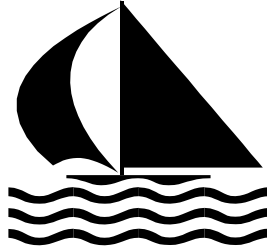


PORTSIDE BOARD OF DIRECTORS MINUTES



January 9, 2010

Call to Order: The Quarterly Portside Homeowners Association Board of Directors meeting was called to order at 9:08 A.M.

Introduction of Guests and Administrative Announcements: President Meeks welcomed Board members and told them that refreshments were available in the kitchen.

Secretary's Business: Mitch Manning – Absent. In the absence of the Secretary, the President agreed to record the minutes.

Record of voting members present: President Frank Meeks – Present; Vice President Andy Barnette – Present; Secretary Mitch Manning – Absent; Board Members Present: Alton Baldree, Frank Moye, Charlie Speight and Tommy Poe. Board members absent: Bill Brown, Scott Lang, Tim McCarter and Stanley Wainwright.

Assignment of proxies: Mitch Manning's and Stanley Wainwright's proxies were assigned to Frank Moye, and Tim McCarter's proxy was assigned to Charlie Speight. Bill Brown was absent with no proxy on file. Scott Lang's proxy was assigned to Bill Brown, but was void due to Bill Brown's absence.

Confirmation of a quorum. There was a quorum present, 6 Present, 3 Proxies.

Others Present: Mark Cutler - Volunteer Treasurer

Other Business of the Secretary:

Minutes of October 10, 2009 Board of Directors Meeting: The Portside Homeowners Association Board of Directors reviewed the minutes from the meeting held on October 10, 2009. After some discussion, a motion was made by Frank Moye to accept the minutes as submitted, seconded by Tommy Poe. Members for 6, against 0, abstained 0. Proxies for 3, against 0, abstained 0. Motion passed unanimously.

Portside Board of Directors Proxies: We currently have 10 proxies for Board of Directors members on file.

Action Item 1 - ongoing.

Portside Homeowners Proxies: We currently have 2 proxies for the Annual Portside Homeowners Association Meeting. Homeowners may go to the Portside web site and download the Portside Homeowners proxy at:

http://www.portsideonthepamlico.com/PHA_Proxy.pdf.

Action Item 2 - ongoing.

Any other unfinished business of the Secretary: None

Treasurer's Business: Mark Cutler

Review of Quarterly Treasurer's Report for the Period October 1, 2009 – December 31, 2009: Mark Cutler submitted the attached Treasurer's report as of December 31, 2009. After the review was completed, Frank Moye moved to accept the Treasurer's Report subject to audit of the expenses; seconded by Alton Baldree. Members for 6, against 0, abstained 0. Proxies for 3, against 0, abstained 0. Motion passed unanimously. **See Enclosure 3 attached.**

“Take Pride In Portside”

Proposed Homeowners Association Membership Dues Increase: After discussing the proposed dues increase from \$150.00 to \$200.00 addressed at the October 10, 2009 Board meeting, Charlie Speight recommended that each property owner be polled by a letter no later than January 29, 2010 with their **“Yea” or “Nay” vote on the proposed dues increase.** If the dues increase is approved, it will allow the Treasurer to start planning the projected budget for July 1, 2010 through June 30, 2011. Tommy Poe made a motion that in lieu of holding a Special Call Portside Homeowners Association Meeting to vote on the proposed dues increase that a letter be sent to all Portside property owners requesting their vote to approve the dues increase with the effective date of July 1, 2010. The motion was seconded by Andy Barnette. With no other discussion, the motion passed as follows: Members for 6, against 0, abstained 0. Proxies for 3, against 0, abstained 0. Motion passed unanimously. **Action Item 25 will remain open.**

2009-2010 Homeowners Dues (July 1, 2009 – June 30, 2010): As of December 31, 2009, we still have 3 property owners who have delinquent dues for this budget year. **Action Item 26 - ongoing.**

Projected Budget for July 1, 2010 – June 30, 2011: The President stated that the Treasurer will have a projected budget available for the April 10, 2010 Board meeting. **Action Item 37 opened on January 9, 2010.**

Any other unfinished business of the Treasurer: None

Unfinished Business:

Capturing email addresses of all Portside Homeowners: President Meeks reported that by using the email addresses of homeowners to email the Board of Directors minutes, social announcements, deaths, etc., it has continued to reduce expenditures in the budget. As of December 31, 2009, we have email addresses for 35 of the 53 Portside property owners. **Action Item 7 - ongoing.**

Sewer petition – We currently have 33 signatures (53/33 = 62.2%) on the sewer petition. At the July 2009 Annual Portside Homeowners Association meeting, Paul Spruill stated that in order for this petition to show Portside is seriously interested in getting sewer lines extended to Portside, we needed signatures from 95% of the Portside property owners before submitting the petition. See Enclosure 1. **Action Item 8 - ongoing.**

If you would like to sign the sewer petition, President Meeks has the petition. Call him at 252-258-5330 or stop by his home and sign it. We would like to get the sewer petition submitted to the Beaufort County Board of Commissioners as soon as possible.

Amendment to the Two Covenants – We currently have forty-four (44) Portside property owners who have signed the original two Covenants in 1992 or an Amendment this year. This leaves seven (7) property owners covering nine (9) lots who have not signed agreeing to the two Portside Covenants. **See Enclosure 2 for those names in yellow who have not signed the original two Portside Covenants and the amendment.**

Below are some key factors from the Portside Bylaws and Covenants dealing with Membership in the Portside Homeowners Association, Inc.

1) **Membership:**

- a. The Association shall have one (1) class of membership, Class A, as more fully set forth in that Declaration of Covenants, Conditions and Restrictions for Portside Homeowners Association (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred as the Declaration), the terms of which pertaining to membership are specifically incorporated herein by reference.
- b. A Lot owner shall become a member of the Association upon their execution of this Declaration or any subsequent agreement or conveyance subjecting their lot or lots to the provisions of this Declaration.

- 2) **Dues or Special Assessment:** The rights of membership are subject to the payment of annual and special assessment levied by a majority of the dues paying members of the Association in compliance with the terms and conditions of the Bylaws of the said Portside Homeowners Association, Inc.
- 3) **Voting:** Each platted Lot shall be possessed of one (1), "Class A", membership. Each membership shall be entitled to one (1) vote. **Action Item 15 - ongoing.**

Changes to the two Covenants – We have received twenty-nine (29) (covering thirty-one [31] lots) signed and notarized approvals for the changes to the two Portside Covenants that were mailed or hand delivered with the minutes to the Portside Board meeting held on October 10, 2009. To approve the changes to the two Covenants, we need a 2/3 majority of the property owners who have signed the two Covenants which includes the Amendments. **See Enclosure 2 for a list of the Portside property owners who have signed the changes to the two Portside Covenants.**
Action Item 29 – ongoing.

Street Light on Portside Drive: Per the directions of the Portside Board on October 10, 2009, the Association President called Progress Energy on October 12, 2009 about removing the light pole and street light between Mr. Pete Johnson’s residence and Mr. Scott Lang’s residence. On November 9, 2009, the street light and light pole located on Portside Drive between Mr. Pete Johnson’s residence and Mr. Scott Lang’s residence was removed. This was a cost savings of approximately \$8.00 per month.
Action Item 30 was closed on November 9, 2009.

Any other unfinished business: None

New Business:

Dredging of Portside Entrance Canal: On October 22, 2009, Frank Moyer and Tommy Poe asked about getting the entrance dredged from the Pamlico River leading into the canal next to Stanley and Carol Wainwright’s property (lot 21). After some discussion by the Board members, all the members agreed that the next action should be to check with the Corps of Engineers to determine the legal status of the canal entrance. Frank Moyer agreed to talk with the local office of the Corps of Engineers and let the Board members know the current status. This item was tabled and will be discussed further at the April 10, 2010 Board of Directors meeting.
Action Item 31 was opened on October 22, 2009.

Beaufort County Tax Collector: Last year in October, President Meeks submitted an application for Property Tax Exemption for 2009 to the Beaufort County Tax Collector for the Portside Homeowners Association. On October 28, 2009, the Portside Homeowners Association received a 2009 tax bill for \$266.33 for lot 35B. No tax bill was received for Tract one and Tract Two that was deeded to Portside in December 1993. On October 29, 2009, President Meeks stopped by the Beaufort County Tax Collector’s Office about the \$266.33 tax notice and was asked to return and talk to Mr. Parker, Tax Supervisor, on Monday, November 2, 2009. Mr. Parker agreed that the property taxes for the Portside Homeowners Association properties are exempted from property taxes.

According to the Beaufort County Tax Assessor’s Office, the three Portside properties will be exempt from now on. Below is a summary of the amount we have saved this year by having our HOA properties exempted from paying taxes:

Tract One	=	\$ 3.35
Tract Two	=	\$ 3.35
Lot 35B	=	\$ 266.33
Total	=	<u>\$ 273.03</u>

The tax exemption will also apply to future years, so this represents a tremendous savings to the Portside HOA.
Action Item 32 was closed on November 22, 2009.

Homeowner Associations of North Carolina: On November 3, 2009, President Meeks found out that we could register the Portside Homeowners Association, Inc. with the Homeowners Association of North Carolina (HOA-NC). The HOA-NC web site address is: www.hoa-nc.com. According to a realtor in Greenville, NC, attorneys use this site to confirm Homeowners Associations and their covenants, bylaws, etc. The HOA-NC is dedicated to providing resources that promote a better understanding of townhome, condominium, and single family homeowner associations in North Carolina.
Action Item 34 was closed on November 8, 2009.

Below is some information from the HOA-NC web site relating to the Homeowners and Association Responsibilities:

Once you have purchased a home in a community with an incorporated homeowner association, it is important that you understand both your responsibilities as well as those of the association. These responsibilities are sometimes guaranteed by federal and state laws in addition to the association's governing documents. Some of the most important responsibilities are listed below:

Homeowner Responsibilities:

- Understand and comply with the restrictive covenants, bylaws, and other rules and regulations.
- Pay your assessments on time.
- Stay informed and participate in the business of your homeowners association by reading the meeting minutes, attending the annual meeting, understanding the budget, and volunteering to serve on a committee or the board.
- Maintain a current address with your homeowners association. This is critical if you are a member of a homeowners association but do not live in the community. Examples include rental property, second homes, homes used by children in college or retired parents, or investment property intended for future construction.
- If your home is rental property or occupied by others, ensure that tenants/occupants understand that they must also comply with certain restrictive covenants such as parking, pets, architectural changes, and other requirements. This may also include association rules regarding use of playgrounds, pools, tennis courts, and other common areas.
- Maintain contact information for an association representative. This may be an on-site employee, a management company, a board member, or the builder/developer.

Association Responsibilities:

- Maintain, protect, and enhance the value of the community.
- Govern the association in accordance with federal and state laws.
- Provide an information package to new homebuyers.
- Publish the names and addresses of all association officers and directors within 30 days of their election.
- Hold regular board meetings and an annual meeting.
- Provide an opportunity for resident participation in a 'homeowner's forum' at each board meeting.
- Inform residents of annual assessments and special assessments.
- Provide an annual income statement and balance sheet to all owners within 75 days of the end of each fiscal year.
- Provide a statement upon request by a resident within 10 days of the request.
- Enforce the restrictive covenants and other governing documents in a fair and consistent manner.
- Conduct meetings in accordance with Roberts Rules.

Wet Mail in Mailboxes: On November 19, 2009, the Board of Directors President received an email from Agnes Beacham that her mail frequently gets wet. She inquired if "there is some way a shelter over the mail boxes could be built"? After some discussion by the Board members, Charlie Speight agreed to check on replacement cluster mailboxes and get a cost estimate. This item was tabled and will be discussed further at the April 10, 2010 Board of Directors meeting.

Action Item 36 was opened on November 19, 2009.

High Water Problems on Portside Roads: During the last 35 years since Portside subdivision was developed and the lots were sold, we have had a problem during high tide every time we have northeasterly winds. The water covers part(s) of Portside Drive and at sometime covers Portside Drive from Dockside Drive to Canal Drive and covers Riverview Drive. It has been suggested that we put some dollars in the projected budget to have that portion of Portside Drive between Dockside Drive and Canal Drive and Riverview Drive raised to the same height as the other parts of Portside Drive. There would also be a cost associated to add fill dirt and taper it along both sides of the road. After some discussion, the Board members agreed that there are low spots in the road way; but if the road is built up, it would create a problem from runoff from the surface water. Tommy Poe made a motion to not make any improvements to the road way at this time, and it was seconded by Alton Baldree. With no other discussion, the motion passed. Members for 6, against 0, abstained 0. Proxies for 3, against 0, abstained 0. Motion passed unanimously. **Action Item 35 was closed on January 9, 2010.**

Any Other New Business: None.

Action Item Updates: Please refer to the list of action items on the last page of the minutes.

Information Items:

On January 8, 2010, Portside lost Garth Waters (lot 3), one of our residents. Our thoughts and prayers go out to his family.

Welcome: Please welcome Portside's newest residents, Dewey and Delane Fuquay. The Fuquay's purchased the Barr's property.

Schedule Use of the Picnic Shelter: If any Portside property owner would like to reserve using the Picnic Shelter during the upcoming months, please let the President know. Currently the rules for using the Picnic Shelter only allow reserving the Picnic Shelter 60 days in advance.

Special thanks to the following:

President Meeks stated he wanted to take this opportunity to thank all of the Portside residents for their continued support in maintaining their Portside property.

President Meeks expressed his appreciation to Gail and Frank Moyer for helping with the Portside Christmas decorations.

Reminders:

Please observe the posted 15 MPH speed limit within Portside subdivision. Please remind everyone not to allow children under 16 years old to drive golf carts within Portside without a parent or guardian and to observe the "No Wake" within the water ways inside Portside. If you have pets, please be courteous of others and clean up behind them. Please keep your pets on a leash when you are out walking them. In order to keep Portside looking good for family, friends and visitors, everyone is asked to keep their grass mowed year around as needed. If any homeowner has a death in your immediate family, please contact the President or one of the members of the Portside Board of Directors.

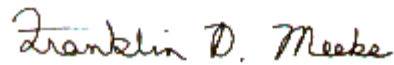
Portside Web Site: It you have not viewed the Portside web site, now is the time. Here is the Portside web site link: <http://www.portsideonthepamlico.com/>.

Call for Any Other Business, Announcements or Items for the "Good of Portside": None.

The Board President called for a motion to adjourn: Tommy Poe made a motion to adjourn, and it was seconded by Andy Barnette. Members for 6, against 0, abstained 0. Proxies for 3, against 0, abstained 0. Motion passed unanimously. With no other business to discuss, the meeting adjourned at 10:20 A.M.

The next Portside Board of Directors meeting is scheduled for April 10, 2009 at 9:00 A.M.

Respectfully submitted by the Acting Secretary on January 10, 2010.



Franklin D. Meeks
President/Acting Secretary

Action Items

Portside Action Items			
Action Item #:	Topic:	Suspense:	Completed:
1	Portside Board of Directors Proxies	On-going	
2	Portside Homeowners Proxies	On-going	
7	Master email list for Portside property owners (35 email addresses as of 27 Oct 09)	On-going	
8	Portside Property Owners petition for Sewer Service (33 signatures as of 1 Jan 10)	On-going	
15	Seven (7) signatures for nine (9) properties needed for those homeowners whose original owners did not sign the two Portside Covenants in 1992 as of 1 Jan 10	On-going	
25	Dues increase	3 Jul 10	
26	Delinquent dues (3 homeowners outstanding as of 31 Dec 09)	On-going	
29	Twenty-nine (29) (31 lots) property owners have signed the changes to the two Portside Covenants as of 31 Dec 09	On-going	
30	Street Light on Portside Drive	10 Oct 09	9 Nov 09
31	Dredging entrance to Portside canal	On-going	
32	Beaufort County Tax Collector (Received bill for lot 35B for \$266.33)	30 Nov 09	22 Nov 09
34	Homeowner Associations of North Carolina	5 Nov 09	9 Nov 09
35	High Water Problems on Portside Roads	9 Jan 10	9 Jan 10
36	Wet mail in mailboxes	On-going	
37	Projected Budget for July 1, 2010 – June 30, 2011	10 Apr 10	