

**LAKE ROYALE BOARD OF DIRECTOR MEETING
MINUTES**

DATE: 01/20/2001

PRESENT Tony Antonelli, Jeanette Beckwith, Vanessa Dunn, Ann Faison, Jim Hales, Dan Henigan, Ron Holloway, Jack Hughes, Greg Lamm, Cheryl Pittman, Tom Nichols, Stuart Nottingham, and General Manager Nancy Muller
Absent: None

MEETING CALL TO ORDER at 10:20 AM by the President

OPENING REMARKS

Dan Henigan opened the Board Meeting stating that the following report will be for "general information purposes only" for our Property Owners. Dan requested for the Property Owners to keep in mind that the information deals with a legal matter that we have with some of our employees and that only general statements will be provided. The Board of Directors and the General Manager was notified by a memorandum of an alleged sexual harassment complaint against Mr. Harold Bessard and Mr. Ron Holloway by four (4) female employees. In addition the memorandum stated that the Board of Directors and the General Manager of the POA shown a pattern of inattention to these complaints. The Board of Directors and the POA Management has taken this incident very seriously and took action immediately after they were notified. Dan continued with giving the property owners a general overview of the sexual harassment case and the process steps our POA Management, Board of Directors, and our Attorney Mr. Roger Knight followed from the very beginning and up to the present time (01/20/2001). Dan advised the property owners that follow-on legal action could occur and that specific information of the case will not be discussed. Dan then turned over the meeting to our General Manager Nancy Muller.

Nancy echoed the same serious tone regarding this case. She highly recommended that if any property owners are aware of an incident such as this case involving our employees to immediately bring it to her attention. Nancy then introduced our attorney Mr. Roger Knight and again reinforced that only general information will be provided.

Our attorney Mr. Roger Knight started with explaining that our Office Staff performed an exemplary job of following with their investigation of the case and their follow-up with the training of our employees. He then explained the services he and his office staff provided on this case and that he has provided a report with his recommendations to the Board of Directors. He stated that prompt and effective corrective action was taken in this case; however, follow-on legal action could occur. In his opinion, the action taken by the Board and staff has greatly minimized our liability for follow-on legal action. He suggested for the property owners to respect the Boards handling of this case and to support the Boards effort to keep this incident confidently and not to discuss this case openly. Roger opened the floor for questions from the property owners. Many questions and answers were discussed. Roger informed everyone that it is official that our interim chief Mr. Harold Bessard has been terminated and Ronnie Holloway has now returned to the Board of Directors. Roger stated that in his investigation he did not find any allegation that would warrant the removal of our Board President Ron Holloway. The discussion with our attorney ended approximately 10:38AM.

Nancy Muller then reported to the property owners that our association has received many complaints from property owners regarding the performance of our Police Department. As a result, with the Boards direction, she has interviewed two (2) different police/security companies that have come to our Board meeting to present their written proposals to provide police and security service to our association. The North Carolina Special Police were first to present their proposal. Chief Thompson gave an overview of their organization and the services that they would provide to our community. He opened the presentation for questions from the Board and the Property Owners.

Stuart asked the Board to consider giving the Finance Committee relief from the 18% directive for capital improvements, which was passed by the Board in 1997. Stuart mentioned that the committee could not produce a functional 2001/2000 budget with this constraint. A motion was made by Tom Nichols to relieve the Finance Committee from 18% directive for capital improvements for only fiscal year 2001/2002. Motions was seconded and approve by the Board.

Refer to finance committee report dated 01/30/2001 for more details

Dan proceeded with requesting that the Mr. & Mrs. Bundy variance appeal to the Board of Directors be next on the agenda. Jack Hughes read the previous case history of the requested variance to the Board Members. Mrs. Bundy stated the facts and provided supporting documents to argue her case to extend her boat dock 12 feet beyond the water edge of her existing dock Board members asked questions to Mrs. Bundy regarding her request. The Board voted on this variance appeal request and disapproved of granting a variance.

MINUTES: Dr. Beckwith made the motion to accept the January 20, 2001 Board minutes with corrections (Refer to minute revision page for details). Motion was seconded and passed by the board.

Tony Antonelli made the motion to accept the January 30, 2001 Special Called Board Meeting minutes. Motion was seconded and passed by the board.

EXECUTIVE

COMMITTEE: No meeting held in January 2001.

RECREATION/ TEEN COMMITTEE

Les Robinson reported that the February 10,2001 Teen Dance was a real success. Forty-four (44) teenagers attended along with committee volunteers and parent chaperones A Sign-in, sign-out procedure used by the teens worked very well. The Valentine Dance for this evening 2/17/2001 was mentioned The committee is pursuing the restocking of fish in our lake. They have obtained prices for each breed of fish. A tank truck of fish would cost approximately \$1,000.00. The committee is considering running events to raise funds for the Recreation/Teen Committee so that they can support this project.

BUILDING

COMMITTEE Hib Affleck read the minutes of the February 13, 2001 meeting. He mentioned that the Building Committee approved four (4) permits for the building of new homes at the last. committee meeting. In addition Hib mentioned that the committee has just recently witness a change in the position of the Franklin County Inspectors. Franklin County is now requesting that a property owner must have Lake Royale Building Committee approval before county approval. Hib has contacted the Franklin County Inspection Department in regards to this issue. The County has agreed to have a representative attend the next Building Committee Meeting in March 2001 at 6:30PM. A motion to accepted the committee minutes were made by a Board Member. The motion was seconded and passed by the Board.

**BOARD OF
ADJUSTMENTS**

No Variance Hearing Meetings were scheduled for the month of February 2001.

UTILITY

COMMITTEE Bill Wallace reported the following current activities of the Utility Committee.

1. Cable TV... Adelpia, is planning to have Digital equipment installed by May 2002. The committee plans to contact AdeIphi to extend cable service to the east side of the lake.
2. Telephone Service.... No current update of Dale Dotson's petition to have local toll free phone service to Raleigh. Telephone Company has corrected some noisy lines at the Lake Royale switching station.
3. Water.... Removal of water hydrant on Shawnee is still an open issue. There have been no water problems reported to TESI. Installation of water meters is progressing very well
4. Postal Service.... A postal survey article is being prepare and will be printed in the March Royale Reporter NewsLetter. Committee reported that presently there are 76 unusable mailboxes at the pavilion site **ACTION ITEM**
5. NewsPaper Service..... Bill wanted to know if the Board had any objections ifs the Utility Committee pursued home delivery of external new papers.
ACTION ITEM

Refer to the Utilities Committee Meeting Minutes dated 1/22/2001 for more details

TREASURER'S REPORT	Month Ending Total Income	Month Ending Dues Income	Month Ending Expenditures	Month Ending Cash Balance
01/30/2001	\$ 30,698.50	\$ 24,347.10	\$ 75,096.18	\$ 309,257.49

**MAINTENANCE
REPORT**

General Manager Nancy Muller read report-dated 02/12/2001 through 02/16/2001.

Highlights of the report:

1. Comfort center and office complex safety inspections.
2. Roadways in the entire complex inspected for icy conditions early Monday morning
3. Waste site chemical spill cleanup.
4. Galvanized culvert pipes in multiple locations dug up, cut and repaired. Rip/rap added to prevent washing of soil.
5. Prepared remaining comfort centers to be ready for opening in the spring.
6. Swimming pools emptied and cleaned of leaves and debris.
7. Obtained a 9-foot snowplow from the State Surplus Property Agency at a significant lower cost.

Refer to the Maintenance Report workweek 02/12/2001 for more details

**POLICE
REPORT**

General Manager read the police report covering from 01/01/2001 to 01/31/2001

Highlights of the report covering the month of January 2001.

1. Total of 73 calls taken

Refer to the police report covering 01/01/2001 to 01/31/2001 for more details.

**SAFETY/
EMERGENCY
COMMITTEE**

Tom Nichols reported that the committee had a meeting on 02/14/2001. The discussion of their meeting was in regards to how the Safety/Emergency Management Committee would coordinate emergency with the operations of our new Police Company in particular with our radio system. Tom suggested that our General Manager and President or Vice president start attending the meetings so that in case of an emergency the Manager and President have very key roles in making the emergency operation successful. In addition, Tom gave us a status of an oil spill that occurred at our Dumpster this past Sunday. An oil substance leaked out of a 5-gallon container on to the soil near the Dumpster. Our Police Force contacted Dick Merryman, member of the Safety Committee. Tom soon became involved and called the Fire Department to handle the problem. The subject area was dammed off to contain runoff and a absorbent material was applied to the spill. Tom then instructed our Maintenance Staff to removed the subject soil and replace the area with fresh soil. Tom indicated he was following the guidelines established by the government.

Tom mentioned that we are short on personnel to run the GuardHouse. Tom is seeking volunteer's to work on the weekends. He has committee members who have volunteered; however, he would like to see other property owners helping. Tom shared a few experiences he witness during his duty at our GuardHouse. Tom felt that the experiences were positive in a way and that our property owners were receptive to being stopped at the gate to show their identity. Tom finished by telling everyone that when you go through the gate, thank the volunteers working the gate for protecting Lake Royale. Dan asked the attending property owners to try to help Nancy by volunteering to work at the gate.

**BYLAWS/
COVENANTS
COMMITTEE**

Lee Robinson read the minutes of the Bylaw/Covenant meeting dated 2/5/2001. Lee reported that Hib Affleck has rewritten the Covenants in easier to understand language. The committee is now reviewing the document and will focus on revamping the entire covenants. In addition, the committee has agreed to meet twice (2x) each month to accelerate the rewriting process.

**NEWSLETTER
COMMITTEE**

General Manager Nancy Muller mentioned articles for the March issue of the Royale Reporter must be handed in by February 20, 2001. Nancy requested that the Recreation Committee to hand in pictures of the Valentine Dance by 2/20/2001