

**The Gallery at Rivers Edge Owners' Association, Inc.**  
**Minutes of the Special Members' Meeting**

**April 20, 2011**

The Special Members' Meeting of The Gallery Owners' Association, Inc. was held on Wednesday, April 20, 2011 in the Owners Lounge of River Hall Residents Club, 350 Cherry Hills Lane, Rivers Edge Golf & Plantation, Shallotte, North Carolina.

**I. Opening Comments & Introductions:**

Mr. Michael Wiggins welcomed the members and introduced himself as President of the Executive Board. He introduced the members of the Executive Board including Vice President Clyde Ward and Secretary/Treasurer Patrick Wright. He also introduced Management Representatives Martha Sue Ludman, Gail Miller and Jim Cranford.

**II. Call to Order:**

Mr. Wiggins called the meeting to order at 10:00 o'clock AM. Mr. Wiggins stated that in accordance with the Bylaws of the Association, Article III, Section 3, which in summary states "special meetings of the members may be called at any time by the President, the Executive Board or by written request of 10% of the members". Mr. Wiggins noted that per the Bylaws, Article III, Section 3, that states in summary "business at Special meetings is confined to only those items identified in the meeting notice". Mr. Wiggins added that this Special meeting is being held to consider an Amendment to the Declaration of Protective Covenants, Article 10, "Exterior Maintenance". Mr. Wiggins noted that per the Bylaws Article III, Section 4 that states in summary "Notice of all members' meetings shall be given in writing, stating the time and place and shall be mailed not less than ten (10) days nor more than sixty (60) days prior to the meeting".

Mr. Wiggins stated that as Board President, he will serve as the Chairman of the Meeting and that Patrick Wright, Board Secretary, will serve as Secretary of the Meeting.

**III. Roll Call and Quorum Establishment:**

Mr. Wiggins requested Mr. Wright to report on the roll call and check-in process in order to establish a quorum. Mr. Wright reported that five (5) votes were present in person; forty-seven (47) votes were present by proxy; for a total of fifty-two (52) votes represented at the meeting. He indicated this attendance represented 83.91% of the total membership votes and declared a quorum established per the Bylaws, which states "a quorum at members' meetings shall consist of members, present in person or by proxy, entitled to cast ten percent (10%) of all the votes of each class of membership".

Mr. Wiggins stated that the affirmative vote of a majority of the members represented at any duly called members' meeting shall be binding upon all the members.

**IV. Proof of Mailing:**

Mr. Wiggins stated that per the Bylaws, Notice of all members' meetings shall be given in writing, and he then examined the Proof of Mailing of the Notice of the Special Members' Meeting and indicated that the Proof, along with a sample of the Notice, would be filed with the records of this meeting.

Mr. Wiggins requested that all members of the Association identify themselves by last name and townhome number prior to commenting on the business of the meeting or

making motions for the benefit of the record. Mr. Wiggins also requested the membership withhold all comments pertaining to the amendment proposal until the presentation has been completed when the floor will be opened for discussion and questions following each presentation.

**V. Approval of Third Annual Members' Meeting Minutes:**

Mr. Wiggins stated that the minutes of the Third Annual Members' Meeting, held December 4, 2010, required approval. Mr. Wiggins requested Secretary Wright read these minutes unless there was a motion to waive the reading and approve the minutes as submitted.

Upon a motion by Bill McPhaul, Lot 11-A, seconded by Robert Makay, Lot 9-A and carried, it was:

**MOVED: That the reading of the minutes of the December 4, 2010 Annual Members' Meeting be waived; and further that the minutes be approved as written.**

**VI. Special Meeting Business Items:**

**A. Declaration Amendment – Article 10**

Chairman Wiggins stated that the sole business item of the Special Meeting is the Members' consideration and vote on the approval of a proposed amendment to the Declaration of Protective Covenants, Article 10, Exterior Maintenance. Chairman Wiggins stated that the Executive Board is proposing that the wording of Article 10 be changed to state:

**ARTICLE 10**

**Exterior Maintenance**

*In addition to maintenance upon the Common Elements, the Association shall provide for the following exterior maintenance upon each Lot which is subject to assessment hereunder as follows: the scheduled repainting of all exterior building surfaces, including the exterior doors and garage doors; the scheduled replacement of roofs, including the removal and replacement of shingles, flashings, venting and moisture barrier materials; the routine maintenance of the exterior landscaping upon each Lot; and the maintenance of gutters and downspouts. With regard to the scheduled roof replacement, the Association shall **not** be responsible for the repair and/or replacement of the sheathing or underlying wood support members within the roof system. With regard to the scheduled exterior repainting, the Association shall **not** be responsible for the staining or painting of any horizontal wood surfaces on decks, porches or steps.*

*The costs of the scheduled maintenance provided by the Association shall be paid by the Lot Owners in the form of assessments as provided in Article 6, and shall be collectible in the same manner as therein provided.*

*The Owners shall be solely responsible for all other exterior and interior maintenance, repairs and replacements upon their Lots.*

*Owners are required to maintain insurance, as required under Article 7 herein, to protect and repair their property from leaks, storms, floods, wind, hail, fires, mold, mildew, errant golf balls, falling or wind-blown debris, and any damage caused by insects, birds or other animals. All costs for such repairs, maintenance or*

*replacement, except those scheduled repairs and/or replacements as are specified above, will be borne by the individual Property Owner(s).*

*In the event that the need for maintenance, repair or replacement is caused either through the willful or negligent act of the Owner, his family, guests, invitees, lessees, agents, employees or the failure of the Owner to timely perform repairs and/or replacements of worn out, broken, unsightly, damaged or dangerous exterior structural or trim elements, following notice of the condition and the required corrective action from the Association, such required maintenance, repairs and/or replacements can be undertaken by the Association and the costs for the same shall be added to and become an individual assessment to which such Lot is subject.*

Mr. Jim Cranford, Management Consultant then offered a detailed explanation of the benefit to the owners in the proposed amendment. Mr. Wiggins then opened the floor to questions regarding the proposed Amendment.

Q. Mrs. Diane Kain, Lot 6-D inquired as to the painting schedule for the exterior steps.

A. Mr. Cranford responded that with regard to the scheduled exterior painting, the Association is not responsible for the painting of horizontal wood surfaces on decks, porches or steps.

Q. Mrs. Diane Kain, Lot 6-D asked how it would be evident that there is a problem with the gutters.

A. Mr. Cranford responded that staining would appear in the areas where water was unable to flow through the gutters. Mr. Wiggins stated that the Board would research the cost of the possible replacement of the gutters.

Several questions were posed regarding exterior painting and other exterior building changes. Mr. Cranford stated that the Association's governing documents require the formation of an Architectural Review Committee "ARC", whose function is to review and react to, via approval or rejection, a property owner's properly executed submission requesting exterior changes of a permanent nature. This includes any exterior changes or additions to walls, windows, doors, garage doors, fixtures (fans, lights, etc.) colors, porches, decks, railings, stairs, garage doors, siding, roofs, trim elements, rain gutters, shingles, landscaping and the like. Mr. Cranford stated that a "Change Form" must be developed for submission to the "ARC" for approval prior to executing exterior changes.

Mr. Wiggins stated that the Board would form an ARC and a Change Form would be sent to all owners with a copy of this meeting's minutes.

Chairman Wiggins then instructed the management Representatives to serve as Inspectors and Tellers of the Election and to distribute and collect the ballots and tally the votes on the Amendment proposal question.

Following the vote count, Chairman Wiggins announced that the Amendment proposal received forty-eight (48) votes in favor of the amendment and (4) votes were cast against the amendment, representing a 77.42% favorable response. Chairman Wiggins stated that the Declaration requires a 67% approval for an amendment to be passed and become effective. Chairman Wiggins declared the amendment passed and stated it would be come effective upon recording in the

Brunswick County Public Records. He added that a copy of the recorded amendment would be provided to owners with upon request to management.

With no further comments or questions forthcoming from the members, Mr. Wiggins again thanked everyone for their input and attendance.

**VII. Adjournment:**

Upon a motion duly made, seconded, and carried, Chairman Wiggins declared the meeting adjourned at 10:50 AM.

Submitted by:

\_\_\_\_\_  
Patrick Wright, Secretary

Approved by:

\_\_\_\_\_  
Michael Wiggins, President

Dated: \_\_\_\_\_