

**LAKE ROYALE BOARD OF DIRECTOR MEETING
MINUTES**

DATE: 02/17/2001

PRESENT Tony Antonelli, Jeanette Beckwith, Vanessa Dunn, Dan Henigan, Ron Holloway, Jack Hughes, Cheryl Pittman, Tom Nichols, Stuart Nottingham.
and General Manager Nancy Muller
Absent: Ann Faison, Jim Hales, Greg Lamm

MEETING CALL TO ORDER at 10:03 AM by the President

OPENING REMARKS

President Ron Holloway announced that Dan Henigan would conduct the Board Meeting. Dan opened the meeting with announcing that the agenda that we normally follow will be altered today to allow for some Board members to leave before adjournment. Dan started with the slate of officers that were selected by the Nominating Committee for the upcoming year 2001/2002 Board vacancies. The following property owners were selected by the committee to be candidates for election this coming July 2001 at the Board of Director's Annual Meeting:

Chair Person.	(1 year) ...	no decision (Ann Faison and Ron Holloway applied)
Vice Chairperson	(1 year)....	Bill Chancellor
Resident Rep.	(3 year)....	Cheryl Pittman
Camping Rep.	(3 year)	Dan Henigan
Camping Rep.	(3 year)	Garland Shepheard

Dan thanked the Nominating Committee for doing a superior job with following our new Nominating Procedures. The property owners applauded the committee's efforts.

Dan continued with the selection of a ChairPerson. The Nominating Committee provided the above two (2) candidates for Chairperson. Dan informed the Board that our Bylaws required that we select one (1) candidate for this position. The Board voted with a secret ballot. The Secretary tallied the vote. The vote results were Ron Holloway ... 6 votes, Ann Faison.... 2 votes, Neither... 1 vote. Tom Nichols made a motion to accept the Nominating Committee's candidates with the addition of Ron Holloway as Chairman . The motion was seconded and was passed by the Board.

Dan reminded the property owners that if they want to run for an elected office they must follow Article IV section 11 of our bylaws. A member must be in good standing, prepare a written petition signed by a minimum of 50 members in good standing (one signature per lot). Petition must be received by the secretary 90 days prior to the July 2001 Annual Board Meeting.

Dan proceeded with requesting that Stuart Nottingham, Chairman of the Finance Committee, be next on the agenda. Stuart suggested that he read the Finance Committee Meeting minutes dated 1/30/2001

**FINANCE
COMMITTEE**

Meeting minutes were read by chairman Stuart Nottingham. Extensive discussion by Board Members followed addressing the committee's recommendation to increase 2001/2000 dues by 10%. Tony Antonelli made a motion to increase the dues by 5%. The motion was seconded and was not approved by the Board. Dan Henigan made a motion to increase the 2001/2002 dues by 10%. This motion was seconded and improved by the Board. The dues will be \$306.85 for 2001/2002.

Nancy then introduced the Wackenhut Company. Mr. Martinez 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. Wackenhut had three (3) representatives in attendance at the Board Meeting.

In the open forum the property owners were asked by a show of hands what company they would choose to provide us Police Services. The property owners unanimously chose NC Special Police. Refer to Old Business section for more details.

MINUTES: Stuart Nottingham made the motion to accept the December 16, 2000 Board minutes as written. Motion was seconded and passed by the board.

EXECUTIVE

COMMITTEE: No meeting held in December 2000.

FINANCE

COMMITTEE

Meeting minutes were read by chairman Stuart Nottingham. There was no discussion of the Finance Committee minutes. A motion was made by Tom Nichols to approve the minutes as written. The motion was seconded and passed by the Board.

Highlights of the report:

1. Review of financial statement for December. Area's reviewed were cell phone usage and utilities for the Office Complex not budgeted.
2. Review of the North Carolina Special Police (NCSP) proposal. The committee Recommends:
 - a. Initial contract be a multi-year contract up to 3 years with defined increases from year to year
 - b. The initial cost in the contract is negotiated from the proposed figure.
 - c. The contract contains an "escape clause" allowing either party to terminate the contract on acceptance of 90-day notice.
 - d. That the contract include a maximum increase for future agreements for comparable services
 - e. The committee urges the Board to consider any and all alternatives before Committing to any contract

Refer to finance committee report dated 01/13/2001 for more details

**RECREATION/
TEEN
COMMITTEE**

No report given

BUILDING

COMMITTEE Greg Lamm read the minutes of the December 12, 2000 meeting. He mentioned that the Building Committee approved two (2) permits for the building of new homes.

A motion was made by Tom Nichols to approve the minutes as written. The motion was seconded and passed by the Board.

**BOARD OF
ADJUSTMENTS**

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

UTILITY

COMMITTEE Committee chairman Bob Winters mentioned that a meeting is planned for Monday 1/22/01. In addition, Bob indicated that he made contact with the Louisburg Post Master regarding home delivery of mail. She requested Bob to put our proposal in writing to have mailed delivered to our homes. Bob mentioned that this will take an extra effort and for him to proceed with this effort he wants to have approval from the Board. The Board discussed this issue and took a poll from the property owners attending the meeting. The poll was not unanimous for home delivery; therefore the Board informed Bob not to proceed. The Board will investigate this action item further. **ACTION ITEM**

TREASURER'S REPORT	Month Ending Total Income	Month Ending Dues Income	Month Ending Expenditures	Month Ending Cash Balance
12/31/2000	\$ 20,524.64	\$ 12,228.54	\$ 83,935.17	\$ 353,655.17

Note: Treasurer's report was not announced at the Board Meeting. Property Owners were informed to obtain the above information Monday 1/22/01 at the POA Office.

**MAINTENANCE
REPORT**

General Manager Nancy Muller read report-dated 01/16/01 through 01/19/01.

Highlights of the report:

1. Comfort center and office complex safety inspections.
2. Road shoulder and culvert repairs on Sagamore Drive
3. Repairs performed on our sixteen foot trailer
4. Electric generator testing.
5. Maintenance of our F-600 dump-truck
6. Painting of bathrooms at the lodge.

Refer to the Maintenance Report work week 01/16/01 for more details

**POLICE
REPORT**

General Manager read the police report covering from 12/01/00 to 12/31/00

Highlights of the report covering the month of December 2000.

1. Total of 78 calls taken

Refer to the police report covering 12/01/00 to 12/31/00 for more details.

**SAFETY/
EMERGENCY
COMMITTEE**

Tom Nichols mentioned that the committee had a meeting on 01/18/01. Tom mention the status of some current committee projects

1. Converting lot 2557 into an emergency exit is still progressing.
2. The committee has decided not to purchase snow chains for police vehicles. The committee now has the ability to borrow snow chains within a time span of 24 hours.
3. The AMVETS has donated \$150.00 to the Safety/Emergency Management Committee.

**BYLAWS/
COVENANTS
COMMITTEE**

Dan mentioned that the bylaws/covenant committee would meet the week of 01/22/01.

**NEWSLETTER
COMMITTEE**

Marge Newlin mentioned that the Newsletter Committee needed volunteers and input for the Newsletter.

**BEAUTIFICATION
COMMITTEE**

Nancy mentioned that the Beautification Committee was meeting on 2/1/01. The committee is in need of volunteers.

**PRESIDENTS
REPORT**

Ron thanked everyone for the kind get well cards. He feels that he is progressing real well. Ron talked about our recent sexual harassment case at Lake Royale. Ron wants everyone to get back together in a mode of cooperation to allow healing to occur in our association

**GENERAL
MANAGER
REPORT**

Nancy reported the following:

1. We continue to have problems with our hand radio repeaters. Global Electronics have been contacted and are scheduled to work on this problem the week of 1/22/01.
2. A letter was sent to the parents of school children regarding the safety of their children when departing their school bus. The school children are continuing not to follow good safety practices. Additional steps are being pursued with the Franklin County school system to provide extra bus stops for the children. Parent approval will be required. **ACTION ITEM**
3. Notices to solicit new candidates for the Board of Directors have been posted in the Lake Royale complex. The notice contains instructions to obtain an application form from the P.O.A Office.
4. The 2001 Financial Budget will be finalized and given to the Finance Committee on 01/30/01 for their review and final recommendation. The Board of Directors will review at the February Workshop and budget approval by 2/17/01

5. The billing for year 2001 dues is planned to be mailed no later than 03/15/01.
6. The Coca-Cola contract has been finalized. All current drink machines should be removed and replaced with Coke machines no later than 01/29/01.
7. Arrangements are being made with the massage parlor to collect back rent.

OLD BUSINESS

Nancy requested that the Board approve the updated revision of the Lake Royale P.O.A employee Policy and Procedures Manual. Tom Nichols made a motion to accept the updated Policy and Procedures as written. The motion was seconded and passed.

Nancy requested that the Board act quickly in deciding if the association is going to hire a Chief of Police or a Company Police Force. The Board discussed this item and agreed that we need more financial data of our actual cost of running our own Police Department before we can make intelligent decision. Nancy agreed to extract this data and mail this information to each Board Member the week of 1/22/01. A Special Meeting is scheduled for 1/30/01 to discuss and make a decision on this important action item.

ACTION ITEM

Dan Henigan announced his appointment of three (3) property owners to the Nominating Committee. Donna Affleck, David Downey and Susan Schott. The three (3) committee members will be sent the Nominating Procedures prior to 1/31/01. **ACTION ITEM**

NEW BUSINESS

Jack Hughes provided each Board Member a package to review regarding the proposed process for fining Property Owners who are in violation of our Restrictive Covenants. Jack asked that each board member to read and provide input to the package at the February 2001 workshop.

OPEN FORUM

David Downey requested that the Board respond to his two (2) letters he wrote to the Board President. David was informed that he would receive a reply. David shared with the Board that he has done some research on our Police Department budget increases for the past few years. He believes based on the 7 to 8% changes that have occurred, the POA should be able to support a private Police Company. **ACTION ITEM**

Lee Robinson (lot 406R) welcomed backed Ron Holloway. Lee made us aware that we need to unite with each other so that we have harmony among all property owners. She shared with us how we need to follow all the rules of our association

Dale Dotson (lot 386R) reported Blackfoot Road needs repairs and lots 830&831 have been cleared and tree logs remain on the lot which need to be removed. Dale gave an update to the telephone petition. Dale mentioned that he is hoping to have a response from Sprint within 30 days. **ACTION ITEM**

Bob Winters reported that a lot on Sioux Drive has been cleared with no driveway. Bob has a real concern that property owners are clearing their lots without having any concern of soil run-off, which spills into our lake. Bob said that we need to get serious

about insisting that all lots that are cleared to install silt fences to reduce run-off.
ACTION ITEM.

Fred Robbins suggested that we need to challenge the escalation cost if we decide to hire a private police company for our complex. He also mentioned that the builders in Lake Royale are not following the rules that the Building Committee has put in place and he felt that the builders needed to be fined. He informed us that if the builders in Lake Royale were building in Wake County, they would be fined **ACTION ITEM**

Mrs. Shaver suggested that our employees need an independent person/group to talk to if harassment occurs. She felt that employees are reluctant to reporting these issues fearing reprisal.

Susan Schott suggested that we change the locks periodically at the lodge weight room. This would prevent people who are not in good standing from using the weight room.

Hib Affleck (lot 1721R) wanted to inform Fred Robbins that we do not have any way to impose a fine on a builder at the current time. In addition, he mentioned that property owners who come to the Building Committee for a permit are informed to install silt fences when they clear their lot.

Ann Faison said that it was so nice to see so many property owners at this Board Meeting. She encouraged everyone to become involved in their community.

Richard Smith mentioned that he just recently purchased a lot at Lake Royale. Richard praised how our P.O.A staff was so helpful to him with becoming a new property owner.

MEETING ADJOURNED: The meeting adjourned at 01:33 PM Saturday 01/20/2001

Jack Hughes, Lake Royale POA Board Secretary

021701m1

BOARD ACTION FORM

DATE: 02/17/01

MOTION: Approval of an increase of membership dues for year 2001/2002 by 10% Dues will be \$306.85

MADE BY: Dan Henigan

SECOND: Dr. Beckwith

ROLL CALL VOTE

NAME	END OF TERM	YES-YEA	NO-NAY	ABSTAIN
ANTONELLI	C-2002		x	
BECKWITH	R-2002	x		
DUNN	C-2003	x		
FAISON or PITTMAN	2001 2001	x		
HALES	R-2003			
HENIGAN	C-2001	x		
HUGHES	R-2001	x		
LAMM	R-2002			
NICHOLS	C-2003	x		
NOTTINGHAM	R-2003	x		
HOLLOWAY	C-2001	x		

RESULTS

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BOARD MEETING MINUTE REVISIONS

MEETING DATE	CORRECTION	DATE CHANGE
8/21/00	Change Bob Nichols name to Tom Nichols Change Jim Hale name to Jim Hales	9/19/00
1/17/2001	Change snow chains to be borrowed to Snow changes can be purchased	2/7/2001
1/30/2001	Change Venessa Dunn to Vanessa Dunn Change Tony Anton to Tony Antonelli	2/12/2001

021701m2

BOARD ACTION FORM

DATE: 02/17/01

MOTION: Allow the Finance Committee relief of 18% for capital improvement for the upcoming budget for year 2001/2002. The motion only applies to fiscal year April 1 2001 to March 31 2002

MADE BY: Tom Nichols

SECOND: Dr. Beckwith

ROLL CALL VOTE

NAME	END OF TERM	YES-YEA	NO-NAY	ABSTAIN
ANTONELLI	C-2002	x		
BECKWITH	R-2002	x		
DUNN	C-2003	x		
FAISON or PITTMAN	2001 2001	x		
HALES	R-2003			
HENIGAN	C-2001	x		
HUGHES	R-2001	x		
LAMM	R-2002			
NICHOLS	C-2003	x		
NOTTINGHAM	R-2003	x		
HOLLOWAY	C-2001	x		

021701m3

BOARD ACTION FORM

DATE: 02/17/01

MOTION: Accept the Nominating Committee's slate of officers with the addition of Ron Holloway as Chairman.

MADE BY: Tom Nichols

SECOND: Tony Antonelli

ROLL CALL VOTE

NAME	END OF TERM	YES-YEA	NO-NAY	ABSTAIN
ANTONELLI	C-2002	x		
BECKWITH	R-2002	x		
DUNN	C-2003	x		
FAISON or PITTMAN	2001 2001	x		
HALES	R-2003			
HENIGAN	C-2001	x		
HUGHES	R-2001	x		
LAMM	R-2002			
NICHOLS	C-2003	x		
NOTTINGHAM	R-2003	x		
HOLLOWAY	C-2001	x		

RESULTS

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DATE: 02/17/01

MOTION: Approve an increase of membership dues for 2001/2002 by 5%.

MADE BY: Tony Antonelli

SECOND: Tom Nichols

ROLL CALL VOTE

NAME	END OF TERM	YES-YEA	NO-NAY	ABSTAIN
ANTONELLI	C-2002	x		
BECKWITH	R-2002		x	
DUNN	C-2003		x	
FAISON or PITTMAN	2001 2001		x	
HALES	R-2003			
HENIGAN	C-2001		x	
HUGHES	R-2001		x	
LAMM	R-2002			
NICHOLS	C-2003	x		
NOTTINGHAM	R-2003		x	
HOLLOWAY	C-2001		x	

RESULTS

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DATE: 02/17/01

MOTION: Accept the revised Board of Adjustment Procedures with the addition of the word "other" to special privilege in conclusion 2. Plus making the \$25.00 fee a deposit which will be returned to the property owner if they attend their requested Variance Hearing. In addition the new Fine Process will be accepted as written.

MADE BY: Tom Nichols

SECOND: Tony Antonelli

ROLL CALL VOTE

NAME	END OF TERM	YES-YEA	NO-NAY	ABSTAIN
ANTONELLI	C-2002	x		
BECKWITH	R-2002	x		
DUNN	C-2003	x		
FAISON or PITTMAN	2001 2001	x		
HALES	R-2003			
HENIGAN	C-2001	x		
HUGHES	R-2001	x		
LAMM	R-2002			
NICHOLS	C-2003	x		
NOTTINGHAM	R-2003	x		
HOLLOWAY	C-2001	x		

RESULTS

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021701m6

BOARD ACTION FORM

DATE: 02/17/01

MOTION: To approve an extension of a boat dock for the Bundy's an additional 12 feet..

MADE BY: Not Required

SECOND: Not Required

ROLL CALL VOTE

NAME	END OF TERM	YES-YEA	NO-NAY	ABSTAIN
ANTONELLI	C-2002		x	
BECKWITH	R-2002	x		
DUNN	C-2003		x	
FAISON or PITTMAN	2001 2001		x	
HALES	R-2003			
HENIGAN	C-2001		x	
HUGHES	R-2001		x	
LAMM	R-2002			
NICHOLS	C-2003		x	
NOTTINGHAM	R-2003		x	
HOLLOWAY	C-2001		x	

RESULTS

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021701m7

BOARD ACTION FORM

DATE: 02/17/01

MOTION: To approve changing the rental format of the Lodge/clubhouse during the summer months to allow the weekends to be rented as long it does not interfere with Board of Director meetings and POA functions.

MADE BY: Tom Nichols

SECOND: Tony Antonelli

ROLL CALL VOTE

NAME	END OF TERM	YES-YEA	NO-NAY	ABSTAIN
ANTONELLI	C-2002	x		
BECKWITH	R-2002	x		
DUNN	C-2003	x		
FAISON or PITTMAN	2001 2001	x		
HALES	R-2003			
HENIGAN	C-2001	x		
HUGHES	R-2001	x		
LAMM	R-2002			
NICHOLS	C-2003	x		
NOTTINGHAM	R-2003	x		
HOLLOWAY	C-2001	x		

RESULTS

9

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021701m8

BOARD ACTION FORM

DATE: 02/17/01

MOTION: To approve of changing the vendor format for the Koss Festival or Special events to where the vendors may sell their wares at POA functions. The vendor would be charged for a rental space by the Recreation Committee

MADE BY: Tony Antonelli

SECOND: Cheryl Pittman

ROLL CALL VOTE

NAME	END OF TERM	YES-YEA	NO-NAY	ABSTAIN
ANTONELLI	C-2002	x		
BECKWITH	R-2002	x		
DUNN	C-2003	x		
FAISON or PITTMAN	2001 2001	x		
HALES	R-2003			
HENIGAN	C-2001	x		
HUGHES	R-2001	x		
LAMM	R-2002			
NICHOLS	C-2003	x		
NOTTINGHAM	R-2003	x		
HOLLOWAY	C-2001	x		

RESULTS

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BOARD OF DIRECTOR ACTION ITEM LOG

ACTION SOURCE	LOG #	DESCRIPTION OF ACTION	OWNER	SEV	ISSUE DATE	TGT COMPLETE DATE	ACTUAL COMPLETE DATE	COMMENTS
SAFCOV	5	Collect financial data to out source wrk	ADMIN	3	19-Aug-00	21-Oct-00		
BDMMEET	45	Sledge/Baptist Rd alternative brown sign	ADMIN	2	18-Nov-00	06-Dec-00		trash & mowing completed
ADMIN	56	Start placing liens on delinquent properties	ADMIN	2	16-Dec-00	29-Jan-01		Volunteers to paint sign
BDMMEET	59	Restart printed form for Open Forum	ADMIN	3	16-Dec-00	03-Jan-01		Table
BDMMEET	67	Pursue extra bus stops for school children	ADMIN	2	20-Jan-01	17-Feb-01		
BDMMEET	73	Issue of Swimming Pool passes	ADMIN	3	17-Feb-01	21-Apr-01		
BDMMEET	72	Issue of Vendor gate pass	ADMIN	2	17-Feb-01	28-Feb-01		
BDMMEET	71	Implement revised Variance Application	ADMIN	2	17-Feb-01	28-Feb-01		
BDMMEET	66	Investigate installation of silt fence on clear lots	BLDCOV	3	20-Jan-01	15-May-01		
BDMMEET	64	Response letter from Board to Property Owner	BOARD	2	20-Jan-01	17-Feb-01		
BDMMEET	68	Investigate Home delivery of mail	BOARD	3	20-Jan-01	15-May-01		Survey article in Royale Reporter
FINCOM	40	Baseline cost of mowing grass	FIN	2	21-Oct-00	18-Nov-00		Fin. Comm investigating
FINMEET	44	Excessive cell phone usage	FIN	3	18-Nov-00	15-Jan-01		Fin. Comm investigating
BDMMEET	65	Investigate the need to repair Blackfoot Rd	MAINT	2	20-Jan-01	17-Feb-01		
BDMMEET	70	Pour Concrete for Gate House Box	MAINT	2	17-Feb-01	28-Feb-01		
BDMMEET	7	Projects list for off season work.	MAINT.	2	19-Aug-00	12-Sep-00		
SAFCOV	12	Develop lot 2557 emergency exit	MAINT.	2	19-Aug-00	21-Nov-00		Maint. Completed
SAFCOV	13	First Aid kit replenishing	SAFCOV	2	19-Aug-00	21-Oct-00		
SAFCOV	15	Review & revise Emergency Mgmt Plan	SAFCOV	2	19-Aug-00	21-Oct-00		Waiting on list from Red Cross
UTILITY	69	Postal Survey results completed	UTILITY	3	17-Feb-01	21-Apr-01		

- 1 High impact to POA, safety, financial strain
- 2 Potential high impact to POA
- 3 Minimal risk to POA but must be done.
- 4 Working ok but lets make it better