

**LAKE ROYALE BOARD OF DIRECTOR MEETING
MINUTES**

DATE: 03/17/2001

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

MEETING CALL TO ORDER at 10:02 AM by the President

OPENING REMARKS

President Ron Holloway turned the meeting over to Vice President Dan Henigan. Dan opened the meeting with introducing our new Police Chief Jeremy Thompson of the NC Special Police (NCSP). Dan requested for property owners to help our new police officers by giving them directions to find their way around our complex. Dan mentioned that the NCSP has committed to attend our Safety/ Emergency Management Committee meetings.

MINUTES: Stuart Nottingham made the motion to accept the February 17, 2001 Board minutes as written Motion was seconded and approved by the Board.

**FINANCE
COMMITTEE**

Stuart Nottingham read the Finance Committee meeting minutes dated 3/10/2001. Dan suggested that the Board Executive Committee handle the process for the release of funds from the Emergency Management Disaster account. Stuart indicated that the committee discussed this same point and decided that because of the uncertainty of our phone service during a disaster and the availability of just the executive committee we may placed ourselves with the inability to release funds when they are really needed. Further discussion occurred regarding the process for releasing funds for emergencies. In addition, the final 2001/2002 budget was discussed among Board members Tom Nichols suggested that the Safety Management budget of \$200.00 be increased to \$1,000.00. Ann Faison made a motion to accept the Finance Committee minutes excluding item #3. The motion was seconded and approved by the Board.

The following are items of the Finance Committee minutes:

1. Last payment was made to the company that engineered our bridge repair.
2. Starting April 1, 2001, dues collected for years prior to 2001/2002 will be allocated to our Capital Improvement account. The dues will be placed in the Emergency Disaster line item on our Income Statement until the balance reaches \$200,000.00
ACTION ITEM
3. Request that the Board develop a process for the release of funds from the Emergency Disaster account. **ACTION ITEM**
4. Suggested that for next years 2002/2003 budget that each committee subsidies by the POA put together a proposed budget of their respective committee to be submitted to our General Manager. Finance Committee offered their assistance to the committee's if requested.

Refer to finance committee report dated 03/10/2001 for more details

EXECUTIVE

COMMITTEE: No meeting held in February 2001.

**RECREATION/
TEEN
COMMITTEE**

Les Robinson reported that our Teen's had a meeting on March 10, 2001 with new members attending. On March 6, 2001 the Recreation Committee had a meeting. Les indicated that there are rumors going around Lake Royale of recreation activities that are not accurate. The Recreation Committee believes that communications among property owners must improve so those inaccurate rumors do not occur. The committee is requesting that we need to find a property owner from the Camping section and the River (section 16) to join the Recreation Committee. Les pleaded to everyone to help find members because the committee takes communications very seriously and they believe having a representative from each of these two areas will improve communications. In addition, Les mentioned some of the upcoming Recreation Activities at the Lake Royale. **ACTION ITEM**

**BUILDING
COMMITTEE**

Hib Affleck informed the Board that the Building Committee added a "Greenhouse" to the Building Committee Fees & Permit Listing. The Board asked Hib further questions regarding the description, size, etc of a greenhouse. Hib agreed to research this topic further and to get back with the Board. **ACTION ITEM,**

Ray Robinson mentioned that the Building Committee approved five (5) permits for the building of new homes and improvement projects permits totaling \$775.00. Ray indicated that Building Committee permit activities has started to increase. A Franklin County inspector agreed to attend our April 10, 2001 meeting to discuss how the county and Lake Royale will function when granting permits. A motion to accept the Building Committee minutes without the addition of GreenHouse added to the fee and permit listing was made by Tom Nichols. The motion was seconded and passed by the Board.

Bill Wallace provided a letter to each Board member to read regarding reorganizing of the Building Committee. This will become an action item for the April Workshop. **ACTION ITEM**

**BOARD OF
ADJUSTMENTS**

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

UTILITY

COMMITTEE Bob Winters reported the following current activities of the Utility Committee.

1. Cable TV... Adelphia. The committee contacted Adelphi to extend cable service to the East Side of the lake. Adelphia agreed to survey this item to determine their cost and benefits in providing this service.
2. Telephone Service.... Noise on telephone lines continues to exist. An article will be placed in the Royale Reporter asking property owners to log their noise incidents and refer them to the phone company.

3. Water.... Franklin County had major water leak that created air being drawn into the system. This causes cloud water. The water system is now back to normal. Installation of water meters is progressing very well.
4. Electric... CP&L will be surveying our area to investigate the feasibility of moving the distribution wiring underground.
5. Postal Service.... A postal survey article is being prepared and will be printed in a Royale Reporter NewsLetter. **ACTION ITEM**
6. Newspaper Service..... Franklin County newspaper blue containers have been removed from the gatehouse area. Subscribers to the Franklin Times are now receiving the paper by mail.

Refer to the Utilities Committee Meeting Minutes dated 2/26/2001 for more details

TREASURER'S REPORT	Month Ending Total Income	Month Ending Dues Income	Month Ending Expenditures	Month Ending Cash Balance
02/28/2001	\$ 25,398.45	\$ 21,400.73	\$ 86,980.80	\$ 237,675.14

MAINTENANCE REPORT

General Manager Nancy Muller read report-dated 02/26/2001 through 03/16/2001.

Highlights of the report:

1. Comfort center and office complex safety inspections.
2. Mowing, aerating and fertilizing of main gate, rental complex and POA Office.
3. Snowplow was picked-up from the DOT barn in Bunn..
4. Galvanized culvert pipes in multiple locations dug up, cut and repaired. Rip/rap added to prevent washing of soil.
5. Picnic shelters and tables were repaired and painted.
6. Metal Post installed for Emergency back gate.
7. Various meaningful projects.

Refer to the Maintenance Report workweek 2/26/2001 to 03/16/2001 for more details

POLICE REPORT

Chief of Police Thompson of NC Special Police thanked the Board for inviting him to the Board meeting. Chief Thompson provided a status of his progress on the staffing of our new police force at Lake Royale. He announced Sargent Wright will be permanently working at Lake Royale April 1, 2001 and they are now doing criminal background checks on the remaining Officers. They are also working with his employees that will be manning the gate. He apologized for the delay on coming on board and indicated that the transition is more complex then anticipated. He asked that we be patient with his company.

Chief Thompson mentioned that he plans to have a survey form given to property owners. He would like all property owners to carefully complete the survey based on what they believe are the ten (10) most important police issues at Lake Royale. He asked the Board to review the survey form before he releases it to the property owners.

**SAFETY/
EMERGENCY
COMMITTEE**

Forest Johnson read the minutes of the March 8 2001 meeting.. The following are high lights of their report:

1. Committee work effort to build an emergency exit on lot 2557 on the east side of the lake.
2. Prepare a list of Emergency Management and Safety Committee members
3. Provide a list of pontoon boat volunteers

Forest requested that the Board provide some direction to the committee regarding how they should interface to the different emergency organizations such as Franklin County Emergency Center, Red Cross etc. during a disaster. The Board requested that Forest defined the outside organizations and then define what they believe should be the working relationship. Board agreed to review the committee's plan at the April workshop.

Dan Henigan shared with us the work that was accomplished by the Emergency Management committee this past Saturday 3/10/200. He explain the details of clearing, raking and leveling the emergency exit on the east side of the lake. He said that the job was done very professional. Dan mentioned that a gate for this exit will be installed shortly and that we need some donations to gravel the exit. We need about 40 tons of gravel. Dan again thanked the committee for their hard work and professionalism. The property owners applauded the efforts of the committee

Refer to the Emergency Management Committee Meeting minutes dated 3/8/2001 for more details

**BYLAWS/
COVENANTS
COMMITTEE**

Hib Affleck reported on the efforts taking place to rewrite the Covenants. Hib circulated a two(2) page task list of the activities of the committee to the Board members. The task list was not discussed. Hib mentioned that the committee's target date to have the Bylaws and Covenants rewritten is March 2002.

**NEWSLETTER
COMMITTEE**

No report given.

**BEAUTIFICATION
COMMITTEE**

Nancy mentioned that the Beautification Committee has bids from two (2) Landscape Wholesalers for prices of shrubs and flowers. The shrubs and flowers will be used to improve the appearance of the main entrance, office complex, POA area's and the lodge. Nancy will follow the bid process and obtain one more bid if possible.

Nancy mentioned that the committee is requesting for new members to join the committee. The committee is now opposed to being a work committee as in the past and believe they should now be an advisory committee.

Refer to the Beautification Committee Meeting Minutes dated 3/1/2001 for more details

**PRESIDENTS
REPORT**

No President report was given.

**GENERAL
MANAGER
REPORT**

Nancy reported the following:

1. Gate House unit and crossing arm was installed and working by March 7, 2001
2. Ran an AD in the Franklin Times for two (2) weeks for office space available at our Rental Complex. We did not receive any response from the Ad
3. Our Lake Royale Police Company was dissolved March 5, 2001
4. Nominating Committee procedures have been updated. Page 2 of 3, step 3, 6th sentence has been changed to read. After completing this work, the committee **must** provide to the Board **President** a slate of new Board candidates, **one name for each vacant position**, and all the supporting documents to show objective evidence of their decision. **Undecided decisions by the Nominating Committee will not be accepted by the Board President.** Changes are in **BOLD** print.
5. We have contacted six (6) contractors they have shown an interest in bidding for our road pavements.
6. Currently we have nine (9) volunteers signed up to assist with Clubhouse monitoring.
7. Effective May 1, 2001 the Building Committee will began meeting at the Office Complex at 7:00PM. The committee meets on the second and fourth Tuesday of each month. Coffee will be provided.
8. The Beautification Committee will began in April to meet at the POA Office Complex in the front foyer.
9. Billing statements for year 2001/2002 membership dues will be mailed March 19, 2001
10. The POA now has two (2) emergency evacuation exits on the East side of the Lake. A gate will soon be installed on the newly installed exit. There are three (3) property owners who have their own exits which are in violation of our restrictive covenants. A Covenant Violation letter will be sent to these property owners and they will be given 15 days to reply to the violation. **ACTION ITEM**

OLD BUSINESS

Stuart Nottingham thanked our General Manager and the Finance Committee for their hard work preparing and examining the budget for 2001/2002. Stuart reported that the Capital Improvement budget is 11.4% of the Total budget. At the last Board meeting it was estimated to be 6%. Stuart indicated that the budget was based on collecting 2001/2002 dues totaling \$1,134,300.00. Stuart mentioned that this years budget was done differently from past years. The significant change is that we are going to align dues collected and expenditures within the fiscal year April 2001 to March 2002. The Board discussed the proposed budget in particular the raising of dues 10% every year. The concern is that as we raise dues every year we loose some property owners that decide not to pay their dues in protest. The Board agreed that this concern must be addressed and that data must be collected to make the comparison between the number of property owners who paid their dues in 2000/2001 and property owners who paid 2001/2002 dues. Tom Nichols made a motion to accept the proposed final budget with an increase of \$800.00 to the Emergency Management budget item and Miscellaneous reduced by \$800.00. The Emergency line item would then be \$1000.00 and Misc. line item will be \$200.00. The motioned was seconded and approved by the Board. Refer to motion form for details.

NEW BUSINESS

Dan Henigan read a motion written by our General manager regarding an existing policy and procedures that will be used by the Guards at the Gate House to screen property owners upon their arrival at the Gate House. For a property owner to gain access they must:

1. Have a current vehicle sticker or current POA card
or
2. Have a POA card that is not current and a current picture ID
or
3. Current copy of their deed or a current lease, if a renter

The Board and our Police Chief discussed the above procedures in detail. Tom Nichols made a motion that the Board approves the enforcement of the above existing policy/procedures at the Gate House. The motion was seconded and approved by the Board.

Stuart Nottingham made a motion to place Vanessa Dunn, a Board member, on the Finance Committee. The motion was seconded and approved.

OPEN FORUM

Lee Robinson read a letter she composed regarding her recent involvement with the Bylaw/Covenant Committee and her dismissal from the committee

Ray Robinson request that the Board respond in writing with their position regarding the dismissal of his wife from the Bylaw/Covenant Committee. **ACTION ITEM**

Ray suggested that we place a "For Rent Sign" on Sledge Road for the Rental Complex. Ray shared with us an episode he experienced working at the Gate House. He is also in support of raising the dues 10% for the year 2001/2002.

Glen Causey suggested that the Board considering eliminating the exemption of dues for adjoining lots because it is not fair to other property owners. He cannot understand how we can give exemptions to individual property owners one year and the next year be asking for additional dues from all property owners. He would like to see on the ballot in July 2001 a provision to be voted on to remove the exempt lot provision for adjoining lots. He feels this action would increase dues significantly so that we do not have to raise dues each year. Glen requested that the Board respond in writing with their position regarding the eliminating of the adjoining lot exemption. **ACTION ITEM**

Also, Glen supports the start of placing liens on delinquent property owners. In addition, he requested that property owners be informed of any changes proposed for the July Annual Board Meeting prior to the meeting. This would give the property owners sufficient time to discuss the changes

Phil Anzalone shared with the Board his recent assignment working at the Gate House. He indicated that after working the gate he does not feel secure at Lake Royale. He requested written instructions so that he would know how to work at the Gate. He was not given any instructions. He believes that without instructions the Gate personnel can do what they believe is their job at the gate. Phil suggested the following should occur:

1. Clear and concise instructions should be written and given to Gate personnel
2. Portable phones should be used at the Gate House
3. To eliminate permanent guest list

4. Use color coded date passes
5. Have Builders/Developers obtain passes from the POA office for their Sub Contractors
6. Accept normal traffic visitors such as CP&L, Sprint, UPS, etc without passes

Phil encouraged every property owner to speak-up on this important issue.

Don Bosworth mentioned that he was a member of the Coast Guard Auxiliary and they are planning to have a boat inspection at Lake Royale in the month of May or June. In addition, Don supported mail deliver to our homes because of the confusion that we have regarding address numbers at the Lake. Since we now have three (3) different addresses (lot number, 911 number and a mailbox number) he feels that mail deliver will eliminate our mailbox number.

Bill Wallace asked the question if there are any plans to computerize the Gate House? Bill also gave a status of Jim Hales health condition. He said that Jim's recovery is going well and they are expecting for him to be sent home within 1-2 weeks. Jim will require medical assistance at his home.

Bob Winters supported Glen Causeys issue with adjoining lot dues exemptions. Bob believes that probably only 10% of the property owners that voted for the provision in July 2000 understood the financial impact of their vote. Bob also mentioned again a problem he identified at a previous Board meeting concerning Sioux Drive. A lot was cleared and no conduit pipe was installed under the driveway. This is causing a washout problem and he feels it could eventually wash out the road. **ACTION ITEM**

Bob suggested that to save money on our Capital Improvement budget we could get volunteers to install a new roof and siding on the Pavilion. He wants the Board to consider his idea. He also asked a question as to why our maintenance Staff retrenched the sides of the road on Shawnee Drive. He believes that this does not help manage rain/storm water run-off and he cannot understand why it was done. **ACTION ITEM.**

Doris Hedgepeth said that her daughter was followed by one of our prior police officers and was given a ticket for going over 35 mph. She believes that our Police Officers should have more compassion for our teens at the Lake. Doris supports having some type of electronic entry at the gate house. She mentioned that she was on a retirement income and said that she would not be able to continue living at the Lake if dues continue to be increase 10% every year. In addition, she does not understand why Lake Royale has to have a Police Force. She lives in Halifax County and security is not an issue in her neighborhood.

Hib Affleck welcomed our new Police Chief. Hib indicated that he supports Glen Causey's position of eliminating the adjoining lot exemption. Since he was a member of the Bylaw/Covenant Committee he felt uncomfortable changing the Bylaws to reflect the elimination of the exemption. Hib was informed that he could get a petition together with signatures of 50 property owners in Good Standing and to submit the petition to the Board for their review.

Lori Murphy said that she appreciates the people at the Lake and that the Recreation Committee was doing a great job. Based on a previous Open Forum that she made, she asked the Board to review the Teen Committee behavior. She closed with saying that she supports the work effort of the Board and the POA Staff

MEETING ADJOURNED: The meeting adjourned at 12:25 PM Saturday 03/17/2001

Jack Hughes, Lake Royale POA Board Secretary

BOARD OF DIRECTOR ACTION ITEM LOG

ACTION SOURCE	LOG #	DESCRIPTION OF ACTION	OWNER	SEV	ISSUE DATE	TGT COMPLETE DATE	ACTUAL COMPLETE DATE	COMMENTS
BDMMEET ADMIN	45	Sledge/Baptist Rd alternative brown sign	ADMIN	2	18-Nov-00	06-Dec-00	17-Mar-01	Volunteers to paint sign
SAFCOV	56	Start placing liens on delinquent properties	ADMIN	2	16-Dec-00	29-Jan-01	19-Mar-01	First lien served in Franklin & Nash city's
BDMMEET	5	Collect financial data to out source wrk	ADMIN	3	19-Aug-00	21-Oct-00	17-Mar-01	trash & mowing completed
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	19-Mar-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		
BDMMEET	69	Emergency Disaster release of funds	BOARD	2	17-Mar-01	21-Apr-01		Survey article in Royale Reporter
BDMMEET	76	Bd's written position on dismissal of Bylaw PO	BOARD	3	17-Mar-01	21-Apr-01		
BDMMEET	77	Bd position on eliminating adjoin lot exemption	BOARD	3	17-Mar-01	21-Apr-01		
BDMMEET	79	Pavilion Improvements done by volunteers	BOARD	3	17-Mar-01	21-Apr-01		
BDMMEET	80	Update Nominating Procedures	BOARD	3	17-Mar-01	21-Apr-01	21-Mar-01	Updated pg 2, step 3
BDMMEET	66	Investigate installation of silt fence on clear lots	BLDCOV	3	20-Jan-01	15-May-01		
BDMMEET	70	Reorganize Building Committee	BLDCOV	2	17-Mar-01	21-Apr-01		Meet 3/27/2001
BDMMEET	72	Green House Information study	BLDCOV	2	17-Mar-01	21-Apr-01		
FINCOM	40	Baseline cost of mowing grass	FIN	2	21-Oct-00	18-Nov-00		Fin. Comm investigating
FINMEET	44	Excessive call phone usage	FIN	3	18-Nov-00	15-Jan-01		Fin. Comm investigating
BDMMEET	7	Projects list for off season work.	MAINT.	2	19-Aug-00	12-Sep-00		Maint. Completed
BDMMEET	65	Investigate the need to repair Blackfoot Rd	MAINT	2	20-Jan-01	17-Feb-01		
BDMMEET	78	Sioux Drive driveway causing washout	MAINT	2	17-Mar-01	21-Apr-01		
BDMMEET	75	Instructions to GateHouse Personnel	POLICE	1	17-Mar-01	04-Apr-01		
BDMMEET	71	Rec Comm. volunteers from Camping & River	RECCOV	2	17-Mar-01	21-Apr-01		
BDMMEET	73	Postal Survey placed in Royale Reporter	UTLCOM	3	17-Mar-01	21-Apr-01		
SAFCOV	12	Develop lot 2557 emergency exit	SAFCOV	2	19-Aug-00	21-Nov-00		
SAFCOV	15	Review & revise Emergency Mgmt Plan	SAFCOV	2	19-Aug-00	21-Oct-00		
SAFCOV	13	First Aid kit replenishing	SAFCOV	2	19-Aug-00	21-Oct-00		
BDMMEET	74	Emergency gate gravel funding donations	SAFCOV	3	17-Mar-01	21-Apr-01		Waiting on list from Red Cross

- 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

BOARD ACTION FORM

DATE: 03/17/01

MOTION: Approval of the 2001/2002 budget with \$1,000.00 going to the Emergency Management line item and \$200.00 going to the Miscellaneous Line item

MADE BY: Tom Nichols

SECOND: Ann Faison

ROLL CALL VOTE

NAME	END OF TERM	YES-YEA	NO-NAY	ABSTAIN
ANTONELLI	C-2002		x	
BECKWITH	R-2002			
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

7

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