

Board Meeting Minutes

Meeting held on August 4, 2012 and brought to order at 8:04am

Board Members in attendance: Ed Fitzgerald, Carl Moellering Mari Don Dent, Dawn Deardon, Danny Savage, Paul Rippeth, and Stephanie Brown

Several non-board members were present and there was a brief discussion on their participation which resulted in their decision to observe and wait until the next meeting to participate.

Treasurers Report: Danny brought us up to date on current activity e.g. one foreclosure with dues that had to be prorated from date of bankruptcy. So on this one we lost 1/2 year in dues. On a second foreclosure we will get full dues. He received a check from a new owner who will need passes. Deposit will be made and passes sent by Danny. Carl said the porta john bill is overdue and he will contact the vendor. He suggested in the future we pay this bill on an annual basis instead of monthly. All agreed.

Secretary Report: Discussion on procedure and deadlines for meeting minutes. Stephanie proposed typing and sending them out within 72 hours, delivering minutes via email to all board members for correction and/or approval and a deadline for posting on the CNA website. All agreed to the following procedure:

- Board meeting minutes will be typed within 72 hours of the meeting's adornment and sent to all board members
- Board members will respond within 72 hours with approval and/or suggested changes
- Secretary will incorporate all changes and send the minutes out a second time to all board members. After a 24 hour waiting period the minutes will be sent to Dawn our webmaster for posting on the CNA website preferable no later than one week after conclusion of each meeting

Follow up on old business:

1. CAN bank accounts: Discussion centered on who should have an authorized signature card on file with BB&T. We all agreed that Danny Savage will obtain the necessary signature card with BB&T and will sign all checks. In addition as a backup Paul will also obtain a signature card so 3 current board members will have check signing authorization (Danny Savage, Carl Moellering and Paul Rippeth). Paul handed Danny the check book along with some outstanding bills. Carl who currently has check signing privileges signed one check for Danny to use on a bill due. It was agreed that the remaining signature names currently on the account (Bill Stevens and Pete McKinney) will be removed. No dual signature will be required.
2. Common area 2- stone/gravel: Carl reported talking with a contractor about the stone pile currently on the lot in area two. The contractor suggested the stone not be placed in the water at the beach as people will hate it, trip etc. So Carl will have him place the stone on the

edge/corners of the beach area and around the trees. The contractor will distribute the stone at

no cost. Carl agreed to follow through on this.

3. Insurance policies: Todd was not present to report his research concerning the kind of coverage we currently have...e.g.what's covered and what is not. Carl noted the policies are in force and current. We will get the details from Todd at the next meeting.

4. Management Company: Carl reported to us he found one company so far and they gave him a price of \$12,000.00 per year with some additional add on fees. So if we take this on he estimates it will cost each CNA owner an additional \$80.00 each year in dues. He agreed to find a few more companies and get their bids. It was brought to our attention that we currently do not have enough funds with present homeowners dues to facilitate a management company so if one is hired the fee would have to increase accordingly.
5. Audit/Reserve Study: Dawn reported the law requires that we have a reserve study done every 5 years. It was noted that CNA has never had a reserve study done in the past. The cost is unknown at this time. Dawn explained that the study will cover all CNA structures in the common areas to include the piers and cost of replacement, it's present useful life expectancy and years left. Based upon those calculations a 'reserve amount' will need to be in the CNA bank/CD accounts to cover the eventual repair/replacement. An engineer has to do this type of study and establish what our reserve amount needs to be. Dawn will follow up on who can do the reserve study and at what cost.
There was some discussion about letting a management company hire this engineer but it became apparent that we most likely cannot afford a management company at this time or in the foreseeable future. It was pointed out that while our HOA dues are very low comparable they would none the less have to be significantly increased to afford a management company. It would be a valuable structure to have but at this time we cannot put a management company in place this year. It was agreed we would put this item on the agenda again when we have more bids and information to consider.
Annual Audit: Not required by law or current governing documents and if we want an audit then a rule to this effect would have to be written into the current CNA by-laws.
6. Shed common area 2: Paul gave us a picture of the shed he proposes we purchase. The cost would be \$1200.00 for an 8' by 10' shed. Price includes delivery and set up. Permit not needed. Danny suggested we table approval on the purchase of this shed until we have a better understanding of the funds that exist and whether or not we can afford to purchase a shed at this time. He will give us those figures and accounting at the next board meeting. It was agreed we did not have to decide on this quickly and it can wait several months.
7. Webmaster: We discussed Tim's email to use expressing his desire to continue as webmaster. Dawn put forth that she feels a board member needs to be the webmaster as the information will always be with the board. She went on to tell us about the need to redesign the site and make some changes. Dawn does not feel she needs a back up person and will be in touch with Tim to get all necessary details so she can assume this position.

New Business:

1. What should be CNA board members primary concern: It was agreed the board would stay with the governing documents as written with no changes. Further we would strictly adhere to what is clearly stipulated in all CAN governing documents and nothing else. It was agreed that should CNA or its board members receive any written or verbal information about a topic not within our governing document the president or someone he/she may designate would respond to that community member explaining the item is not within our express right to

discuss at a board meeting. It was agreed there would be no changes to the governing documents now but this could come about in the future.

2. Homeowner participation at Board meetings: We reviewed our prior discussion notes from the meeting on 8/4/12. Further discussion centered on exactly how many minutes each person can speak but keeping the total within 15 min. at the beginning of each board meeting. Carl pointed out we will know in the future 10 days ahead of a scheduled meeting who is coming and what topic(s) they intend to present. Ed gave us details on how other meetings are conducted as a guide to help us structure this one. The board agreed to the following procedure:
 - Presenter(s) will set forth their topic(s) at a board meeting in the order we receive their written request to address
 - Presenters will have a total of 5 minutes for each person to present the topic(s)
 - A total of 15 minutes will be allowed at the beginning of each meeting. When the 15 minute time frame is up any additional speaker(s) would have to wait until the next board meeting.
 - Written document was defined as a paper document and/or email. Certification not required.
 - All requests by email have to be directed to the CNA website. All written correspondence to the CNA address as posted on our website.
 - The presenter(s) has to be a current CNA member and can only speak on issues that are clearly stipulated within the CNA governing documentsIt was agreed these requirements will be posted on the CNA website as soon as possible. Mari Don will donate a 5 min. hour glass so we can keep track of the time allotted.

3. Mail: Paul has the current combo to the P.O. Box and has been picking up the mail. He will continue to do so with Carl as a back up when needed.
4. Written complaint process as stipulated in a notice from DPOR: Danny reviewed the notice out loud and noted it was written on DPOR letterhead. The notice does refer to "complaints" a HOA member may have and the deadline the board has to come up with this written requirement is by September 28, 2012. The complaint procedure has to be readily available to all, given upon request and be in the all disclosure packets.

It was agreed that Mari Don would do further research on the DPOR requirement and present to to the board at our next meeting her findings along with a proposed language/format we should consider using. The notice was handed to Mari Don and she may send this out to us via email ahead of our meeting so we can expedite and comply with the DPOR requirements. It was noted that we may need legal advice on the language chosen. However Carl said we do not have an attorney on retainer for the association but do have one for an "as needed" basis.

5. Registered agent: Is defined as the person who will receive all written information and notices from a state agency or government. A legal point of contact for the state.

Discussion: Do we want Todd to proceed with being our registered agent or do we need to consider appointing an attorney for that role? Ed gave us information on his use of an attorney as a registered agent in the past. The fee is low and one is only billed should that attorney be hired to respond to written correspondence received. Carl asked if the Blair's

had offered to be the register agent. Stephanie said no they seemed to only want the position of preparing and delivering the HOA packets to new community members. It was pointed out this is a legal requirement that we give potential purchasers the governing documents prior to closing and there are fines/penalties associated with the lot if the package is not given/received in a timely manner with all necessary documents. Ed said the requirement stipulates 7 days to receive all documents via resisted mail. Documents have to include a financial report. Question posed: Do we want someone outside the board to take this on given the legal implications and fines/penalties involved. Some discussion followed on this having to be a full time resident vs. part time and the census was it just had to be someone responsive and a VA resident. If we allowed the Blair's to take this on it would not be covered by our insurance policies.

It was agreed that the registered agent has to be a board member so we decided to ask Todd if he would take on both the registered agent position and the HOA packet provider. Ed agreed to find out exactly what the requirements are, present them to Todd and ask him if he would be willing to take on both tasks. Ed will find out from Gene what has been done in the past and obtain a copy of what Gene has been sending out to new property owners. Mari Don will find out from a friend who is a real estate agent how they normally contact the HOA, what is the usually method and stated request?

Stephanie agreed to contact the Blair's and explain how we came to a different view on who should be our HOA packet provider. She will let them know we no longer need them to take on the delivery of these packets and encourage them to continue on as a welcoming committee for all new community members.

Meeting concluded with exchange of mail/bills between Paul and Danny. Copies of governing documents were distributed.

With regard to our discussion about hiring a management company Mark Douglas put forth his thoughts/concerns.... If people in the neighborhood wanted to take on the task of management can they do so? He offered to take on this responsibility to help avoid the increased costs associated with hiring a management company. His request was noted for the record.

Art then thanked each of us for taking on our board positions and expressed appreciation for our time and effort. Saying "it will be noted in the neighborhood and that's what we need. You're doing a good job."

Meeting adjourned at 9:07am on 8/4/2012

Note: Our next board meeting had been scheduled for 9/1/12 and since this falls on a holiday weekend it was agreed to have the next meeting on 9/8/12 to be held at 14 Elnor Rd.

Approved via email by: Carl Morellering, Dawn Deardon, Paul Rippeth, Mari Don Dent, Stephanie Brown and Danny Savage