

**OPPOA GENERAL MEMBERSHIP MEETING
THURSDAY, MAY 27, 2010
HAMPSTEAD COMMUNITY BUILDING**

CALL TO ORDER

President Terry Peters called the general membership meeting to order at 7:05 PM. Present at the meeting were board members Loretta Greenough, Jim Fisher, Larry Crane, Karen Saari, Sam Thompson, Ken Rice, Vice President Paul Godridge, Treasurer Bill Mueller and Secretary Martin Kinney. June Steiert and Mark Dodds did not attend.

PRESIDENT'S COMMENTS

President Peters welcomed everyone and introduced the members of the board. He said Mr. Mueller had volunteered to be treasurer when Mr. Fisher could not commit to the position because of a possible move. He said Mr. Mueller was also in charge of the newcomers' party.

He said that Chuck Wilson had sent to Hampstead residents a letter about displaying signs. He reminded everyone that OPPOA covenants prohibit residents from displaying signs. He said the board's interest in seeing if it would be possible to subdivide and sell the former tennis court lot to pay for road repairs came to an end when the zoning board and the board of appeals disapproved the idea. Finally, he said much of the meeting would be about roads, so the board could get the legal and financial issues out to members.

SECRETARY'S REPORT

President Terry Peters requested that the reading of the minutes of the January annual meeting be dispensed with. There were no objections.

TREASURER'S REPORT

Treasurer Bill Mueller reported an ending balance as of May 2010 of \$40,390.81. He said there was about \$3,600 above what was anticipated because the newcomer's party cost much less than expected.

GHHA LIAISON

Chairperson Godridge said thanks to Al Freimark the Hampstead bypass project is now in the top 10 DOT projects. Funding those projects remains a challenge. He said there will be a study starting soon to see how to make US 17 safer through Hampstead. There will be intensified police enforcement coming soon. He also said that he, Burt and

All were appointed by the board of commissioners to look at the overlay project. The Chamber of Commerce is trying to water down the recommendations. You can let commissioners know you're feelings about this. See Paul for the email addresses.

BLOCK CAPTAINS

Chairperson Saari said she would be researching an agency that would publish the newsletters and phone book at little or no cost to OPPOA because they rely on advertizing in the publications.

MEMBERSHIP

President Peters said that Chairperson Steiert reports that second notices to residents who have not paid their dues would go out around June 15. There are 36 residents and 43 nonresidents who have not paid. The board will decide on what action to take if people still do not pay after the second notice. The normal action would be to place a lien on the property.

BEAUTIFICATION

Chairperson Mueller mentioned the lights on the islands will be improved and that the islands have been improved.

ARCHITECTURAL REVIEW BOARD LIAISON

Chairperson Greenough said the ACC had approved several projects, including 2 sheds, a deck, a screened in porch, 2 pools, and a yard grade change. She said there have been compliance problems with residents posting signs, barking dogs, and residents not picking up after their dogs. She said it is better if neighbors talk to their neighbors about the problems.

ROADS

I. Chairperson Crane said that the same road problem has existing for 13 years. He believes OPPOA needs to figure out what has to be done and figure out how to do it. Concerning the cost of repairs, he said selling the old tennis courts is no longer an option. The current expense for roads for the past 18 months has been \$300. We do not want to spend thousands on repairs and have the liability fall back on us. He received 2 estimates for complete repairs – one was \$61,000 and the other \$21,000. The lower estimate would not bring the roads up to standard so the state would take them over. An estimate to repair the potholes is \$11,000, and that is not a permanent fix. He said Shearwater, Coquina and Gull are the main problems. He said he thought Hazel Jones did a good thing for the people on those roads several years ago. Estimates have gone up 30% over the last 5 years. If we take over the private roads in Phases I and II they would be considered common areas. He said 2 sets of lawyers said OPPOA does not own the roads. He said selling the tennis courts would have taken care of immediate needs and 25

to 30 years in the future. He said if there were an assessment it would be for all residents. He said if the residents on Gull had to pay for the repair it would cost \$6,000 per household. If all residents were assessed for road repairs it would cost \$150 per lot. Another option is increasing dues. A recent increase from \$35 to \$50 will produce \$6,000 more dollars, but that is not enough to repair the roads. We tried to increase dues to \$100 but that did not pass. Other HOA's in the area are \$125 or more. Roads cost money, and if they are not improved property values will be affected.

President Peters said we have to get the membership involved. Everything will be presented to members. He did say that lawyers have told the board that we can make an assessment without members' approval.

Mr. Crane said we will have \$27,000 at the end of the year. If we spend that on roads we would not have money for other needs.

He said cul-de-sacs will never meet state standards because you need 70 feet circumferences. The question remains how to address current needs and future needs for the next 15 to 20 years. Mr. Rice said nobody wants to lose 15 feet of their property to construct the road and drainage ditches on the cul-de-sacs.

II. Mr. Thompson said his part of the roads presentation would be on who owns the roads, what are the tax effects of owning the roads, and what are the liability and legal issues. Concerning ownership of the private roads, he said on June 30, 2006 Pinson executed a quitclaim deed for all Olde Point roads. On July 11, 2006 Ward and Smith's letter repudiated the deed and did not acquiesce to its terms. In January 2010 it appears from county records that OPPOA owns all roads in Phases I and II plus all the other sections of Olde Point. The board was advised to file a letter of reaffirmation of the July 11, 2006 Ward and Smith letter. On May 25, 2010 we filed the letter reaffirming the Ward and Smith letter with the Pender Register of Deeds office. OPPOA clearly does not currently own any roads in Olde Point. We can by Memorandum of Authority obtain ownership of Phase I and II roads.

Concerning taxes, the private roads are not currently taxed. According to the Pender County Tax Department, should taxes become an issue OPPOA could file for an exception as common ground.

Concerning the insurance effect, the roads would be treated as common ground so the insurance fee would be small.

Mr. Thompson concluded by saying there would be no point in suing Pinson since he has nothing to sue for.

III. Mr. Rice then began his part of the roads presentation. He said our road situation is actually mild compared to other places. In California, for instance, one area had huge sinkholes to contend with. They did not have a back up plan. The first issues go back to 1896. He said there need to be contingencies because asphalt roads do not last. Ideally,

government would not allow an area to be developed without guarantees from the developer that roads would meet state standards. Our developer has moved on and the roads are deteriorating and need to be fixed. If they are not maintained the community will be negatively affected with lower home values and so on.

He then handed out a fact sheet from the North Carolina Real Estate Commission that addressed their views of who owns the roads in a residential area or planned community. He said property owners ultimately are responsible for roads. He said our dues were \$25 in 1975. Based on inflation since then, it would take \$99 to \$104 to be worth the original dues. He would rather pay \$100 dues to pay for the roads. The ball is in our court.

Ms. Greenough said if we increase dues it would take years to raise enough money for road repairs. If everyone were assessed \$200, that would be \$100,000. Mr. Thompson reminded everyone that the board would have to vote on any assessments. Mr. Crane said for the state to take over the roads there are restrictions such as there have to be a minimum number of homes on the street. We also know that the state DOT survey of requirements only lasts 6 months. We have enough history to know what we have to do. He said the longer a neighborhood puts off fixing roads, the longer it takes for the area to rebound after a downturn.

President Peters mentioned that homeowners associations cannot spend money on what we do not own. We also have a \$2,500 unbudgeted spending limit without voter approval. Mr. Freimark asked can we and should we take over the roads. He said some HOA's have already collected money for their road maintenance, while others have not.

President Peters said we had contacted other HOA's and some said that we could quitclaim their roads to them if OPPOA were to take them over.

A resident asked if we were quitclaimed the roads in Section VI, will we quitclaim the roads back to them. He also asked whether we got an estimate for tar and gravel. Mr. Crane said we had.

President Peters said Pinson had to promise the roads would pass state requirements. The DOT requires right of way maps, depth of asphalt and so on.

Mr. Freimark said there are connector roads and dead end roads. He said taxes on state roads would be higher.

A resident asked whether Section VI accepted the Pinson quitclaim. The answer was no. President Peters said we would need to know whether Section VI would want OPPOA to quitclaim to them their roads.

A resident said the board did a good job on the roads presentations. We need to educate the members. Mr. Thompson said the board welcomes suggestions about how to do that.

Mr. Freimark wondered whether we should even try to privatize the roads.

Mr. Rice said in a worse case scenario, the state can dissolve an HOA, create another, and require members to pay their share of road repairs.

Mr. Thompson said we have to do something.

Mr. Crane said that if there were an accident, who would get sued? He thinks it looks like the owners would.

A resident asked if \$21,000 would bring the roads up to standard. Mr. Crane said that it would not.

A resident said we have had the same issue for 17 years. Let's fix the potholes now.

Mr., Crane said the builders who provided the estimates said the repairs would last 15 to 20 years.

Mr. Freimark suggests we get *a Performa* of what the board wants to do. President Peters said the board is responsible to sell the proposals to members.

A resident suggested we prioritize the road issues. Another said we should set a deadline for action.

Mr. Crane said he thought Shearwater would be the top priority, but the builders said Gull should be. An extra year would mean the roads will continue to deteriorate.

A resident asked if bids had been advertized. President Peters said some contractors will not work in Olde Point because of Pinson.

A resident suggested block captains could spread the word. President Peters reminded everyone that any dues increase must be approved by members.

ADJOURNMENT

At 8:37 PM a motion was made, and duly seconded, to adjourn the meeting. The motion was approved unanimously.

Respectfully submitted,

Martin M. Kinney
Secretary