

2024 CDA Annual Meeting

Minutes

3/30/2024

Attached is the agenda for the 2024 meeting. The minutes below are based upon summary notes taken by Christopher Blunck during the meeting.

1. Various introductions of owners and their houses. These included both onsite attendees as well as remote attendees. More owners attended the meeting this year than in past years.
2. The first order of business was the election of officers and Board members. All incumbent Board members listed in the agenda were re-elected.
3. Christopher Blunck delivered final 2023 financial reports and presented the 2024 budget. Detailed exhibits for both were attached to the agenda at the meeting.
 - a. The 2023 final financials were positive, with mostly favorable variances.
 - b. The 2024 budget had previously been prepared and approved by the CDA Board. Owners then voted to ratify the budget. The 2024 dues remain at \$200/property.
4. 145 Buffell Head issues were extensively discussed. The bulk of the meeting time was spent on this agenda item.
 - a. During the 2023 beach nourishment project, the Town of Duck was unable to negotiate with the Army Corp of Engineers in order to obtain access to the beach for transporting people and equipment. The Town looked for alternatives, and approached Sanderling and offered \$1 million for access. Sanderling declined the request. Ultimately, the Town made arrangements with Southern Shores in order to obtain access to the beach. Southern Shores has subsequently stated they will not allow Town of Duck access to the beach for nourishment purposes in the future. As a result, the Town investigated alternatives for future access to the beach. The Town purchased 145 Buffell Head with the stated purpose being access to the beach from this property for nourishment purposes as well as lifeguard access, public safety and beach repairs after storms.
 - b. In February 2023, CDA informed the community about this and solicited feedback on a response to the Town's purchase. The community expressed interest in CDA speaking on behalf of the community and working with the Town to enforce covenant restrictions related to residential-only usage of properties. The Town Council proposed ordinances and motions that would restrict the Town's usage of the property. These restrictions are subject to potential amendment by future Town Council motions, which would not be good for our community. CDA hired an attorney who drafted additional restrictive covenants that could be

recorded in the land record and would restrict the Town's usage of the property and limit it to beach nourishment, providing access for lifeguards, and beach repairs.

- c. Throughout 2023 and into 2024, there were many discussions with the Town on various versions of proposed covenants. The Town rejected all proposed covenants from CDA, and none of the Town's proposed covenants adequately limited the Town's usage.
- d. The Town is currently reviewing the latest proposed restrictive covenants that CDA prepared for 145 Buffell Head.
- e. One of the key provisions of the restrictive covenant relates to beach nourishment and the scope and timing of future projects. In the past, nourishment was limited in scope to an area that focused on Carolina Dunes and some adjoining communities. If future nourishments are expanded in scope and target areas outside of Carolina Dunes, then compensation should be made to Carolina Dunes homeowners in exchange for access to the beach. The proposed restrictive covenants also limit nourishment activities to off-season months in order to minimize impact to homeowners and their guests.
- f. Negotiations with the Town are continuing. It is hoped that the latest draft covenants, proposed by CDA, will be acceptable to the Town. If they are, it's believed these covenants would support nourishment, lifeguards, public safety and beach cleanup while adequately protecting our community. As such, they would be presented to all owners for review and approval. If the Town doesn't accept them, then we may have to change our legal approach with the Town.
- g. Questions were asked regarding the restrictive covenant.
 - i. Does Carolina Dunes Association have the authority to enforce restrictive covenants?
 1. Yes. Carolina Dunes Association owns property within the community (like other owners) and can take enforcement actions (file lawsuits). There is a difference between the established residential usage covenants and the Town's stated use of the property for 'government usage'. Any owner within Carolina Dunes (including Carolina Dunes Association) can take legal action to enforce the existing covenants.
 - ii. Could other communities be serviced for beach nourishment using the Carolina Dunes access?
 1. Yes. It is possible that communities south of the Army Pier might require nourishment in the future and access to the beach for that would also occur through 145 Buffell Head.
 - iii. Subsequent questions were asked regarding compensation to the community in exchange for access to the beach.
 - iv. Does the Town intend to continue renting the house at 145 Buffell Head or demolish the house?
 1. The Town intends to continue to own and operate the rental

house. The deck on the south side of the house will be removed in order to provide access space to the beach for Town purposes.

- v. Will the Town install a parking lot on the west side of the property?
 - 1. No. The Town has not expressed interest in creating a parking lot on the property for Town usage.
- vi. Did the Town use nourishment funds to purchase the property?
 - 1. Yes. The Town of Duck used beach nourishment funds to purchase the property.
- vii. Do all 3 sections of Carolina Dunes need to approve the restrictive covenants? Does Carolina Dunes Association have authority to amend the covenants?
 - 1. The proposed covenants would be signed by the Town and by the President of Carolina Dunes Association. Our attorney has indicated that Carolina Dunes Association has the authority to sign the proposed covenant change. The current covenants would also remain in effect.
 - 2. There is very limited ability to amend the current covenants (actually three covenants, one for each Section in CD).
- viii. Would the rental income derived from 145 Buffell Head be directed towards beach nourishment or would it go into the general fund?
 - 1. We do not know how the Town plans to use the rental income from the property.
- ix. There was concern expressed regarding compensation related to beach nourishment and the Town's statement that they are 'acting in good faith'. Owners expressed a concern that the Town has not acted in good faith, and concern was also expressed that compensation plans affords the Town a means to take any action they like in exchange for making a payment to the community. A "quality of life" concern was raised related to compensation.
- x. Why did the Army Corps of Engineers decline access to the Town's request for access to the beach?
 - 1. Previous nourishment projects that used the Army Corps of Engineers property damaged Army equipment. The Army asked the Town to pay for the damage, and it's understood that the Town declined to make payment. As a result, the Army has now declined the Town's requests for access to the beach for future nourishment.
- xi. Is there a chance the Town could use eminent domain to change the covenants on 145 Buffell Head?
 - 1. Yes. The Town could attempt to use eminent domain to alter the covenants and change the zoning of the property to 'government use'.
- xii. Would an additional restrictive covenant signed by CDA and the Town prevent a property owner from suing the Town for violation of existing covenants?

1. Probably not. The current covenants remain in effect, and the additional restrictive covenant would be signed by the Town and CDA. Existing owners in the community would not sign the additional covenant, and as a result they would not be bound to any agreements made by the Town and CDA.
 - xiii. Do covenants that have not been enforced in the past become unenforceable in the future?
 1. It is possible that the lack of covenant enforcement could pose problems in the future, however, our attorney does not believe that enforcement of 'residential use' covenants for nourishment projects would be an issue moving forward with the Town.
 - xiv. Should we continue to pursue adding covenants to 145 Buffell Head in order to restrict use of the property or should we shift focus to strictly enforcing our current covenants?
 1. Three owners expressed interest in simply enforcing the existing covenants and abandoning adding new covenants. The overwhelming majority of homeowners, however, supported adding new covenants that would specifically restrict the Town's usage of the property.
 - xv. Has the Town paid Carolina Dunes Association dues?
 1. No, they have not.
5. Access walkway posts and handrails were discussed. Some owners have mobility limitations. Owners approved a motion to install post and handrails on the eastern side of the dunes at all three ocean access walkways. Last year, only the middle access walkway had posts and handrails.
 6. Parking restrictions on Buffell Head were discussed. Owners are reminded that no parking is allowed on street shoulders anywhere in Carolina Dunes. Owners on Buffell Head described special problems with owners/guests parking near the access walkways. Any owner who experiences improper parking can call the police and complain. The police enforce no-parking on a complaint basis. Also, owners on Buffell Head may install devices/landscaping near the edge of the street, including posting no-parking signs, to prevent parking. A number of owners have done this already.
 7. NC Planned Community Act. One owner described this Act and potential benefits of applying to come under its jurisdiction. There was a small discussion of this. There was limited owner interest in the Act expressed during the meeting, but owners did approve a special committee to investigate the pros and cons of the Act.
 8. There were limited discussions of the other topics in the agenda.

9. An information sheet was also attached to the agenda that covers other topics of potential interests to owners. Owners were encouraged to review the information sheet on their own.

10. Owners were reminded of the community social gathering at 1356 Duck Road at 5 PM.

The meeting was adjourned.

Andrew Blunck

CDA Secretary

Carolina Dunes Association, Inc

2024 Annual Meeting

Agenda

March 30, 2024

9 AM

1. Venue.
 - a. Sunset Grille for on-site attendance.
 - b. Zoom session for remote attendance.
2. Election of Officers/Board Members.
 - a. Ron Blunck (Pres)
 - b. Bob Queen (VP)
 - c. Chris Blunck (Treasurer)
 - d. Andrew Blunck (Secretary & CDA Webmaster)
 - e. Vicki Hatch (Board Member)
 - f. Nancy Krial (Board Member)
 - g. Bruce Martin (Board Member)
 - h. Debbie Litman (Board Member)
 - i. Jay Levy (Board Member)
 - j. Jamie Bartlett (Board Member)
 - k. Ben Haynes (Board Member)
 - l. Dales Desnoyers (Board Member)
 - m. Other nominations from the floor?
3. Financial review (Christopher Blunck, Treasurer).
 - a. 2024 Income Statement & Balance Sheet
 - b. 2024 Reserve Exhibit
 - c. 2024 Budget
 - d. 5-Year Capital Projections
4. 145 Buffell Head.
 - a. Town purchased this property in 2023.
 - b. Status of negotiations with the Town regarding:
 - i. Lifeguard support (on-going)
 - ii. Beach maintenance (on-going)

- iii. Beach nourishment projects (every 5-6 years)
- iv. Draft land covenant for 145 BH – is this acceptable?
- v. Draft compensation plan ideas – is this needed?
- vi. Alternatives if negotiations fail.

5. Waste.

- a. Spring Bulk Pick-up on April 5, 2024
- b. Bulk trash drop-off at Kitty Hawk at any time during the year. Get permit(s) at Town Hall.

6. Post and handrails at:

- a. Middle access walkway – installed, but there's a problem with sand drifts
- b. Northern & southern walkways – need vs cost?

7. Parking restrictions – do these need to be increased?

- a. Along Buffell Head?
- b. At western end of 3 ocean access walkways?
- c. Community lot on Sprigtail can be used.

8. Call for volunteers to:

- a. Donate books for the little libraries.
- b. Fill dog waste stations at 3 ocean access walkways and at the sound lot.
- c. Decorate signs and maintain flowers/landscaping at southern community sign lot on NC 12.
- d. Maintain flowers/landscaping at northern community sign lot on NC 12.

9. Town Issues

- a. Regulation of tents on the beach.
- b. Trash can rollbacks.

10. Information Sheet.

11. Other Topics?