

Cuckoo's Nest Association
Board of Directors' Meeting
February 4, 2012
10:03 a.m.

Board Members Present:

Pete McKenney, Carl Moellering, Bill Stevens, Tim Coleman, Jessica Escobar,
Gene Wyatt, Lorenda Ward, Karen Gordon

Guests: Todd Wise, Mark and Sheryl Douglas, Art and Pam Colbert, Stephanie
Brown, Greg Phipps, John Blair, Felicia McKenney (notes)

Secretary's Report: Jessica reported that Corey Fischer had minutes from last
meeting and therefore minutes will need to be approved at March board meeting.
Mr. Douglas inquired when the last meeting was held: November, 2011.
(CORRECTION: Last meeting held December 3, 2011. No meeting in
November)

Pete asked for no further interruptions from guests or the individuals will be
asked to leave.

Mr. Douglas and Mr. Colbert advised that the meeting was being recorded. Pete
requested that the recorders be placed on the table.

Treasurer's Report: Bill Stevens provided the attached report. Board of
Directors' insurance has lapsed as of November, 2011. Immediate action needs
to be taken to combine all Association policies. An unsolicited lawn service bid
has also been received. Need to discuss both issues under New Business.

Old Business:

Yard Sale and Lessons Learned – Karen Gordon reported that the rain forecast
stopped the Central Virginian advertisement. Guest, Art Colbert, said that he had
items out and would have appreciated notice of the cancellation. NOTE: The
yard sale with a contingency date should have been advertised. Notice on the
Bulletin Board should have been done to notify homeowners. Signage should
have been included to include a cancellation notice.

Ramp repairs for Common Area I were completed providing a 8-12 foot concrete
extension; however, a stump needs to be removed providing a clearer off-
ramping.

Combination Changes: The calendar for CNA states the combinations will be
changed on Sunday, May 15. Sunday is May 13. Consensus is to change
combination on Tuesday, May 15.

New Business:

Tim Coleman reported he would be starting the process to invoice dues for 2012, with a mailing scheduled for March 1. Tim will include a request for "Who to Contact" for each lot along with a request for written requests from homeowners who may be interested in serving on the Board (given upcoming elections at June Annual meeting). Tim will research last year's solicitation and use for this year's campaign. Tim will ask for property owners for permission to publish contact information with disclaimer that Directory may be a future plan. The Directory would not be posted on web. This topic should be included at 2012 Annual Meeting.

Jessica reported that the nominations for Board positions will be discussed and finalized at the April meeting and will be a separate mailer for property owners.

Bill reminded Tim that 3 property owners are in arrears with one being a multi-year arrears. These owners will not be allowed to vote. Discussion of these lots will occur during Executive Session.

Felicia McKenney suggested a new calendar be published for 2012; however, the new 2012 Board will establish the meetings in June, 2012.

Department of Professional and Occupational Regulation (DPOR): Tim Coleman reported that Pam Colbert brought to his attention the need for our CNA to register for membership. Felicia McKenney summarized the DPOR requirement which is to allow the Commonwealth to learn of any issues pertaining to the Association in order to determine whether governance is needed. Discussion ensued with Mr. Wise defining the Recovery Fund provision and the emphasis that this is a 3rd party oversight entity. Tim Coleman made a motion to join the Association and Gene Wyatt seconded. The motion was passed and Bill Stevens will amend the budget and complete the necessary application and process payment. CNA was unaware of the need to register in this organization that became state law in 2008. Property owners will receive notice of the Association's DPOR enrollment in 2012 Annual Mailer (Tim Coleman to coordinate). Future disclosure packages to include notice to prospective new property owners (Gene Wyatt).

Bulletin Boards: Need updating. Jessica will handle.

Lawn Service Bids: One unsolicited bid was received by the Association for lawn service (April 1 – November 30). The Board agreed to advertise for Requests for Proposal in the Central Virginian. Carl made the motion and Lorenda seconded

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for action. The Porta-Potties contract will also be included. Baker's Lawn Service and CAMO to be included. Pete to obtain contact name for CAMO. A request for the Certificate of Insurance will be included in the ad. Carl will handle.

Pete reported that he met with our insurance company (Nationwide) on 1/10/12 to inspect our common areas and the results of the meeting were received by mail today.

Recommendations were: 1) need notice of no diving (an action to be included during spring clean-up to stencil "no diving" on piers, 2) need dock lighting – the best we can do is solar lighting. Dominion would not allow metered light, 3) portable extinguishers (already on all boats) and possible theft issues, 4) life rings (on boats) and possible theft issues, 4) require Certificates of Insurance from subcontractors and avoid Association work on piers – will apply practice other than nails, etc.

Nominating Committee: Jessica and Lorenda volunteered.

Spring Clean-Up: Corey Fischer will handle. Jessica will follow up with Corey to see if she needs assistance.

Items for Clean-Up: Stenciling "No Diving", Pier Inspection

Board of Directors' Insurance: Bill Stevens to pursue rolling Liability and Cap Asset insurance together with BOD insurance. Immediate action will be taken to renew coverage. During the Executive Session, Gene Wyatt made a motion to combine the insurances and bind as soon as possible. Bill Stevens seconded the motion and the Board voted in full agreement.

Neighborhood Watch: Pete gave Mark Douglas 5 minutes to discuss since the Executive Session was scheduled to begin at 1100. Mr. Douglas reported that Todd Wise, Art Colbert, Ron Witmer and he were starting Neighborhood Watch. Signs ordered. These individuals would be delivering packages in the neighborhood. The team will be scheduling a meeting on Saturday morning (date to be determined). They look for fires, gate locks, ATV's, and such. Jessica asked if the group could use another name other than "CNA" since the Board had previously requested not to be part of Neighborhood Watch. Gene Wyatt reminded all of the previous discussion that occurred at an Annual Meeting. Mark Douglas said that the group would be having a meeting this week to discuss a new name. Forms for contact information will be sent to Tim Coleman who will also make reference on the Association website. Lorenda

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suggested that the group be allowed 15-20 minutes to speak about the organization at the Annual Meeting in June.

Pete requested for guests to be dismissed to begin the Executive Session. Lorenda requested time for guests to be allowed to communicate issues that they had brought for the Board to hear. Pete agreed to allow 5 minutes.

Art Colbert read from a handout that he would provide all Board members. He started by asking for Bylaws to be included in the Annual mailer or to provide a contact to acquire the same. NOTE: The page reflecting the last change to the Bylaws, as recorded with the County of Louisa, was sent to the membership in the 2011 Annual mailer. He continued to read from his written request that included budget items, mailing addresses, bass tournaments. Art reminded the Board of Dominion's letter (from Agee) citing restrictions and cautioned that continued tournaments may prevent us from using the common areas. Art reminded Pete that he stated in last year's annual meeting that no further tournaments would be permitted.

Pete did not recall his statement; however, he did explain that he did not condone any "tournament" with prizes after receiving clarification from Dominion. Neither he (Pete), nor any other member of the Board, has arranged any tournaments in Cuckoo's Nest. In fact, he has alerted the property owner of the last fishing trip to stop advertising any tournaments from our common areas.

The Board will review the remaining items and provide response to Mr. Colbert.

Mr. Douglas provided Lorenda with a written request for information for the Board to respond as well.

Todd Wise requested to speak. His issue pertained to Code Enforcement contact initiated by the Board. He explained that he understood Pete McKenney called Code Enforcement on him as well as Mark Douglas. He indicated that Louisa County's department lead, Paul Snyder, understood that CNA (Pete) threatened to sue the County as the Association Covenants supercede permit allowances.

Pete responded that he never spoke with Mr. Snyder and never threatened any lawsuit to anyone in the Code Enforcement office or otherwise. He did in fact represent the Board and visited the Code Enforcement office of Louisa after Mark Douglas stated that he had obtained a permit allowing him to keep 2 dump trucks and a rollback at his property. Pete requested from Code Enforcement information pertaining to any and all permits on Elnor Road. Properties of other owners in the Covenant area were observed and Elnor Road appeared to be the only area involving Code permits for construction-related work. Pete further

explained that Mr. Wise's permit requires him to live full-time at the property and he advised Code Enforcement that Mr. Wise is not full-time. Mr. Wise responded that he understood full-time to be 2 weeks. *The Code Enforcement office was contacted 2/6/12 to obtain clarification. An individual must live in the home on the property lot on a full-time (permanent) basis in order to obtain a permit.

Mr. Douglas commented that he was made to obtain the permit when the Board cited his infraction by parking construction vehicles at his property. He is allowed "periodic" parking of the construction equipment at his residence. Mr. Douglas asserted that 2 dump trucks and a Rollback are allowed under his permit. Pete responded that police advised him that they were informing Mr. Douglas that the permit to park vehicles was superceded by our Covenants. Mr. Douglas replied that the police haven't told him anything. Jessica inquired of Mr. Douglas why he stated at a previous board meeting (2010) that he did not run a business out of his house. He declared that his business was run over the phone. Mr. Douglas said he felt he needed to obtain the permit and he feels the trucks on his property that he has brought in full-time since January 1, 2012, are authorized by his permit. Pete responded that the Covenants supercede the permit and he moved into Cuckoo's Nest with knowledge of the restrictions on parking of the construction equipment.

Mr. Wise also requested waivers on two of his lots given that Vice President Carl Moellering only pays one annual dues on his property consisting of two lots (107/108). Mr. Wise requests waivers on lots 122 and 96 since they are vacated lots as well as Carl's lot 108. He requests to combine the two lots. Mr. Wise investigated Carl's deed and did not find his lots combined. *Pete visited Louisa County on 2/6/12 and obtained a copy of Carl's deed that does in fact reflect the lots as combined. Pete will arrange written correspondence to Mr. Wise addressing both issues presented. During the Executive Session, Tim Coleman made a motion (seconded by Bill Stevens and approved by the Board) for waiver of dues to apply on additional lots that are legally co-joined with a property subject to annual dues. This action stays with prior policy of the Board.

Mr. Douglas inquired as to why permits were investigated only on Elnor Road. (See previous explanation). Mr. Douglas wanted to know why the house between Pete and Tim Coleman is allowed to park trucks. Pete re-iterated that the property in question is not covered by the Covenants. Bill Stevens remarked that the differences are hard to understand, but the fact stands, the Covenants do apply to Mr. Douglas' property.

Mr. Douglas believes he is being harassed and wants it stopped. He explained that his permit allows him to have his construction vehicles at his property.

Mr. Wise said that police and code enforcement will be watching Cuckoo's Nest.

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Lorenda commented that the violation letters are only sent following other property owner complaints. She said she is upset that all this activity has prevented her from driving her golf cart.

Mr. Douglas responded that he is not to blame for the police presence. Other property owners have also called the police. He showed a photo of an ATV ridden by another property owner that has been observed on the street and operated in the late night/early morning hours. Pete responded that legal operation of ATV's and golf carts are not a CNA issue.

Mr. Douglas indicated he felt his life has been threatened and alleged that Carl swerved at him when driving past in his truck. He further commented that Pete and another property owner (both in trucks) attempted to block his path along the road. Each truck had tires in the grass and he would have to walk between the two. He indicated he had pictures of this act. He has filed several police reports for actions against him. Pete denied blocking Mr. Douglas and asked for a copy of his alleged photo.

Pete requested that guest comments conclude so the Board could proceed with the Executive session. Guests were excused and the Executive Session convened at 11:30 a.m.

Upon conclusion of the Executive Session, Bill made a motion to adjourn the meeting; Carl seconded the motion. The meeting adjourned at 1:25 p.m.

CNA TREASURER'S REPORT

4 February 2012

Virginia Community Bank

Checking & Savings Accounts both closed with \$0.00 balance as of 10/31/2011.

Capital Asset CDs

CD #280015361 Balance (10/31/2011)

..... \$20,343.53

CD #280015362 Balance (1/25/2012)

..... \$21,035.10

CD #280018520 Balance

(10/31/2011).....

\$11,248.19

Commonwealth One Federal Credit Union

CD #66

.....

..... \$ 20,654.00

CD Totals:

\$73,280.82

BB&T Bank

Checking Account Balance

(12/30/2011)..... \$ 3,440.41

Savings Account Balance

(12/30/2011)..... \$ 22,057.74

I have received both the VCB and BB&T bank statements for December. The above balances are current and the accounts have been reconciled. All outstanding checks written on the VCB checking account have cleared. I have transferred both of the VCB checking and savings balances to the respective BB&T accounts. The initial VCB checking account amount of \$5,000.00 used to establish the BB&T savings account has been transferred to the BB&T checking account. It is my intent to move those 3 CDs to Commonwealth One FCU where our other CD is held.

We have received our Nationwide commercial policy (12/31/2011 – 12/31/2012) which covers community liability as well as financial transaction authorized personnel in compliance with state law in regard to personal liability, capital asset replacement and Treasurer (per VA State requirement) coverage under a single policy. However, we currently do not have BOD personal liability coverage. It is necessary for the BOD to take action to address our insurance coverage for BOD liability. The agency that issued our commercial policy can provide a quote for liability coverage. Our previous coverage is now expired; the BOD is uninsured.

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The approved CY 2012 budget plans for operating expenditures of \$17,185.00. The only expenditure to date is the commercial insurance coverage premium of \$1123.00. The budget has been emailed to all BOD members.

Jon's Lawn Service has submitted a bid of \$4000.00 for 10 weeks of mowing with additional cost options available. A copy of the bid has been emailed to BOD members.

Submitted

William E. Stevens
Treasurer