

**Continental Country Club Homeowners Association**  
**Special Meeting of Board of Directors**  
**Minutes**  
**Monday, August 8<sup>th</sup> 2016 3:30pm**  
**Agenda**

1. Call to order – DeeDee Malmstone, President

2. **Roll Call** – All board members were present except for Dannenfeldt, Evans and Duncan. Others present at the meeting was Tom Brewster representative of the Co-Class of Representative Legionaires

3. **Approval of Agenda**

- Chambers requested to add an item to the agenda, “Lake Elaine Task Force.” Malmstone added ‘Reviewing Possible Vote for a Project Manager.’ A motion was made to approve the agenda as amended. Motion was seconded and carried unanimously. (MSCU).

4. **Homeowner Participation/Correspondence**

- Malmstone requested that the homeowners report on the type of repair they would like to see occur at Lake Elaine. The following perspectives were presented:
  - Repair lake and keep water at adjudicated level with no walking path
  - Repair the lake and lower the water level to where it is currently at now and add with a walking path
  - Make the lake smaller and add trails and a park for member use
- Also included in the homeowner opinions were concerns about how CCC would maintain the walking path, and monitor it so only CCC members would be using the walking path and nobody was trespassing into private property
- The homeowners and board discussed possibilities for draining the lake
- Homeowners stated that they would like to know the opinion of all board candidates regarding Lake Elaine
- Malmstone stated that she feels the board should give their best effort to repair the lake, within reason
- Chambers stated that he questions whether the Lake Elaine can be fixed and that there should not be a lake there

5. **Action Items:**

- **Amend Article IV of the Bylaws**
  - **McGrath made a motion to accept the Article IV in the Bylaws from “*The highest total indebtedness or liability, direct or contingent, to which this corporation may be subject at any one time shall not exceed Two Million Five Hundred Thousand Dollars (\$2,500,000.00)*”, to “*The highest total loan amount to which this corporation may be subject at any one time (versus other types of indebtedness or liabilities) shall not exceed Two Million Five Hundred Thousand Dollars (\$2,500,000.00)*. Motion was seconded and carried. (MSC). Chambers opposed.**
- **Amend Article II of the Bylaws**
  - **Chambers made a motion to amend 2.10 of the Bylaws titled *Special Meetings* so that it includes email as a form of notification and therefore states, “*Special***

*meetings of the Board of Directors for any purpose or purposes authorized by statute, the Articles of Incorporation, or these Bylaws may be called at anytime by the President or Secretary or upon the written request of any two Directors. Special Meetings shall be held on three (3) days' notice to each Director by mail or upon 24-hour notice given personally, by telephone or by email, which notice shall state the time, place and purpose of the meeting; except that a meeting may be held without notice if all Directors execute a written Waiver of Notice of such meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining written approval of all of the Directors, and upon placing a certificate executed by all the Directors reflecting such action; such action as so approved shall have the same effect as though taken at a meeting of the Directors.” Motion was seconded and carried unanimously. (MSCU).*

- **Amend Article II Section 2.11 of the Bylaws titled, “Notice.”**
  - *Vance made a motion to amend Article II Section 2.11 of the Bylaws titled, “Notice” so that it states, “Notices to Directors shall be in writing and delivered personally, by email to the Directors at the email on record or mailed to the Directors at their addresses appearing on the books of the association. Notice by email or mail shall be deemed to be given at the time when the same is sent. Notice of a meeting need not be given to any Director who submits a Waiver of Notice, whether before or after the meeting, or who attends the meeting without protesting the lack of notice either prior to the meeting or at its commencement.” Motion was seconded and carried unanimously. (MSCU).*
  
- **Review and Approve Board Code of Conduct**
  - *Chambers requested to amend the Code of Conduct document so that the following item is included: Any board member who is party to a lawsuit against the Association or has personal or financial interest in that outcome should declare a conflict of interest.*
  - *Malmstone reported that upon seeking legal counsel regarding the subject, she was advised that in this case, the board member would only have to make it clear that they are involved (in this case by owning a property that is lakeside). After which, the board member may continue to participate.*
  - *McGrath made a motion to table the item until the next meeting. In the meantime, the board will seek legal counsel from the Association’s attorney regarding Chamber’s requested amendment to the Code of Conduct. Motion was seconded and carried unanimously. (MSCU).*
  
- **Add Malmstone and Dannenfeldt as signers for loan documents for Sunwest Bank**
  - *A motion was made to give Malmstone and Danenfeldt authorization to sign Continental Country Club’s loan documents for Sunwest Bank lowering the interest rate on the loan to 4.25%. Motion was seconded and carried unanimously. (MSCU).*

## 6. Reviewing Possible Vote for a Project Manager – Terracon

- Rolley explained to all present that Terracon is a nationwide company that handles environmental studies and oversight on soil testing and takes a consulting role in projects such as lining lakes and basins. Rolley stated that Terracon is offering to serve as the Project Manager for the Lake Elaine Project. Terracon is presenting the following two phase approach to the Lake Elaine project
- **Phase One:**
  - CCC entering into an agreement with Terracon.
  - Terracon will develop a Request for Proposal (RFP) and distribute the RFP to contractors that would have a scope of work for both ESS-13 and a 30mm lake liner.
  - Terracon will help narrow the scope of work for Lake Elaine, which would then eliminate a lot of the exceptions that the board saw in the first bids.
  - Terracon would help the board review contracts and will make recommendations on companies they feel are best suited to deal with Lake Elaine.
  - After the lake is drained, Terracon will analyze the condition of the lake bottom and help develop the scope of work required to repair the lake, whether that be ESS-13, a replacement 30mm liner. If after inspecting the condition of the lake bottom, Terracon felt that neither of the two repairs are a viable option, they would explore other options for the lake. Terracon states that the lake has to be drained to do a true assessment
- **Phase Two:**
  - Once a complete scope of work for the repair of Lake Elaine is finalized, they would oversee and manage the entire repair project from beginning to end
  - Their offer is to do that work for \$15-\$20k
  - Chambers suggested the board pass a resolution to form a Lake Elaine Task Force comprised of six to seven members; two appointed board members and 4-5 community members. The task force would assist with the selection of a project manager, litigation attorney and to assist the project manager with overseeing the scope of the work being performed
  - *McGrath made a motion to approve hiring Terracon as Project Manager for Lake Elaine. Budget for the services not to exceed \$20,000. Motion was seconded and carried unanimously. (MSCU)*

## 8. Presentation by Class Representatives

- Brewster spoke on behalf of the Co-Class Representatives for Lake Elaine. Brewster stated that the Legionaires would like to see CCC hire a Project Manager, have contractors bid on work to be performed with ESS-13 and the 30 mm liner and have established timelines prior to draining the lake
  - Blake informed Brewster that this plan was similar to what Terracon is proposing. The only difference being after draining the lake, if we do find something that causes it to cost more than the club afford, then the question becomes what other option do we move toward.

- Brewster stated that if that becomes the case, the co-class of representatives will work with CCC to find a solution. However, the legionaires strongly believe, that one of the two before mentioned options is going to work.

**9. Adjourn:** Malmstone adjourned the meeting at 5:24 pm

Respectfully Submitted:  
Judi Barrett, Director of Membership Services  
Continental Country Club