

Keys at Kure Beach Homeowners Association

ANNUAL MEETING - October 1, 2011 -- 10:00 AM

MINUTES

Board Members Present: Tim Upton, President / Bryan Strickland, Vice President / Micki Hobson, Secretary / Ed Wilkinson, Treasurer / Harry Birch, Architecture Chair
Accountant Present: Grace McGee

Owners Present: 31 // Proxies for those not attending: 20 --- TOTAL: 51
plus **2** Absentee Ballots without Proxy (1 with budget vote only) = **53 total potential.**

CALL TO ORDER: 10:05 AM by Tim Upton, President

Prior to proceeding with order of business, Tim Upton thanked all of the volunteers who participated on the Re-Painting, Landscape, Legal and Covenants/ByLaws committees throughout the year. **ATTACHMENT A**

As specified in the By-Laws - Article II - Sect. 6 --
"Order of business at all meetings of the Unit Owners shall be as follows:"

1. **ROLL CALL:** Taken at sign in. Quorum of 37 was met.
2. **PROOF OF NOTICE OF MEETING:** 9/10/11 mailing presented.
ON FILE under "Annual Meeting Notices."

MOTION to waive the Reading of the Minutes and Reports of Officers & Committees was made by Ed Wilkinson, seconded by Harry Birch and unanimously approved.

3. **READING OF MINUTES** of previous HOA Meeting - 7/12/2011
4. **REPORTS OF OFFICERS**
5. **REPORTS OF COMMITTEES**

6. **ELECTION OF BOARD OF MANAGERS** - Tim
The Keys Covenants require a minimum of three (3) and a maximum of five (5) Managers to oversee the governance of our community. Each Manager is elected for a three-year term, not to be exceeded by more than two terms in succession.

As of October 1, 2011, status for the current Managers is:

Micki Hobson and **Bryan Strickland** will be in the 2nd Year of their Second Term; Harry Birch, Tim Upton and Ed Wilkinson have completed their first 3-year term and will not be seeking a second 3-year term.

The 3 candidates for the 3 available positions are: **Ken Richardson** (whose name was on the Absentee Ballot), **John Chadwick** and **Nancy Brickman** (both accepting write-in nominations from the Absentee Ballots).

Ballots were distributed to all owners present and to proxies for owners who did not submitted Absentee Ballots and those needing the addition of the two additional Board candidates on their Absentee Ballots.

All 3 candidates elected by unanimous consent. See Attachment E below.

7. UNFINISHED BUSINESS - Tim

Call for questions: none

8. NEW BUSINESS:

A. Approval of Keys 2012 Budget - Tim

-Budget proposal

ATTACHMENT B

-12/31/10 year end Balance Sheet
(B & C Included in Annual Meeting Notice.)

ATTACHMENT C

- 2012 Budget expense category percent graph
(provided at meeting by Grace McGee)

ATTACHMENT D

NOTES:

- Dues reduced to \$400 per quarter; reduction proposed due opinion that Long Term Maintenance reserves are adequate for the next several years.

Question:

-- Does the new pump expense mean the fountain will be turned back on?

Upton: After the permit issues with DENR are resolved, the next Board may decide to purchase a new pump to replace the current one that is larger than will be permitted. There are other options for algae control, including tilapia which was tested this year. The current pump (BHP) is larger than will be permitted, but it is used for draw out/irrigation purpose and will need to be replaced. Some owners question the expense of a decorative fountain and electricity that does not benefit the entire membership.

Motion: Ed Wilkinson moved that Budget be approved as submitted, seconded by Harry Birch.

Ballots counted: Budget Passed -- 53 Yes; None opposed

[Absentee and Attendee Ballots ON FILE]

summary **ATTACHMENT E**

B. Proposed Amended, Consolidated and Restated Declaration of Covenants & Amended and Restated ByLaws, presented by:

Andy McVey, Keys legal counsel from Murchison, Taylor & Gibson, PLLC

Mr. McVey, who represents over 28 homeowners associations, noted that after a year of work by the Board and the more recently formed Review Committee, the documents are ready for approval.

He presented a "10,000 foot" overview, also described in the cover letter to the documents distributed at the meeting.

ATTACHMENT F

He emphasized the importance of these documents being approved in order to prevent owners from being in jeopardy when needing to transfer or mortgage their property to a future purchaser or lender.

He also stressed that while the amended covenants and bylaws will not materially affect the day-to-day operations of the Keys and the Association, it will take **67%** of Keys owners to approve their enactment.

He described the changes in the Bylaws as being ones of clarification to retain them for the sole use as guidelines for governance.

To further clarify the responsibilities of the Association, a Maintenance Schedule will be put in place.

B. Declaration of Covenants, etc....(cont.)

Questions

-- *Because we are also part of Kure Beach Village, can that Board override the new documents?*

NO, KBV has no jurisdiction over Keys HOA

-- *Are there tax implications with these new documents?*

NO, we are not applying for a 501c3

Following Mr. McVey's presentation, President, Tim Upton called for a Special Meeting of members on November, 3, 2011 at 6:00 pm to approve the proposed documents.

ATTACHMENT G

C. Board reimbursement for office supplies -

MOTION by Tim Upton, seconded by Ed Wilkinson to provide \$100 per year to each Board member to cover out of pocket expenses for office supplies such as ink cartridges, paper, etc. Passed by unanimous vote of members attending.

D. Use of email for communication w/ owners

Recommendation by Peg Fisher that email list be assembled from Village address book to save on postage.

Discussion:

Snail mail will still be needed for majority of communications because numerous owners do not have email addresses, but a list has been compiled and can be updated with an opt-in opportunity provided, perhaps in a quarterly dues mailing.

REMINDER: Termite Inspection will be next Friday, Oct. 7.

[Sec'y note: This is an 'off' year -- Inspections are always first Friday in October and usually fall the day prior to Annual Meeting which is always first Saturday in Oct.]

TRIBUTE TO TIM UPTON - Prior to adjournment, Micki Hobson thanked the outgoing Board members and specifically noted the extraordinary contribution Tim Upton had made throughout his tenure, most importantly saving the community significant expenses in numerous areas including, water, electricity and landscaping as well as spearheading the significant changes needed for the Declaration of Covenants and Bylaws.

9. ADJOURNMENT - 11:15 AM