

**Twin Harbors Property Owners Association, Inc.**  
**Annual Meeting Minutes**  
**October 16, 2010**

**Directors Present:** Fred Alderman, David Heathcock, Jim Wilder, Greg Yost, Robert Zbranek, and B. Milton Choate

**Directors Absent:** None

**Others Present:** Fifty-five (55) property owners attended with twenty-eight (28) proxy votes.

**Fred Alderman, President, called the meeting to order** at 9:00 AM. Fred introduced members of the board, Laurie Schultz, office manager and Barry Pounds, maintenance staff. Fred then introduced members of the Annual Meeting Committee and expressed thanks from the board for their work to help put on the annual meeting. Members of the Annual Meeting Committee are Chairperson, Judy Jackson, Rosemary Covalt, Laurie Schultz, Wendi Wilder, and Jim Wyckoff.

Pat Casey made a motion to approve the minutes from the October 17, 2009 Annual Meeting. The motion was seconded and prior to a vote to approve, Rene Daussin asked the board to consider his request to modify the October 17, 2009 minutes as presented. Rene stated that the last sentence on page 4 of the October 17, 2009 minutes was incorrect; therefore, Rene requested that this sentence be removed from the minutes. After a short discussion, it was agreed to remove the sentence as per Rene's request. Pat Casey again made a motion to approve the October 17, 2009 minutes, subject to removal of the sentence questioned by Rene. The motion was seconded and approved.

**Financial Report:**

The Financial Report was presented by B. Milton (Chip) Choate, Treasurer. The Financial Report consisted of a comparison of the financials for the previous three (3) fiscal years ending August 31, 2008, August 31, 2009, and August 31, 2010, and the Financial Budget for the fiscal year ending August 31, 2011. Cash balances were drawn down during the past fiscal year to provide additional funds for road paving. Slightly more than thirty thousand dollars (\$30,000) in Accounts Receivable were charged off in 2010. Pat Casey asked if collection policy and procedures had been documented. Chip stated that the board has approved a Collection Policy and Procedures. Doug Capps asked if the association was utilizing the small claims court to process claims, whenever possible. Chip stated that filing in a small claims court is part of our collection procedures because this vehicle provides a means of collection while keeping our legal fees to a minimum. In response to a query from Pat Casey, it was reported that we currently charge 5% per annum on past due accounts.

Rene Daussin requested clarification from Fred Alderman, President, as to why the board chose to file suit against him and James Radloff as opposed to proceeding through the small claims court as the court trail was expensive to the Association. Doug Capps reflected that such past actions make proceeding through the small claims court a better cost alternative. Fred Alderman then ruled the discussion out of order and further discussion was not allowed.

Mrs. Casey asked why the current budget for property taxes was only \$2,500 while the previous year's expense for property taxes was \$7,500. Chip stated that a previous board had foreclosed on property owners for non-payment of regular assessments and special assessments. These property owners also owed a significant amount of past due taxes and the Association was forced to pay the past due taxes in order to secure a first lien on foreclosed property.

Rene Daussin questioned why only \$2,000 was budgeted for attorney fees for the fiscal year ending August 31, 2011 and the Association owes Dwayne Daussin, court awarded attorney fees of \$9,000. It was explained that Rene Daussin and James Radloff owe the Association \$15,000 in court awarded attorney fees which when both items are paid will result in a net of \$6,000 to the Association. Neither item was reflected in the 2011 budget. Rene's question concerning his tender of \$7,500 was deferred until later in the meeting.

Pat Casey made a motion to approve the 2011 budget. The motion was seconded and approved.

#### **Architectural Committee and Facilities Committee Report:**

**David Heathcock** reported that in the twelve months ending August 31, 2010, the board approved two new homes.

**Grey Yost** reported that in the twelve months ending August 31, 2010, the four sections of Sunset Drive have been chip and sealed at a cost of \$52,610.

Pat Casey questioned whether the \$50.00 special assessment fee per lot should be increased to compensate for the significant rise in the cost of paving material, primarily asphalt. Pat emphasized that the \$50.00 special assessment fee per lot was established to compliment the seven (7) year plan approved by the board and sought to provide sufficient funding to completely repave all roads within the seven (7) year period. If the original seven (7) year period for full repaving is to be followed, it will be necessary and appropriate to increase the special assessment fees. The discussion of this topic was deferred until the agenda time allocated to the discussion and approval of special assessment fees.

Pat Casey asked the board to provide clarification of a clear and definite definition of a garage. Pat stated that on at least two occasions, the board approved construction of a garage and the home owner proceeded to build, what he considers as a storage shed.

Fred said that this subject as well as many other subjects will be addressed by a committee that will be established to re-write our Deed Restrictions and By Laws. The creation of this committee will be discussed later in the meeting.

**Robert Zbranek** reported on a very active year for repairs and modifications to association facilities.

The swimming pool, one of our largest assets, had two major leaks in the past year. ABB Plumbing was compelled to dig up a portion of the cement to repair a leak adjacent to the pump house. Another leak was repaired near the strainer.

To vent the clubhouse of chlorine vapors, a thirty (30) foot ridge roof vent was added to the clubhouse and a separate storage closet was built to store swimming pool supplies and equipment.

New light fixtures were added to the entrance signs.

Vandalism and security became a major issue in the past twelve months and it was therefore necessary for the board to undertake new security measures. Security lights were installed. An additional chain and lock was added to the front gate of the clubhouse/pool complex. A security camera system, which captures four selected views, was installed. Bill Belcher, a Twin Harbors property owner, was contracted to visit the clubhouse/pool complex three times a day on a random basis to check for vandalism threats and for anyone illegally using the pool. These efforts have proven successful as vandalism has been almost non-existence since these security issues were installed. Bill Belcher confiscated a number of illegally made gate keys and has been successful in keeping non-property owners out of the pool area.

A no-wake buoy has been installed in the area of our boat ramp.

Max Load and No Trespassing signs have been installed. A new boat ramp sign has been added, advising that the boat ramp is restricted to property owners. Five (5) new street signs have been added.

The board has approved the construction of a gate across the boat ramp to assist in limiting the use of the boat ramp to only Twin Harbors Property Owners. A heavy duty lock will secure the gate. The gate will be constructed immediately in front of the boat ramp and not in front of the parking area. The lock will be welded to the gate. Keys are numbered and doubled-sided and "Do Not Duplicate" is notched on the keys. Due to the keys being doubled-sided, these keys cannot be duplicated by the normal retail outlet, but must be taken to a locksmith for duplication. With the "Do Not Duplicate" notched on the keys, a locksmith will not duplicate. The Association is charging \$5.00 per key to offset the cost of the keys. A property owner objected to being charged \$5.00 for a key to give him access to the boat ramp. He felt that by paying his assessments he was entitled to full access to all amenities. Joseph Polizzi commented that the Association might be held liable for injuries to a non-property owner if the boat

ramp continues to be available to the public. Tony Jackson, made a motion to approve construction of a gate on the boat ramp and charging a \$5.00 deposit. The motion was seconded and approved.

Construction of the gate on the boat ramp will not restrict anyone from using the boat ramp area for fishing.

**Discussion of creating a committee to re-write Twin Harbors Deed Restrictions and By Laws:**

Fred initiated a discussion to create a committee that will be charged with the responsibility of clarifying and removing all ambiguities in the re-writing of Deed Restrictions and By Laws. As written, the Deed Restrictions for Twin Harbors, cannot be changed unless approved by a majority of property owners. There are currently six (6) individually written Deed Restrictions for Twin Harbors. Tony Jackson raised a question as to whether or not it was possible to obtain the approval of a sufficient number of property owners. Approval of fifty-one percent (51%) of property owners is needed to change the Deed Restrictions. More than fifty-one percent (51%) is current on both regular maintenance fees and special assessment fees and it is felt that we could gain the necessary fifty-one percent (51%) to approve new Deed Restrictions.

Rene Daussin said that according to his ex-attorney, a single Twin Harbors property owner may formally object to new Deed Restrictions and; therefore, invalidate any new Deed Restrictions. No comment or discussion was made concerning Rene's statement.

Pat Casey made a motion to create a committee charged with the task of re-writing and consolidating the Deed Restrictions and to re-write the By Laws. The motion was seconded and approved.

Fred then asked for volunteers from the property owners, exclusively of board members to serve as members of the Deed Restrictions Committee. Although named the Deed Restrictions Committee, this committee will have also responsibility for the By Laws.

Four property owners volunteered to serve on the committee. Those volunteering were: Shana Derouen, Jack Cumpton, Pat Casey and Gerald Derouen.

**Discussion of Special Assessments:**

Fred opened the meeting to a discussion of Special Assessments.

Pat Casey questioned the necessity of voting on a Special Assessment annually. Fred replied that it was the decision of the board to make any Special Assessment an annual vote and not automatically reoccurring.

Pat responded that the recent court case won by the Association clearly reaffirms the legality of the Association charging a Special Assessment as long as the Special

Assessment is clearly defined and is specific. The board is charged with the responsibility of protecting the assets of the subdivision; therefore, the board should make the Special Assessment permanent until further notice. The \$50.00 per lot per annum is the amount that would have been required to re-pave the entire subdivision several years ago when the seven (7) year plan was instigated. With the current price of asphalt, it is mandatory for the assessment per lot to be increased in order to provide sufficient funding to re-pave the entire subdivision in the seven (7) year time frame. When the special assessment fee for road improvement was initiated the cost of asphalt was \$4.00 a square yard. The current cost of asphalt is at least \$12.00 a square yard; therefore, it would seem as if the special assessment should be increased to \$150.00 per lot per annum to provide funding for re-paving the entire subdivision in the seven (7) year time frame.

A general discussion followed concerning the ability of property owners to absorb an increase of Special Assessment Fee to \$150.00 per lot per annum. A lengthy discussion followed concerning raising the special assessments to \$150.00, or raise to another amount or to leave the special assessment at \$50.00 per lot per annum.

Doug Capps made a motion to charge a Special Assessment Fee of \$50.00 per lot per annum. The motion was seconded and approved.

#### **New Business:**

Fred initiated a discussion of selling the unusable boat ramp on Harbor Drive. For years this boat ramp has been sitting unusable and the board has entertained a discussion of selling the lot and using the proceeds for the roads. The boat ramp has dissolved into the surrounding land. Selling the boat ramp lot on Harbor Drive was deferred until the board is able to obtain an appraisal.

**Jim Wilder** initiated a discussion of a new policy for clubhouse/pool reservations by property owners. A copy of the new policy has been made available to property owners attending the annual meeting. Property owners were requested to review the new policy and contact Jim Wilder with any comment or suggestions.

#### **Open Forum:**

Rene Daussin expressed that he and his wife have resigned their membership in the Association. Pat Casey stated it was his opinion that a property owner could not resign from a mandatory membership in the Association. According to Fred, the Association does not recognize any membership resignation. If it becomes necessary, this issue will be referred to our attorney.

Rene commented that he felt over the past several years, a number of boards have wasted Association funds with payments to attorneys for services that were not needed.

Rene stated that at the last Annual Meeting, President Jim Mason and Secretary Cliff Budd, conducted an illegal board election because one of the vote counters was the spouse of a then current board member and another vote counter was actually a candidate for a board position and; therefore, counted her own votes. Fred replied that the election occurred a year ago, Rene was at the meeting and if Rene was so concerned about an illegal vote, Rene had the duty to speak up at that meeting and not wait a whole year. Further discussion was considered irrelevant.

Joseph Polizzi commended the board on the website for the Association. He said that it was one of the best websites he has seen for similar type organizations.

A property owner, living on Wildwood Harbor Drive, expressed concern that her road was in a bad stage of disrepair and needed to be repaired. She wanted to know when the road would be repaired and she also requested that the current road policy be published on the website. Fred replied that roads were a top priority of the board and a new road plan would be formalized by the board.

#### **Nomination of Board Members:**

Fred announced that two board members resigned in the past twelve months and the board chose not to replace these board members but rather to wait until the Annual Meeting and allow property owners an opportunity to elect replacements. We will hold an election for four board members for two year terms and an election for two board members for a one year term.

Current board members David Heathcock and Greg Yost have chosen not to have their names placed in nomination for a new two year term.

Fred opened the meeting for nominations for four board members for two year terms. Fred Alderman was nominated for a two year term. Jim Wilder was nominated for a two year term. Joseph Polizzi was nominated for a two year term. Jim Wyckoff was nominated for a two year term. Judy Jackson made a motion for nominations to close. The motion was seconded and approved.

Fred opened the meeting for nominations for two board members for one year terms. Jack Cumpton was nominated for a one year term. Shana Derouen was nominated for a one year term. Pat Casey made a motion for nominations to close. The motion was seconded and approved.

Fred welcomed the new members to the board. Each new board member introduced themselves and gave a short business and personal introduction.

After the introduction of new board members, all board members were requested to meet in the clubhouse immediately after the Annual Meeting to elect board positions for the upcoming year.

Shana Derouen made a motion for the meeting to adjourn. The motion was seconded and approved.

The October 16, 2010 Annual Meeting adjourned at 11:46 AM.

The next Annual Meeting will be held at 10:00 AM on Saturday, October 15, 2011.

Respectfully submitted,

---

B. Milton (Chip) Choate  
Secretary