 to correct a layout problem. The second

change order in the amount of \$2,708.00 was to add 7 more piles. This was another layout problem. The third change order was a credit for \$175.00 for not installing the steps. The first two layout problems were not brought up by any of the potential contractors who were bidding on the project.

D. Don reported that on Harbour View Drive flooding. Don had suggestions of a swale on HVD. Frank reported on a drainage pipe past Lee Court where a drainage pit is. The pipe has been broken at the end and now the water is not draining and the water is laying. Melissa suggested that maintenance assist with the drainage issues by road maintenance. The board is in favor of fixing the drainage issues.

E. Melissa made a motion to make the purchase of 2 anchor buoys at \$249.99 plus tax and shipping for the restricted swim area contingent upon the approval of the swim area from DENR. John second the motion. All were in favor; motion passed.

F. Melissa stated that she would like to the BOD to schedule a meeting to go over the covenants violations. The priorities must be handled first like the budget. John suggested that his be held over until the meeting for the budget is set and that it could be addressed at that meeting. It was decided that this meeting should be a closed session meeting.

G. Melissa reported that she had met with George Wood regarding the groin reconstruction and to investigate putting rip rap in front of the bulkhead that has failed and to obtain a Major Dredge Permit that would allow us to maintenance dredge. This type of permit would be good for 4 to 5 years. The spoils from the dredge would be placed back on our beaches for re-nourishment. A major dredge permit was in place years before but it was allowed to relapse. George is also looking at permitting for the rock jetty. These are two separate items.

H. At present, no contact from D. Wheelless on the Covenants revision.

I. Melissa reported that at two meetings ago a property owner had brought up the liability of having the Yacht Club being on Association property and operating. Since then, a letter had been sent to CYC by Johanna asking for an indemnification of the Association. This letter has gone unanswered. Melissa stated that she has asked Stephanie Coleman to work with her and the board members to get an agreement together for contractors who work in CHA to sign for indemnification. Paulette will work with Melissa and Stephanie on an indemnity agreement.

J. Melissa reported that a date needs to be set to open the bids for the Marina Project. Melissa suggested Monday, March 22 at 6:30. The meeting time was set for a closed session meeting to open bid proposals.

New Business:

A. Rikki is working with the American Red Cross to have a blood drive set for CHA. It will be at the clubhouse on August 28, 2010 from 10-3.

B. A prior meeting date was set for the budget of March 22 at 6:30pm.

C. John reported that the assessment increase for this year is \$5.00. This is based on the average of the Dare Co. index which is 104.8 and the USA- CPI is .2. The increase is a 2.5% for this year. The increase of \$5.00 along with the over assessment of \$10.00 for last year breaks down into the bills stating for lots outside the gate \$189.00 and lots inside the gate \$192.00.

D. Melissa reported that Seaside Management and Cape Management had met with the board in relation to taking over the administrative duties of CHA. A decision has been made to hire Cape Management. A manager will be in the office 5 days a week and Saturdays during the summer, one-half days. The security and maintenance will remain the same. Cape Management will be taking over the administration of the CHA office on April 1, 2010. Melissa read a list of the duties Cape Management will be responsible for. Questions were asked regarding the chain of command and who is responsible for the reviews. The chain

of command is: security and maintenance to Property Manager, Property Manager to Melissa and Cape Management. The review process is: security and maintenance will be reviewed by the Manager who will be reviewed by Cape Management who will in turn be reviewed by CHA BOD.

Niels Moore will be the contact person as of April 1st.

Stephanie researched Cape Management and other HOA's that Cape Management manage. They also have a very nice website to visit. Experience and education of individuals within Cape Management were discussed.

E. Melissa addressed what roads will be included with the next street paving. Options of paving need to be addressed as far as costs when evaluating the cost of paving. The costs need to be addressed. Not all board members were knowledgeable of this topic prior to this discussion. John made a motion to do the swale cuts with the maintenance crew first and see what happens on the three street we do this to and to table this item. Rikki second the motion; motion tabled.

F. Melissa reported that Teresa Burgess had recommended that CHA start a long range planning committee. Melissa would like to see volunteers within our communities come together to index and log our assets. Melissa made a motion that a long range planning committee be formed, Rikki second the motion. Six in favor and one abstention; motion passed. Joan Beall, Terri Gannon, Dennis Beifferman and Bill Froehlic all volunteered to be on the long range planning committee. Melissa moved to appoint John Collins the board Chair. John agreed to this.

G. The south jetty repair work needs a CAMA permit. Melissa asked for a volunteer to go out to the south jetty and measure the length that needs to be replaced. George Kendall volunteered.

Reports or General Comments from the President: Melissa reported that Pete Turek has asked to step down as the Chair of the ACC Committee. Melissa made a motion to appoint Bob Hopkins to be chair of the ACC. Don second, all in favor; motion passed.

Bill Froehlic volunteered to be on the ACC committee. Melissa moved to appoint Bill Froehlic as the fourth member of the ACC committee. John second, all in favor; motion passed. Melissa extended a thanks to Johanna and Penny for all of their service to CHA.

Reports or General Comments from the 1st Vice President: none

Reports or General Comments from the 2nd Vice President: The sign for maintenance is almost completed. Don and his neighbor have been working on the letters. The wall has been completed on the south side of the pool, concrete has been poured and we are waiting for the finishing touches. The 2 large grills that were bought with the Rockfish Tournament money are in and will be installed as soon as the weather permits. The pool will be turned over to salt water in May. We are looking for volunteers to get the salt into the water around the first of May. The Pig Picking is on May 29th.

Reports or General Comments from the Secretary: The electric lines between the pool house and the bathrooms are going to be replaced within the next two weeks. Maintenance will take care of this.

Reports or General Comments from the Treasurer: In relation to legal fees, John reported that \$263.00 was spent for the Club contract review, \$300.00 for the Covenant review and are currently doing a employee policy review costing \$500.00. The petition review fees are not in as of yet. To date, \$3,895.00 has been spent out of a 4,500.00 budget. John reported that we are running about 35K a month in expenses, and are running at eight and one half months, 70.8% of the budget. We should come in around 18K to the good at the end of the year.

Reports or General Comments from the Board: Paulette reported that her laptop had been stolen out of her car during a recent meeting right there in the club parking lot.

Comments from the floor:

Doug Wirth: Doug asked for the board to consider a six month extension for the Club and Association

contract date. With the way lawyers are and things get tied up, August will be here before you know it and Doug would like to see a six month extension placed on the deadline for a revised contract to be in place between the Association and the Club.

Gloria Porter: Gloria stated she had worked in the office at CHA for 1998 to 2006 and had the privilege of training Penny Williams for her job. She was upset that Penny was no longer at CHA. She commended Penny on her computer knowledge. She wanted to know why Penny had been let go earlier than the date given for her notice of departure from CHA.

John answered that a letter had been submitted by Penny that required legal counsel. Under legal guidance, the termination was given immediately.

Bill Froehlic: Bill told a short story about the little white line.

Joan Beall: Joan stated that communities with gated entrances may qualify for lower insurance rates. Joan also asked that the CHA website be private for only owners. She also asked for the minutes on the website.

Ken Pagurek: He reported that there will not be a rockfish tournament due to lack of volunteers. He also reported on the swale on Sunset. He feels that without breaking the bottom area below the surface, the water will not drain. Ken also stated that the CYC is not a valid club and therefore a contract with CYC is not valid.

Scot Small of 103 Sir Richard East: He is a marine contractor and did bid on the finger piers. He did not get the job. He felt that the layout is the responsibility of the contractor. Mr. Small was upset that the previous contractor of the finger piers placed blame on the engineering where as Melissa stated the change orders were caused by a layout problem.

Terry Gannon: Terry reported on the past paving. He was in favor of speed bumps.

Bill Combs of 224 BroadbayDr.: Mr. Combs asked that the board to explain exactly their view of the meeting that was between Mr. Combs of Carolina Marine Structures and CHA BOD on what were the layout problems. Melissa stated that it was a layout of the marina that caused the change order issues. The change orders were not due to an engineering or contractor problem.

Meeting adjourned at 9:00 pm.