

**LAKE ROYALE PROPERTY OWNERS ASSOCIATION
ANNUAL MEMBERSHIP MEETING MINUTES**

DATE: 07/21/2001

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

MEETING CALLED TO ORDER: at 10:01 AM by the Chairman Ann Faison

OPENING Chairman Ann Faison opened the meeting by introducing each Board Member, our General and Assistant Manager, Terry Sharp of Bunch & Co. and NC Special Police Chief Jeremy Thompson. Property Owner Nellie Mae Williams opened the meeting with a prayer song.

INVOCATION: Leo Breton led the group in prayer, giving thanks for the beautiful things that surround us and asked God's blessing on those who serve on the Board and to provide us guidance in the conduct of today's meeting.

MINUTES: Jack Hughes, Secretary, read the minutes of the 2000 meeting. Tony Antonelli made a motion to accepted the minutes as written. The motion was seconded and minutes were approved.

AUDIT REPORT: Terry Sharp of Bunch & Co. L.L.P gave the audit report. She stated in her company's opinion, the outcome of the Lake Royal's Property Association audit is an unqualified position which states that our Financial Accounting System is in accordance with auditing standard requirements generally accepted by the industry. In addition, she suggested:

1. That we should improve our recordkeeping process in area's such as the identification, indexing, accessing, filing and the maintenance of our financial records.
2. Cross training is necessary in the Accounting area to reduce the risk of downtime.
3. Not to exceed \$100,000.00 FDIC maximum limit in any financial institution.
4. To write-off uncollectable accounts that are in our Promas System

**SAFETY/
EMERGENCY
COMMITTEE**

Tom Nichols reported that the new bridge at the camping area remains in good working order. He thanked all the members of the Safety Management Committee for their efforts this past year. He also thanked Aubrey Meade for all the backhoe services he provided and Joe Faison for his gravel donations in the construction of our new emergency exit on the East Side of the lake. Tom mentioned that so far the exit has not cost the POA a dime to construct. In addition, Tom provided a status of our revitalized Community Watch Program. He indicated that the program has volunteers and that they are actively patrolling our community. He asked everyone to participate by watching out for their neighbors.

**POLICE
REPORT**

N.C Special Police Chief Thompson provided a comparison between the number of police calls taken April, May and June (2QRT) of years 2000 and 2001. He indicated that in year 2000 261 calls were recorded and in this year 2001 a total of 110 calls have been taken. He indicated that the 110 calls this year included all calls such as escorts and 911 calls to the county police. A total of a 58% reduction in police calls. He thanked David Downey for last years historical numbers.

The Chief thanked all the volunteers who are working the Community Watch Program. In the short time, June 1, 2001 a total of 793 patrolling hours have been donated by Property Owner's. He mentioned to contact Bob Nichols if you would like to join the program.

In addition, the Chief informed the audience of handouts that are available today at the lodge such as drug abuse, police protection, motor vehicle laws. He encouraged everyone to pickup a handout and read it careful so that you are more informed of the current laws that apply to Lake Royale and the rest of NC.

**GENERAL
MANAGER
REPORT**

General Manager thanked the staff for the preparing of the annual meeting. Nancy introduced our new Assistant Manager Paul Hershey who has a background in property management. Nancy shared with the audience a summary of the past years Board of Directors Action Log. A total of 110 action items were documented. As of July 21, 2001 92 of the items are closed. The following items were addressed:

1. From April 1, 2001 to July 19, 2001 we have collected a total of \$1,049,738. This is \$61, 924.54 more than we collected last year including the 10% increase.
2. We are working on finalizing our road-paving project for year 2001. The plan will be submitted to the new Board. Our staff has been meeting with contractors to determine the best method to use for each road to be paved, the projected cost and the number of roads that can be paved within our budget. In addition shoulders will paved.
3. The Emergency Management Fund account is now at \$160,000.00. Monthly 11.65% of the dues are being placed in this account. This will continue until we reach \$200,000.00.
4. As of July 21, 2001, 206 Emergency Forms have been returned to the POA office. Nancy encouraged everyone living at the lake to complete and submit this form. The purpose of the form is to assist the POA and police when an emergency arises such as a hurricane.
5. A status of the monthly payments made by the POA to the NC Special Police were announced. A total of \$66,528.00 has been paid for the past four (4) months.
6. Since April 1, 2001 a total of 35 vandalisms have occurred at Lake Royale. This vandalism has cost the POA thousands of dollars to repair, which was not budgeted. Other budget items will not be done as a result of this vandalism. Nancy requested that every property owner be aware of their surroundings and if they witness any vandalism to please report the information to the police.

In closing, Nancy's visions that better things are to come for Lake Royale. She asked for the Board, her staff, Committee members and volunteers to pitch in and make her vision a reality and not a fantasy.

**PRESIDENTS
REPORT:**

Ron Holloway thanked everyone involved with making Lake Royale a success for the past two (2) years (Nancy and her POA and Maintenance Staff, all the Committee and the Board Members. He presented plaques to the outgoing Board Members and to Dan Henigan Board Member of the Year. (see recognition item for details). In addition, Ron covered the following successful projects accomplished this past year:

1. The hiring of the NC Special Police.
2. The installation of our automated gate at the Welcome Center.
3. The many new written procedures that were put in place.
4. The signing of a three (3) year contract with our General Manager

In closing he asked everyone to support Nancy in the operation of our facility.

RECOGNITION: During the course of the meeting the General Manager gave recognition to the Following:

Employee Special Recognition:

1. Shirley Brinkley: Employee of the Year
2. Perry Alston: For his hard work and long dedication
3. Todd Pearce and Tim Medlin. Maintenance Supervisor and Assistant for there hard work and dedication

Committees and Property Owners Special Recognition

1. Dee Nichols: Camping Property Owner of the Year
2. Hib Affleck: Residential Property Owner of the Year
3. Les Robertson: Recreation - Committee Chairman of the Year
4. Marge Newlin: NewsLetter - Committee Chairman of the Year
5. Joe Faison: Donations of materials and services
6. Aubrey Meade: Donation of equipment and services

Certificates of Recognition

Certificates of recognition were given to the chairman of the following committees/groups: Board of Adjustments, Beautification, Building, Bylaw/Covenant, Finance Committee, News Letter, Utilities, Royalties, 50 Plus Group, Safety/Emergency Management, and the Welcome Committee.

President Ron Holloway recognized the following Board Members with a plaque:

1. Dan Henigan: Board Member of the Year
2. Ann Faison, Dan Henigan, Jack Hughes and Cheryl Pittman, out-going Board Members, for their services.
- 3.. Ann Faison, presented a plaque to Ron Holloway for his services as President for the past two (2) years.

OPEN FORUM:

Lee Robinson thanked all current the Board members for their effort and time they spent on the Board. She also recited a prayer for the new Board Members.

Ray Robinson mentioned that he was a residential candidate running for the Board. He stated that regardless of the outcome of the vote he would support the Board.

William Finch thanked all the employees of the Lake Royale Property Association. He said that he was encouraged with the collection of dues and the increase of our financial funds. He stated that he was against raising dues every year by 10% and that if we continued doing this the dues would be \$542.10 at year 2007. He indicated that he would submit a petition next year to take the power away from the Board to raise dues. He wants to give the property owners the power to raise dues and not the Board. His petition will require a simple majority vote to raise dues.

Hib Affleck wanted to recognize David Downey for all his volunteer efforts over the past many years.

Martha Winddam was concerned about all the stray dogs that roam around in the Lake Royale complex. Also, she is concerned about all the travel trailers/campers that look like they are abandoned. She wants to know what can be done to resolve these two concerns.

Phil Anzalone asked questions to the chief of the NC Special Police. Phil requested that we publish the gate personnel procedures in the Royale Reporter so that our property owners will understand how the gate security is going to work. Phil stated that normally when he comes to the Welcome Center the gate is up. With this condition he has a hard time understanding how our security has gotten better which is indicated by the increase of dues that we have collected. In addition, Phil would like to see more reporting of the liens that we have been serving to delinquent property owners in the Royale Reporter. Also, Phil suggested that to curb vandalism we should close the centers during the time the past vandalisms have occurred.

Patricia Shaver stated some problems she has with our police department. She stated that she had to call the Franklin County sheriff's department for police protection. She felt that our current police couldn't adequately give directions to emergency vehicles when they arrived at the gate. She closed with stating that she was very upset with the operation of our police force and expected improvements immediately.

Bob Winters presented a resolution that he composed for the new Board Members to adopt. Bob is requesting that the Board hear the concerns, complaints or ideas of all property owners and react to them in a timely fashion. The Board must develop a system whereby property owners are encouraged to bring their issues and concerns to the regularly scheduled meetings of the Board. The outgoing secretary provided the new Board president with Bob's written resolution.

Brenda Gregory mentioned that calling 911 for police protection has been in place for both the previous and current police force. She believes that the reduction in police calls for current year 2001 is a result of lower crime in our area and we should be proud of this significant change.

Charles Howington suggested that we increase the reward money of \$50.00 to a higher amount for reporting vandalism incidents.

Les Robertson announced that a dance will be held this evening at the lodge at 8:00PM. Dance is for adults only and the cost is \$5.00.

VOTING RESULTS: Ann Faison started by introducing the ballot counting election committee. She

thanked them for their time and effort in tallying over 4600 different ballots. The committee members were Brenda Gregory, Brenda Lowrance, Anita Price, Denise Caprio, Lynn Edwards, and Bill Wallace. Our election inspectors Linwood White and Al Newlin.

The candidates running for office and winners are as follows:

Chairman Ann Faison 461 Ron Holloway 244
Vice Chairman Bill Chancellor 581
Camping Reps. Garland Shepheard 462 , Fred Robbins 398 Dan Henigan 333
Residential Rep; Ray Robinson 404 Cheryl Pittman 270

The By-Law and Covenant changes voted on and result are as follows:

By-Law Change Article II (new Special Assessment) : Failed
For 429 Against 282 Invalids 59 2/3 votes required 513 votes

By-Law Change Article II Sect.B (Remove Adjoining Lot Exemption): Failed
For 314 Against 397 Invalids 59 2/3 votes required 513 votes

By-Law Change Article II Sect 8 (Remove Renters paying Facility Fee): Failed
For 432 Against 286 Invalids 52 2/3 votes required 513 votes

Covenant Sect 3 Paragraph C. (Carports erected on Residential Lots:) Passed
For 551 Against 199 Invalids 20 2/3 votes required 513 votes

Covenant Sect 3 Camping Paragraph C. (Expand shed size to 256 sq. feet): Failed
For 454 Against 272 Invalids 44 2/3 votes required 513 votes

DOOR PRIZES: During the course of the meeting 22 door members won prizes in attendance. Prizes were donated by Ace Hardware in Louisburg, Angus Juntion, Axis Computer, Bunn Exxon, Bunn Video, Rustic Supply, Chris Greenhouse, Flowers by Henry, Jeffreys Lawnmower Repair, Lake Royale Salon, Vollmer Farms, Magic Nails, Louisburg Tractor, Bea Riley, Pete Smith's Auto and Lubrication , Winsteads Groceries, BB & T , First Citizens, Fred B. Hight, Head to Toe Salon, Murphy House and Strickland Auto Supply

MEETING ADJOURNED: The meeting adjourned at 12:15 PM Saturday 07/21/2001

Jack Hughes, Lake Royale POA Board Secretary