

**Chadwick Shores Property Owners Association  
2008 First Annual Meeting Minutes  
September 21, 2008**

**A. Call to order -**

The First Annual meeting was held at the Sneads Ferry community building and was called to order by Tony Gillespie, President at 1:00 pm.

**B. Greetings and Salute to the Flag and Pledge of Allegiance -**

Tony introduced himself and welcomed all those in attendance and thanked them for coming. In his opening remarks, Tony stated that in order to have a vote at this particular meeting, we must have ten percent (10%) of the membership, which is about 399; we do not have that number, therefore, a ballot will be going out to the community for any voting processes that need to be done on the budgets and/or proposals for the **2009 calendar year**.

Tony then led the membership in the salute to the Flag and Pledge of Allegiance.

**C. Roll Call of Officers - Board members in attendance:**

Tony Gillespie - President  
Bill Keller - 2<sup>nd</sup> Vice President  
Janet Gargano - Secretary  
Dick Miller - Treasurer  
Ellie Giles - Director  
Casey Barnes - Director  
Ryan Brummond - Director

Board members absent:

Bob Braxton - 1<sup>st</sup> Vice President  
Patty Whaley - 2007 Past President

**President's comments:** Tony then noted that this meet will be held in two parts - the first of which will be discussion of the Roads report, eligible to all in the community, and the second part will address the Association.

Tony also asked that all comments please be held until the end of that particular section of the meeting and anyone wishing to speak to please state their name and address.

**D. GENERAL MEETING - ROAD ISSUES**

Summary of Year's Activities -

Chris Holman, chairman of the roads committee, reported that a sinkhole occurred on Everett Drive and was repaired by Industrial Paving. There were also some issues with water run-off toward the left of the front entrance on Chadwick Shores Drive. The water was not flowing to the basin, so the company (DEI) came back out and cut that corner off so that the water would reach the first drain. Chris said there is one road area repair, which is under warranty, and the company will be coming out to make the repairs to the edges. Chris reported that all the drainage pipes are flowing freely, and he checks them monthly, especially when we have a heavy rain.

Tony mentioned that we had a contractor come out and clean both runs out to the creek where they've become overgrown on the main road.

Tony asked if anyone had a question or comment on this particular portion of the Roads report; no one had any.

#### Financial Report -

Dick Miller reviewed the 2008 Road financial summary. He noted that we have taken in \$54,000 income and spent \$29,000 so we are well under budget. Casey Barnes pointed out that this figure is current, and there are no expectations of any huge amounts to be spent. Dick said we will be under budget at the end of the fiscal year.

#### Introduction of proposed road budget -

Tony reminded everyone that no votes could be taken at this time, but the budget would be introduced and voted on by ballot to go out to the community.

The proposed budget(s) had been handed to everyone at the meeting, and Dick asked if there were any questions. There were no questions from the audience.

Bill Keller asked Dick what the \$5,500 drainage amount was for, and Dick responded that it was for anything that might develop.

Bill Keller also asked Chris Holman if the situation had been squared away with respect to the swale they were going to roll so that the water would flow more to the drain and not out across the road? Chris answered that the cut was made at Chadwick Shores Drive and Shellbank so that water comes down Shellbank and collects right at that first drain and goes into the grass. He said that the last time he checked that area he did not see a big waterfall off to the one lot across from Casey's house.

Tony noted that the **2009 road budget** is a baseline from last year; that we were under budget for last year and barring any catastrophe, such as a road washing out, he said we should be fine with the proposed 2009 road budget.

Tony asked for a motion from the Board to approve the **2009** proposed Road Operating Budget as printed. Casey made a motion to approve the 2009 proposed Road Operating Budget as printed. Ellie Giles questioned the "roadside maintenance" figure of \$13,900 (because of the separation of the road fees and the association fees) as to whether we have enough in the budget in total to cover the maintenance of the front entrance and the road edges on the community property for lawn edging and all the additional things that have to be done

Casey said the budget for 2008 had \$15,000 for Grounds and Maintenance under the Association Budget; he explained that for this current year, we are talking about the Association Budget because the cutting of the grass gets broken down in Grounds and Maintenance under that budget, and it also gets broken down in the Roads Budget because they cut along the roadside and they need to do that to prevent drainage problems – if the grass isn't cut, the drains get clogged. However, Casey said the combined budget for both Road Maintenance and Grounds and Maintenance in 2008 was \$50,000. Casey noted that the combined amount for 2009 is just under \$21,000 and he feels that an amount somewhere between \$35,000 and \$45,000 would be closer to accurate.

The Association Budget for Grounds & Maintenance is \$7,000 and the Road Budget for Roadside Maintenance is \$13,900 totaling \$20,900

Ellie said the Roadside Maintenance figure of \$13,900 is not covering the items as listed and said she felt the TOTAL roadside maintenance should be a minimum of \$20,500 and noted that \$20,400 was the total for the front entrance landscaping, roadside, upgrading of the irrigation system and the summer and fall plantings.

Tony wanted a motion made to **increase** the combined total in both budgets for Roadside/Grounds & Maintenance to \$30,000.

Casey gave his opinion that Roadside Maintenance should be **increased** to \$20,000, and he made a motion to **increase** Roadside Maintenance (under the Road Operating Budget) by **\$6,100** to a **new total of \$20,000**. Ellie 2<sup>nd</sup> the motion. All approved.

**Bill Gearon**, 1040 Chadwick Shores Drive, asked where the extra money would come from, and Dick said it would come out of the existing funds in Money Market in the 2009 Association Operating Budget.

Tony noted that this increase would take the total budget to \$60,100 and asked for a motion to accept the **2009 Roads Operating Budget as \$60,100**. The motion was made by Bill Keller and 2<sup>nd</sup> by Casey Barnes. All approved. The budget will go out to the community for a vote.

Discussion of Proposed Activities - there were none

Good and Welfare -

**Chris Diederich**, 504 Chadwick Shores Drive, asked what the extent was of the grounds maintenance with respect to how far are they supposed to cut from the road back to the vacant lots? Tony said that will be part of the Association meeting, but added that the company should cut wherever possible to the property line on the unimproved lots. The property line in our community seems to be right at the telephone pole in most places, and in the Association meeting you will hear what we are doing to fix that. On improved lots it is the homeowners to cut to the edge of the street.

**Bill Gearon** asked if there were any plans of replacing the markers at the fire hydrants that are in the roadway. Tony said that is not something we've discussed, but told Bill it was an excellent point. Casey said we have money this year, and Tony said we will put this down as an agenda item to be discussed at our Board meeting which will follow the annual meeting. Tony also noted that this item could fall into the maintenance portion of some of the funding we have left for this year; he added that it is definitely an emergency services issue.

Ryan Brummond, asked a question which pertained to both the Road and Association Budgets, and that was if we are reviewing the Money Market funds with respect to what is happening currently in the stock market and the vulnerability of large money market accounts to see how the current market conditions are affecting the association's money? Tony said that we could bring that up in the Association meeting, and he noted that Dick Miller has the responsibility to manage the accounts for the community. Hal Corzine noted that the money market accounts/mutual funds are FDIC protected; Tony agreed.

Adjournment - Janet Gargano made a motion to adjourn the Roads portion of the First annual meeting. 2<sup>nd</sup> by Dick Miller All approved. Roads meeting adjourned at 1:25 pm.

**ASSOCIATION MEETING -**

The First Annual Association Meeting was called to order by Tony Gillespie at 1:30 pm. It is noted that the Roll call had previously been taken at the Roads meeting. Tony asked that anyone wishing to make a comment or have a question or concern to please state their name and address. Tony also stated that the Board has a list of those who are not Association members in good standing, therefore, you will not be allowed to speak if you are not an Association member in good standing.

## Summary of Year's Activities

1. President's letter from Tony was mailed to all property owners in Feb. 2008, introducing himself to the community, outlining the specific issues to be worked on by the Board of Directors, and explaining the Board's position on the billing of CSPOA dues and road fees as pertains to the existing Covenants and Consent Order. \* Tony said this was a labor of love; it spoke to the Board's position of enforcing the Covenants, etc., and what the intent was as the President of the Board, and what we hoped that the association membership would want to do for the year. Tony thought we did really well.
2. The **2008 Policies Governing Chadwick Shores** were posted on the community website: [www.chadwickshores.com](http://www.chadwickshores.com) \* The website has been fully developed and is working out well. We have policies concerning the community on it, and we've begun to document all of the variances in the community for future boards.
3. Security cameras were installed at the front gate.
4. Outdoor plugs were installed under the roofs of the three gatehouses.
5. A new photoelectric cell system w/timer for the outside lights was installed.
6. The website was expanded to include dates of the monthly Board meetings and First and Second annual meetings, along with the posting of the minutes from these meetings. A suggestion box was added for any comments or concerns from the property owners to the Board. (Covenants, Bylaws, Policies and President's letter are also on the website).
7. A & B Landscaping was awarded the contract for the mowing, grooming and maintenance of the grounds. (Approved in the 2008 budget)
8. Mainscape Landscaping was awarded the contract for the upgrading and modifications of the irrigation system and the landscaping of the front entrance (in front and behind wall). (Approved in the 2008 budget) \* Tony noted that the front entrance looks very, very nice.
9. Board made the decision to adhere to the covenants regarding what signs will be allowed to be placed throughout the community and the length of time they can remain.
10. The monthly Board meetings were opened to the community.
11. Covenant policy regarding parking on easements is to be enforced. \* we are much more strict now, and letters are starting to go to those who are not in compliance.
12. Board received confirmation from Mr. Smith of Onslow County schools that the school buses will continue to pick up and drop off students who live in the community. \* Tony explained that a resident had approached Onslow County and attempted to stop the buses. Heretofore, there was a petition that was signed by the majority of the community. The resident was told to contact the Board, the Board re-voted and reconfirmed with the community that the school buses will be allowed, albeit they need to adhere to the speed limits.
13. Drainage ditches and pipes causing problems in three areas on Chadwick shores Drive were repaired and/or cleaned, and the overgrowth cut down. \* work was done by DEI
14. Industrial Paving repaired the sinkhole on Everett Drive. \* Chris Holman worked on this and it is much appreciated.
15. Eight (8) additional speed limit signs were purchased, and will be installed in November 2008.
16. Three warning signs were purchased and will be placed on the Tot Lot (2) and the community dock (1).
17. The second President's letter was mailed to all property owners in June, and addressed several issues; including speed humps/bumps, amenities, grass cutting, child and animal control and billing issued.
18. SPEED HUMPS - ballots were mailed to property owners to vote on having the Board research the cost and effect of installing speed humps on the roads. The votes came back with **81 for 'no' and 50 for 'yes'**. \* Therefore, speed humps are off the agenda.
19. AMENITIES - Ballots were mailed to property owners asking for their votes on a **#1 amenity** from a list of the most requested items. The **#1 amenity** voted for was a **boat ramp**, and the **#2** was **NONE**.
20. Information on the boat ramp will be put out to the community to be voted on as a capital expense in the 2009 budget. \* The community still has to approve whether or not we do this; just because they want a boat ramp doesn't necessarily mean they want to pay for one.
21. Mainscape will plant winter annuals at the front entrance. (approved in the 2008 budget)
22. The "raised bed planter" at the covenants sign will be redesigned, and a variety of perennials and winter annuals will be planted; work to be done by Mainscape. (approved in the 2008 budget)
23. A proposal is being reviewed on installing a well for the irrigation system, and will be put in the **2009** budget.

### Report by Nominating Committee of nominations-

Linda Martin, Chairman of the committee, reported that as of Sept 20, 2008 one nomination was submitted and that was Chaille Adkins for Director.

### Nominations from the floor –

Tony spoke to the fact that we are not getting a lot from folks wanting to serve. He stated that he has received over 100 expressions of thanks in emails, letters and phone calls, and only 12 really negatives. He stated that we could really use help on the board, and we could really use help on committees - Roads, Grounds & Maintenance, Security, Legal and Covenants. Some of the board members have been doing double duty. Tony said he could really use some relief on the Covenants, if anyone is willing.

Tony asked if there were any nominations from the floor, including non-board member chair positions.

Tony said he would serve as President if no one wants the job or runs against him. Casey Barnes and Ryan Brummond will remain as directors because they both have one more year left of their term. Bill Keller said that in fairness to the Association he would not sit as 2<sup>nd</sup> vice president next year. He is running for county commissioner in the November election. However, Bill said if he were not elected he would be glad to help in some capacity.

Suzie Gillespie nominated Chris Diederich to chair Grounds and Maintenance, and Chris Holman said he would stay on as Roads chairman until he can be replaced.

Tony asked Ellie Giles if she would serve as 2<sup>nd</sup> Vice President, and she agreed.

Bill Keller nominated Linda Martin as 1<sup>st</sup> Vice President, but she respectfully declined.

### Financial Report –

Dick Miller reviewed the 2008 Association financial summary. He noted that as of September 21<sup>st</sup> we have taken in \$51,500 income and have spent \$11,400.

A motion was made by Bill Keller to accept the 2008 Association Budget report. 2<sup>nd</sup> by Janet Gargano. All approved.

### Introduction of Proposed Budget –

Casey Barnes made a motion to **increase** Grounds and Maintenance by **\$3,000 to \$10,000**, which will enable us to continue the lawn mowing and take care of anything else which may come up. (Casey stated that he was doing this on behalf of the new Grounds and Maintenance chairman, Chris Dietrich) Motion 2<sup>nd</sup> by Bill Keller. All approved This increase will go out on a ballot to the community for a vote. It is noted that the TOTAL of the 2009 Association Operating Budget remains at \$52,900.00

Boat ramp -Tony asked to make a motion, based on the request of the community that a **boat ramp** be installed here in Chadwick Shores and that the Board set aside up to **\$20,000 in Amenities** to hire a ‘subject matter expert’ to review and work with CAMA and determine if a boat ramp can be installed, and then use the remainder of the \$20,000 to install the boat ramp if we get the okay to do so.

Dick Miller asked about the grasses at the site of the proposed ramp; he mentioned that Richard Civelli had stated at the last meeting that the grasses might be a problem with CAMA. Dick also mentioned that he thought someone was supposed to contact CAMA last month to see if we had a chance before we spent money.

Tony answered that he had called CAMA himself, and they said we need to hire someone to review and work with them to determine if this is feasible. Tony said he is not a ‘subject matter expert’; he does not know what grasses can be or cannot be removed, but if it is the grass directly beside the boat ramp, that is just lawn grass.

Ellen Gearon said it seemed to her that before our dock was built, the community was talking about a boat ramp and the idea was quite favorable to a lot of people. Ellen said she remembers there being endangered plant life, and that we would have to build a road over for the “trailer, the truck and the boat”. Ellen said she thought there might be a report somewhere.

Tony said he did not know if a report was done; sometimes it comes down to the question of who said what and when. He said that is the whole purpose of hiring a ‘subject matter expert’ who does this sort of thing for a living; better to let him do the review and come back and tell us – it is a go or not a go – and then use the remaining money, if it is a ‘go’, to install the boat ramp instead of waiting another two years to put this in another budget.

Chris Holman, 1307 Chadwick Shores Drive, said one of the issues he would have is the impact on the homeowners who live at the bottom where he lives. He asked where would the trailers and boats be parked? Right now, he said, we don’t manage access to that area. Chris also stated that he sits on his back porch, and can tell us that 60% of the people who go onto Sasser’s land and put their boats in off to the side of the oak tree are not members of this community. Chris said he can foresee trailers and boats being parked on the easements and people’s lawns. He feels that if we put the boat ramp in the back of this community, we will have shrimpers and everybody else who wants to get into the adjacent shrimp and clam areas and the oyster beds. He also stated that there are people coming in here at midnight flounder gigging who live in Peru.

Chris agreed that the boat ramp would benefit the community, but it would also directly impact those homeowners there, and he stated that he probably would look at ways to stop the boat ramp himself; that it would be an impact the value of his property.

Tony responded that he believes having a boat ramp would raise the values if it were restricted to ‘members in good standing’ who live here.

Bill Keller noted that one of the previous Boards tried to do this, and was turned down by CAMA on a number of issues, one being the shallow depth of the water. Bill said he did not think you could launch a boat there other than a flat bottom ‘jon-boat’ style one. He feels the community should assess the cost versus the benefit issue if only a few boats can be launched.

Tony said that everyone who bought or built near the community lot knew, before hand, that it was a community lot. He went on the say that there was actually supposed to be a boat ramp when the community was first developed, which is why we have the convents and the lawsuits and the mess we have now. Tony stated he is just asking that we set aside money to have this looked at by a ‘subject matter expert’ and document a yes or no for future Boards never to have to worry about this.

Casey Barnes then stated that he would 2<sup>nd</sup> Tony’s motion, but wants to make sure everyone is clear that “the motion says \$20,000.00, some of it being that a ‘subject matter expert’ look into this, and if he comes back and says there is “no way”, the remainder of that money stays in the Money Market never to get pulled out”. Tony confirmed that it stays in the Association and cannot be used for any other amenity.

Casey also said because the boat ramp was voted for by a majority of the people who responded, that was what was to be done. He noted it was not what he voted for, it is what the majority said, and that is what we, the Board, need to do. Casey said this is his opinion, and that being said, he went on the 2<sup>nd</sup> Tony’s motion.

Bill Gearon asked how much of the \$20,000 was to be dedicated to the ‘expert’? Tony said no more than \$1,000, and he then **amended** the motion to read, “the amount to be authorized by the Board is \$1,000 to have it reviewed”. This was, again, 2<sup>nd</sup> by Casey Barnes.

Tony then **reaffirmed** the motion to put \$20,000 in the 2009 Association Operating Budget in Amenities, with \$1,000 being the maximum amount authorized for a 'subject matter expert' to review, and the remaining money to be used to build the boat ramp should the review come back favorable and say we can put in a boat ramp; **and if not then the money stays in Amenities and cannot be used for any other contingency.** The motion was 2<sup>nd</sup> by Casey Barnes. All approved. Tony said we will get this out to the community for a vote.

2009 Association Operating Budget, cont'd -

Casey said that if we have the money, he would like to make a motion to **increase** Grounds & Maintenance **by \$8,000** to \$15,000 to match the 2008 budget and removing that money from the existing Money Market account to cover the \$8,000 increase. The TOTAL budget amount for the 2009 Association Operating Budget will not change.

Dick Miller stated that the Board has already approved the previous budget change to increase Ground & Maintenance by \$3,000; therefore Casey would have to amend that motion or make a new motion. Casey then made a new motion to **increase Grounds & Maintenance by \$5,000 from the \$10,000 which has already been approved, to a new amount of \$15,000 and reduce the existing Money Market account by \$5,000 to a new total of \$8,000.**

Bill Gearon asked what we were going to do with the increases, and Casey responded that we might be contracting with a new company for the grass cutting because we are not satisfied with the present company. Casey added that the current company was, by far, the cheapest, and if or when it comes time to replace them we would need more money to cover that increase. He said two of the proposals that came in this year were over \$30,000. Casey explained to Bill that the Roadside Maintenance is not only for lawn cutting, but also for catch basins, drainage pipes, etc. Casey said that we've used all the \$5500 for this year on drainage issues about which Tony spoke earlier (DEI repairs).

Tony went back to the motion at hand and to Bill Gearon's question; he said that last year \$50,000 **total** was spent, and this year we are asking \$35,000 for all grounds and road maintenance. The total between Roads and Association budgets is \$35,000 and is the requested budget. That figure includes all the perennials at the front entrance, all the grass cutting which we know is going to cost us more money because we have to do some bush-hogging to push the 'right of way' back to where it is supposed to be in some areas; places where there is growth almost overhanging the streets.

Tony asked Bill if that answered his question to which Mr. Gearon replied, "yes", but he still thought it seemed like a lot of money. Tony replied that it actually does to him, also.

Casey responded that there are other things included such as repairing broken sprinkler heads and light bulbs, which have to be replaced. Casey noted that this year the front entrance was power washed, and we put reflective mirrors on the guardhouses. This year, Casey said, we want to put weed prevention down (black Mylar), and there are always continual improvements to be made.

Tony then asked for a 'second' on Casey's motion to increase Grounds & Maintenance by and additional \$5,000; Ryan Brummond 2<sup>nd</sup> the motion.

Bill Keller then asked to make one clarification that, "this is allegedly to pay for a projected increase in the cost of whoever ends up doing the maintenance – is that what the \$5,000 does?"

Casey said that if you look at this 2008 budget, it has \$15,000 for Grounds & Maintenance. It can be used for a multitude of different things. Casey stated that he is just saying why not; since we are not increasing the TOTAL 2009 budget amount, why not keep it the same as it is for this year (2008).

He said if the money does not get used then, as with every other year, it would end up going back into the Money Market at the end of the calendar year. Casey said that as we all know nothing has been getting cheaper lately; we are getting billed higher because of fuel costs, etc. Tony explained that what Casey is trying to do is establish a baseline for annual budgets.

Bill Keller said it seemed like a lot of money, and he asked our treasurer, Dick Miller, if there was a reason for dropping the projected 2009 Grounds & Maintenance budget from the \$15,000 in the 2008 budget to the current \$7,000; Dick answered that it was because we didn't spend it all.

Chris Holman asked to make a comment that he thought would bring this discussion into perspective, and that being that the grass cutting, landscaping of the front entrance, etc; everything that is being taken care of, benefits the whole community. Therefore, if we are ready to put \$20,000 into a boat ramp to benefit only the boat owners in the community, then why not give Ground & Maintenance and Roads the money needed to benefit the entire community. Chris added, "if we don't spend it, we don't spend it". He said when you switch to a company such as Mainscape or Terra, you are going up a few tiers; he added, "cost is cost – no one is going to work for free".

Bill said he just doesn't know why we are increasing Grounds & Maintenance when "we didn't spend that much before." He said he thought Ellie had reported that it would be an additional \$5,000 if we went with Mainscape or Terra. Bill stated, "we want to be sure we are spending the residents' money wisely". Tony agreed saying he, personally, thought \$10,000 would have been enough.

The discussion on the issue was ended and Tony asked for a vote on the motion to increase Grounds & Maintenance by an additional \$5,000 to a total of \$15,000 and removing that money from the Money Market account. The total 2009 Association Operating Budget remains the same as printed: **\$52,000.00**

The Board voted and the vote was: **four - yea** - Casey, Ryan, Janet and Ellie  
**three - opposed** - Tony, Bill and Dick

The motion **did not** pass; the budgeted amount for Grounds and Maintenance remains at \$10,000.00

Casey noted that there were people in the audience who seemed confused by the vote, and he explained that although the motion won 4 to 3 for the budget change, five members must vote the majority because the Board is comprised of nine members; only seven were in attendance and there were no proxy votes.

Diane Chapwick, 142 Shellbank Dr., asked what happens if we go over the budget. Bill Keller explained that the total amount of the budget is approved at a specific figure. The budget, itself, is comprised of a number of line items in which there are some excess funds and normally, the Board can vote to move some money from one line item to another as long as we are not increasing the total budget amount.

Tony noted that a Capital Expense item must go out to the community for a vote; the Board cannot spend your money without your approval.

Proposed well - Tony moved on to the proposal of installing a well at the front entrance. He said that Tony Gargano has done quite a bit of research on this project, and has talked with various contractors as to just what the installation would entail as well as the approximate cost. Two bids have been received to this date and a third is yet to come.

Tony stated that we have a motion to add \$9,300 to the budget as a Capital Expense for next year to install a well at the front entrance to provide water for the irrigation system, thereby enabling us to come off ONWASA which is now costing the Association \$2,500 a year for water.

Tony said he has looked over the material and said Tony Gargano has a couple of really good plans. Tony said it seems a little high for a well, but it does cover a lot of contingencies. Tony noted that in the event we do install the well and it comes under that total of \$9300 then, of course, the money will be returned back to the community.

Dick Miller had some questions on the contingencies in Mr. Gargano's proposal, which may incur additional charges as shown in Ellie's email to the Board. Ellie said some of it was based on the wiring to the electrical box, which would be a large expense; however, Tony said that he has asked Jones-Onslow if they could put a meter at the transformer pole with an outdoor panel box with the 220 voltage. Jones-Onslow has not yet responded to Tony on this request.

Ellie said that Tony Gargano feels comfortable with the \$9300 amount, even with the contingency factors; once you drill you never know what you are going to get.

Dick and Bill asked to have the bid numbers, and Tony Gillespie read off some figures from two proposals received from Ellie:

**Waterworks - \$7,000** Estimated well system, pressure tank, pressure system and electrical hook-up, 200' water line installation, jetted under-road crossings and rust treatment system. Does not include backfilling the trench or landscaping repair; final electrical connections by a licensed electrician, etc as per breakdown.

**Register Well Company - \$4,623.76** A four-inch well at 125 ft. with a pressure pump. This doesn't include the water line installation, irrigation connection, electrical feeder installation, boring under road, trenching, and backfilling and landscaping.

Tony explained that no one company will do the complete job, and that is why Mr. Gargano came through with an estimated cost of \$9300 to make it happen.

In answer to Bill Keller's question on amortization of the cost of the well, Tony Gillespie said that it will take closer to five years to recover the money spent for the well, and Ellie said that if we have restrictions in the near future from ONWASA we can stand to lose \$12,000 in plantings including the \$8,000 we just spent for the front entrance.

Ellie said the maintenance issue would only be if they do find that the water has to be filtered, then that would have to be maintained.

Karl Gable, 979 Chadwick Shores Drive, asked where all is this water was going to go; Tony answered it was going to the front entrance to new irrigation system for the grass and plants. Karl was very surprised to hear that the cost from ONWASA was about \$200 a month for water use.

Bill Keller asked what the footage was when the additional charge comes in to play; Casey said it is between \$14.00 and \$16.00 per foot to go beyond the 100 or 125 feet

Ellen Gearon asked if the community could have a problem with putting in a well when we've just put in the new irrigation system, and keeping in mind also that due to the first year of these new \$8,000 plantings they will have to be watered more frequently until they become established. She asked if we thought these factors could possibly influence people to passing the budget, and "what is our goal in passing the budget"?

Tony said the idea of putting in a well is to stop paying ONWASA for that irrigation system. Tony said he has a many, many emails from people talking about the front entrance and how nice it is looking. He mentioned that for four years we were in a drought situation, and ONWASA said you can't water but twice a week or you had to hand water. The idea, Tony said, is to keep our front entrance to be a professional place and really look nice for people coming into the community, and to see that we care not only about our community, but the whole appearance of our community. In answer to Ellen's question, Tony said thinks it will be favorable to put in the well, especially since we are going to break even at the five-year mark.

Ellie said we really can't cut back on the water; the plants will need to be watered at the schedule they are on now; when you put annuals in there, and even some of the other plants as we have now, we pretty much need to keep on that watering system.

Casey said that even if we round the amount for the well to \$10,000 we still would not be pulling any money from the Money Market account; the budget would still remain the same; Tony said we just would not put as much back into the Money Market account; Casey said that would be correct.

A motion was made by Ellie Giles that we put \$10,000 in the 2009 Association budget to cover the cost of installing a well at the front entrance, subject to the Board's approval of the contractor. The motion was 2<sup>nd</sup> by Janet Gargano. All approved. This item will be listed as a Capital Expense and voted on, individually, by the membership on by ballot.

Web page - Tony stated the proposal for the renewal of our website was received from Mr. Mickler has come in at \$375.00 for the year, which is very reasonable.

Tony asked if there was any further discussion of the budget; there was none.

A motion was made by Bill Keller to accept the 2009 Association Operating Budget at **\$52,900 as printed**. The motion was 2<sup>nd</sup> by Casey Barnes. All approved.

Capital Expenditures - A motion was made by Bill Keller to approve the two Capital Expenditures as noted: \$20,000 for the boat ramp and \$10,000 for the well. The motion was 2<sup>nd</sup> by Casey Barnes. All approved. These items will go out to the community for a vote.

#### Good and Welfare –

Tony asked if there were any comments, concerns or questions regarding the Association meeting items which were presented, or anything for the community anyone would like to address.

Bill Gearon asked why, now that almost everyone is paying the road fees and association dues, we don't do away with the two sections of the meeting and just make one meeting and make the Road expenses as part of the Association expenses?

Tony answered that this would require a Covenants and Bylaw change. Dick Miller said that because we are being sued, we might not want to change anything until the suit is settled. Bill Gearon asked Tony for a rundown on the lawsuit.

Tony explained that one member of the community decided that his (their) home is not subject to road or association fees. The covenant does not read this way, so a lien was placed on the property. A lawyer contacted the Board to inform us he has recommended that a suit be filed. A second lawyer contacted us to advise they were filing a lawsuit against the Association and individual members of the Board. Since then, another letter was received indicating all they are now asking for is to have the lien removed from the property.

The lawsuit has been turned over to our insurance company, Nationwide, and their team of lawyers are addressing this matter

A question was asked if anyone on the Board had been served, to which Tony answered that each member was served individually.

Dick, who is the liaison for the Association and Nationwide stated that Nationwide had contacted a law firm in Wilmington to handle our case, and within a few days we were all released from the lawsuit and punitive damages were dropped against Chadwick Shores; the lawsuit is now only for removal of the lien from the property.

Bill said, if he may, the only thing he might add is that he had a conversation with Boyd Tisdale, recently when they were both at a private function: Bill said, “If you notice, it was a different lawyer, Billy Joe Morgan, who sent the letter; Tisdale sent the scare letter and Morgan sent the other one. Boyd Tisdale is out of it because he told the plaintiff that he doesn’t do that kind of legal work, so he passed it on to Mr. Morgan. He also told me, in the course of that conversation, that relative to the part of the lawsuit that includes the Board members, that Morgan had passed that on to some other entity to deal with”. Bill said that he didn’t get a chance to pursue this any further with Attorney Tisdale, but he got a sense from Boyd Tisdale, who was the lawyer who wrote the first letter on behalf of the Hinnants, “It may not be the end of that”. Bill said he doesn’t know what it means (he didn’t have a chance to pursue this with Tisdale), but he offered this as a ‘data point’ for us.

Hal Corzine said he remembers that earlier on there was a group talking about a lawsuit, and he asked if any of that group is part of this present lawsuit, or is it just one individual. Tony answered that of that group of twelve, ten have paid their association fees.

Someone asked what is this person’s point, and Tony said he feels that his property is not subject to Road or Association fees and he’s not going to pay them. Casey said the property was listed in the Covenants as being exempt; however the property changed hands and that is the key factor: the exemption was for the people who owned the property at the time, and not the said property ‘forever and a day’; so this person believes it (exemption) should be for the property, for whoever owns it, and for however many times it changes hands.

Karl Gable asked if we were going to counter sue or will that lawsuit take care of itself; Tony said the suit will take care of itself. However, Tony stated that he has approached a private attorney for a counter suit and a civil suit, and should he prevail any funds he is awarded will go toward the association. Tony said he is reserving the right to not have to put up with this. (controversy).

Ellen Gearon asked how many of that original group were at the meeting today, and Tony replied there were none; to which Ellen said she “guesses they are part of the problem rather than the solution”. Tony said they had a point they wanted to make, and “I think they made their point and they’ve decided to move on”. He said we’re neighbors, and we are going to be neighbors for a long time, so we’re doing the best we can with what we have and trying to be fair and equitable to everybody.

Tony asked if there was anything else for the good and welfare of the community that needs to be discussed. Ellen said, “We thank you all very, very much”. (enthusiastic applause followed Ellen’s remark). Tony said he appreciates that thought, and thanked everyone.

Dick Miller made a motion to end the Association meeting. 2<sup>nd</sup> by Bill Keller.

Adjournment - The Association meeting was adjourned at 2:20 pm.

Respectfully submitted,

Janet Gargano, Secretary

