

Dauphin Island



PROPERTY OWNERS ASSOCIATION

P.O. Box 39
Dauphin Island, AL 36528

251-861-2433
dipoa10@centurylink.net

Dear Dauphin Island Property Owner,

The purpose of this mailing is to advise you of the Annual Membership Meeting which will take place on Sat, May 14, 2011, at 11:00 AM, at the Isle Dauphine Club on Dauphin Island. At this meeting we will elect four members of the board of directors, we will approve or reject two proposed amendments to the Constitution, and we will receive input from the membership supporting or rejecting an initiative to remove the "members only" restriction that exists in our POA property deed. While it is your right to vote in person or by proxy, we are – as is customary—encouraging you to vote in advance by way of the enclosed proxy, even if you plan to attend the meeting.

The following items are enclosed herein: A proxy which contains a description of your property(s), and a place for you—or the designated voting member—to sign and thereby authorize the voting of your proxy according to your ballot; an explanation and the exact wording of the deed question and each proposed amendment; a ballot whereon you will indicate how you want your vote to be recorded; a secret ballot envelope for you to place your ballot in; and a preaddressed and postage paid envelope for you to use to return your proxy and ballot. It is also very important that you review the information carefully and make any corrections needed, and to add your email address if it is not currently shown. Finally we ask that you please return the information promptly so that it will be received no later than May 6, 2011. But keep in mind that once your proxy and ballot have been received and accepted, your vote is final and cannot be changed or withdrawn.

We hope that you will have had a chance to gather all the information and explanation that you seek regarding these ballot initiatives. We have had a Q&A session at our March board meeting and have shared opinions and perspectives about them on the DIPOA Online Discussion Forum. Information about them is also posted on the POA website. But if any questions remain, or if you want additional information, please contact either of us or any other board member at the above number/email address.

Thank you for your support and participation.

Bruce Jones
DIPOA President

Mike Rogers
DIPOA Secretary

I. **Amendment Requiring Dues Payment as a Condition of Membership**

Background The fundamental change is to make dues payment a condition of membership, i.e. all property owners would no longer automatically be members of the POA—as is presently the case-- but would choose whether to be a member or just be a property owner but not a POA member. Those choosing to be POA members would be required to pay dues. This means that those who choose to not pay dues, and consequently not be POA members, would no longer be eligible to vote in any POA election. There are a few other changes in the way eligibility for membership is derived--these done to simplify the existing language, and to make all the parts conform. There is a new provision which allows an entity to name up to four members if such entity owns that many or more parcels--and it lets groups of individuals name as many members as they have properties--e.g. If Mike, Joe, Sam, and Betty own four properties together, each is eligible for membership "tied" to a specific property. But if that group owns only three properties then one of the group would not be eligible. This is all a bit complicated--but not as much as present--and it won't really change things much. The big change is the dues requirement as a condition of membership. Other changes include adjusting quorums from set numbers to percentages--this done in anticipation of fewer total members. And there are new provisions for setting and collecting dues--one being a cap on annual dues of \$250 per member. There are lots of different opinions about how members will vote, and --if this passes--how it will affect the total number of members and the total amount of dues received. It's hard to say re. either, but keep in mind that of the 2800 plus members we have maybe as many as 1000 pay dues in a good year and we typically have maybe 500-600 who vote in regular elections. One effect that this change would likely have is to create a smaller, more focused group of members who are interested and want to be involved--and can thereby be more effective.

Members are encouraged to read the proposed amendment thoroughly and carefully as it affects multiple provisions of the Constitution. Members are also advised that for this amendment to be approved, at least 250 members must participate in person or by proxy, and 2/3 of the members voting in this election must vote for the amendment.

Proposed Amendment to the Constitution—exact wording change.

Revised July 29, 2005-May 14, 2011

REVISED CONSTITUTION OF DAUPHIN ISLAND PROPERTY OWNERS ASSOCIATION ARTICLE III

Membership

3.1 **Membership.** Any person or entity that is an owner of record of any platted lot or condominium on Dauphin Island (*referred to herein as "parcel"*) shall be *eligible for membership in* a member of the Association. ~~with voting privileges as stated in Section 3.2 with no payment of dues required. [Amended July 29, 2005]~~ *To become a member of the Association, eligibility must be verified and dues must be paid in accordance with Section 3.6. There may be only one member for each parcel owned. Where a parcel or parcels are owned by more than one individual, only one owner is eligible for membership for each parcel owned. An individual may only hold one membership. If a parcel is owned by an entity, the entity may designate an individual to be eligible as a member. Any entity that owns more than one parcel may designate a different member for each parcel owned up to a maximum of four (4) parcels. No entity shall designate more than four (4) members at any time regardless of the number of parcels owned by the entity. In the case of an entity or multiple individual owners, the entity or*

the group of owners is responsible for designating the eligible member for each parcel owned with the office of the Association.[Amended May 14, 2011]

3.2 Voting Privileges. ~~There shall be one vote per property owner, regardless of the number of lots or condominium units owned as set forth herein. In the case of property owned by a single member, whether an individual or an entity, that member shall be entitled to one vote, regardless of the number of lots or units owned by that member. In the case of property owned jointly by multiple members, whether individuals or entities and including husband and wife, those members shall jointly be entitled to one vote, regardless of the number of lots or units jointly owned by those same members. When property is owned by an entity or multiple owners, the entity or owners may designate in writing the agent or member who shall cast their vote. in the absence of such designation, the Association may disqualify duplicate votes.~~ *[Amended July 29, 2005] Each member of the Association shall be entitled to one vote in any election. Voter eligibility for any election shall be those members of record sixty (60) days prior to the election, or at the time the election is announced if less than sixty (60) days. [Amended May 14, 2011]*

3.3 Right to Membership. The Association shall maintain a list of members and their addresses. For that *the purpose of determining eligibility for membership*, the Association may rely on the records of the Mobile County Revenue Commissioner and any information furnished by property owners. In the event of disputes or objections to the membership *eligibility* list, any person claiming to be *eligible for membership in a member* of the Association shall furnish suitable evidence to the Secretary. It shall be the responsibility of the property owner to furnish the Association with accurate information regarding ownership and mailing addresses. ~~[Amended July 29, 2005]~~ *[Amended May 14, 2011]*

3.6 Membership Dues. ~~Annual dues for members may be recommended by the Board of Directors. They shall be reviewed and approved or amended at the succeeding annual membership meeting. The matter of membership dues shall be an item on the agenda for each annual membership meeting. [Amended July 29, 2005]~~ *The amount of dues payable by each member shall be set by the Board of Directors and announced at each annual membership meeting. The maximum annual amount that may be set is \$250. Dues will be payable prior to June 15 of each year and a late fee of \$25 shall be charged for payments received thereafter. If dues are not received by September 15 of each year the membership will be terminated. Members may be reinstated and new members activated at any time during the year, however dues will not be prorated. [Amended May 14, 2011]*

3.7 Meetings of Members.

(b) Special Meetings of the Members for any purpose may be called at any time by the President or the Vice President or by the Board of Directors or by any three (3) or more members of the Board of Directors or upon the written request of the members who have the right to vote at least *15% of the total number of members of record* 200 votes, as provided in Section 3.2 herein; ~~[Amended July 29, 2005]~~ *[Amended May 14, 2011]*

(e) The presence of *40% of the members of record* 250 voting members, whether present in person or by proxy, shall be required to constitute a quorum at any membership meeting; however, if such membership meeting has been called for the purpose of conveying, leasing, encumbering or otherwise disposing of the Association's real property, such quorum shall be *60% of the 750 members of record*. Members present *at* any duly called or held meeting at which a quorum is present may continue to do business, notwithstanding the withdrawal of enough members to leave less than a quorum. ~~[Amended February 28, 2005]~~ *[Amended May 14, 2011]*

II.

Utility Easement Amendment

Background.

This change would allow the POA board to approve a utility easement on any POA property without a membership vote. The amendment reflects the thinking that to require a membership vote for an easement is costly, is administratively burdensome, and would require too much time to accomplish--hence the proposal. The amendment does require a "super majority" of the board (at least seven yes votes), in recognition that any land transaction--even easements--should clear a higher hurdle.

Members are encouraged to read the proposed amendment thoroughly and carefully. Members are also advised that for this amendment to be approved, at least 250 members must participate in person or by proxy, and 2/3 of the members voting in this election must vote for the amendment.

Proposed amendment to the Constitution-exact wording change

**REVISED CONSTITUTION OF
DAUPHIN ISLAND PROPERTY OWNERS ASSOCIATION**

ARTICLE II

Powers of the Association.

2.2 Powers of the Association. The Association shall have the power to and is hereby authorized to do any of the following, either through the Board of Directors or its members, in accordance with the laws of the State of Alabama and the provisions of the Constitution of the Association:

(d) To acquire by gift, purchase or otherwise; to own, hold, enjoy, lease, operate, maintain; and to convey, sell, lease for more than three years, transfer, mortgage or otherwise encumber, dedicate for public use, or otherwise dispose of real property in connection with the business of the Association; however, any decision to convey, sell, lease for more than three years, transfer, mortgage or otherwise encumber, dedicate for public use or otherwise dispose of such real property must first be approved by the affirmative vote of seven (7) members of the Board and, thereafter, by a 60% majority vote of those members voting at a membership meeting. Notwithstanding the preceding language, there shall be no conveyance, mortgage or other encumbrance made regarding the Association property known as the property owners beach, subdivision lots or dedicated parks; ~~[Amended February 28, 2005]~~ *Notwithstanding the preceding language, utility easements may be approved and granted on any POA property by a vote of seven members of the board at a regularly scheduled or duly called meeting of the board of directors without a vote of the membership. [Amended May 14, 2011]*

III.

Deed Restriction

The common property owned and operated by the POA was originally deeded to the POA by the Mobile Chamber of Commerce in the 1950's. The Deed which conveyed the property to the POA contained language that the property was to be kept and maintained forever as a recreational area for the exclusive use and enjoyment of those persons who shall be and remain members of the POA. As most are aware, the facilities were operated as a "members only" club for many years, but this was changed in the aftermath of Hurricane Frederic when the facilities were opened to the public. A majority of the Board believes that it is in the best interest of the POA to remove or eliminate the enforceability of this language for two reasons—to adjust our governing document to conform to our current reality; and to remove or have declared unenforceable what could be a barrier to receiving public or quasi-public funding/investment for improvements to our property. The removal of the restriction could possibly be accomplished by several means, however, prior to incurring the legal expense for determining exactly how to accomplish it, the board wishes to have a vote of the members indicating support or opposition to the initiative. Accordingly, we ask that you indicate on the ballot your preference by voting "for" or "against" pursuing this change.

IV.

Election of Members of the Board of Directors

This year we will elect four directors; three for three year terms and one for a one year term to fill the remaining period for a director who resigned. The members whose terms are expiring are Bruce Jones, Charles Gaba, Stan Graves and Wes Williams. Each voting member is asked to vote for up to four candidates. The top three will fill the three year terms and the fourth will fill the one year term.

The following is a list of the candidates along with information about each:

1. Charles Gaba

For the past 3 years I have been on the Board of Directors for the DIPOA. A lot has been accomplished during this time. I have acted as chairman for the Architectural Committee, Business Plan Committee and Pool Committee. I was personally involved in leasing our club house to BP after the oil spill. We were able to get updates to the club house (paid for by BP). I helped get the GulfView Grill open, which has been a success. The swimming pool has been renovated and I am working with the pool committee to clean, paint and prepare the pool for opening. I am currently serving as VP of the DIPOA Board. I believe strongly in our facilities. Our facilities play a major role in our property values by providing recreational facilities for our members and tourists. If our rental business fails, it affects all of Dauphin Island; therefore we should continue to improve our facilities and help build a better Dauphin Island. All of the DIPOA Board of Directors should have a positive attitude toward the growth of our facilities. I have worked hard for the POA and if elected for a second term, I will continue to work just as hard. If the POA is looking for a progressive board member, then I ask that you vote for me in the upcoming election. It has been a pleasure working for you.

Sincerely, Charles Gaba

P.O. Box 975, Dauphin Island Charlesgaba10@comcast.net 251-767-5354

2. Stan Graves

I am asking for your vote to retain my position on the POA Board of Directors. Over the last year, I have accomplished what I said I would push for - an audit of POA finances and the establishment of a procedure to better control expenses. However, I remain gravely concerned over the financial condition of the POA including the golf course. Much is needed to put our financial house in order and to increase transparency. I am committed to improving our financial situation and to transparency in conducting POA business. I remain concerned about the following that will greatly affect you as a property owner:

1. A Military Hotel/Complex being proposed for the POA property and the Island.
2. The Mandatory dues amendment that will change important sections of the Constitution, especially voting privileges, membership and right to membership in the POA.
3. Proposed removal of "Exclusive use" in the Deed that could potentially make all POA property public.

When elected, I will also pursue projects to benefit our membership. I believe this is important to make the POA a more relevant entity on the Island and to improve the quality of life on the Island.

Home Address: 2928 Fairway Drive, Birmingham AL

Home #: 205-870-5917; Cell-205-516-3958

Dauphin Island: 2229 Bienville Blvd Dauphin Island, AL, E-mail: sgraves1@bellsouth.net

3. Lynn Howes

I grew up in Montgomery and received an undergraduate degree in psychology from Auburn University. While working as a social worker, I obtained my masters degree in counseling from Georgia State in Atlanta.

My husband and I lived in the Dallas, TX area for over twenty years. When our daughter started school, I retired and spent much of my time as a volunteer in her schools and with community agencies.

I have been active with the Dauphin Island Woman's Club, serving two years as treasurer and two years as president. Since 2000, I have enjoyed being a docent at the Sea Lab Estuarium. I was recently appointed to the Town of Dauphin Island Planning and Zoning Commission.

We are full time residents of the island and love this life style. I have no agenda other than to try to keep Dauphin Island as much like it is now while carefully controlling the growth and development. I realize that we must change but I would hope to help maintain the atmosphere of our unique island.

Tel is 251-861-5118 and e-mail is lhowes99@aol.com.

4. Brian K. Hunt

My name is Brian K Hunt and I have golfed, fished and vacationed at Dauphin Island for over 40 years. I have owned second homes and investment properties on the east and west ends of the island for the past 15 years and understand the issues important to the property owners on both ends of the island. I have been a business owner for the past 8 years of my 29 year career in the financial services/asset management industry. As an avid golfer, I have served on the greens committee of a local club. I also served 5 years on the board of the Alabama Trust Fund which manages the investments derived from Alabama's coastal oil and gas assets. I believe that my background and experience will add value to the DIPOA for the benefit of all of its members.

Brian K. Hunt, Jehunt60@comcast.net

5. J. Bruce Jones

I am Bruce Jones, currently a member of the POA board, and serving as president. I have been a member of the board since 2007 and am seeking another term as I would like the opportunity to build on the experience that I now have as a board member and to continue to work for the betterment of our island.

Background--I retired after 38 years with the Southern Company. I have degrees in engineering and business, am a registered professional engineer and licensed homebuilder. I have owned property on the island since 1990. I now have four properties and reside at 812 Ala Ave most of the time, although I maintain a residence in Birmingham. I have property west and center, have lost houses to Katrina, and currently own a rental house.

The challenges facing our island are numerous and complex. I seek to continue to serve because I think I have the experience and the temperament to help shape consensus and creative problem solving as we continue to address the issues that will define the future of our special place.

251-861-2212 **205-305-9122** jone93@bellsouth.net

6. David Meyer

Fellow Dauphin Island Property Owners:

A large number of Dauphin Island Property Owners do not live on the Island, which means they do not have a vote in the Town governance. As such, we depend on the POA to protect our interests on the Island, and to be an advocate for Property Owners who do not get to vote locally. Unfortunately, there are big issues facing Dauphin Island Property Owners this year. Some Homeowners have found that they will not be able to renew their Homeowners' policies when they run out. Even worse, large parts of the Island could possibly be re-designated as a "COBRA" Zone, which would eliminate the availability of Federal Flood insurance. These two important issues, among others, may prompt you to consider whether your POA should be taking a more active role in protecting your interests. If the answer is "yes", then I ask for your vote.

About myself- My wife Nancy and I moved to this area from St. Petersburg in 1999, and own Dauphin Island Beach Rentals, managing property for other Owners. We also own homes on Raphael Semmes Ct., and on Treasure Ct.

David Meyer (888) 958-4440 davidmeyer737@gmail.com

7. Wes Williams

John Wesley Williams, Jr , Birth Date: 1/26/61

Married to Liz (Tew) and have 2 children, Wesley, III – 22 (4/28/88) and Elyse – 19 (5/29/91)
President (Owner) of Wiltew, an industrial mechanical contracting company with a fabrication shop of pressure vessels and process piping of all alloys that I started in 1988. Built home on Bridgeview Drive in 1996. Have been fishing Dauphin Island since a kid and love the tranquility and beauty of the Island. Involved with several Mobile community organizations and an officer in two. I have found taking a common sense approach to business and life allows flexibility to customer needs as well as family needs. Having a passion about the beauty of DI should always be our forefront when making decisions about preserving the Island's stability.

Email: w.williams@wiltew.com