

8. Ballot Eight: “The security force is to be known as the ‘Lake Royale **Company Police**’”
Passed, with 701 voting for, 163 against, and 20 no vote/abstain.
9. Ballot Nine: “No more than two unattached accessory structures for storage purposes (garage or carport or storage building) will be allowed.”
Passed, with 784 voting for, 82 against, and 18 no vote/abstain.

10. Ballot Ten: "In lieu of a camping unit, cottages will be permitted if they meet Franklin County's Ordinances, North Carolina Building Codes and Lake Royale building regulations. A minimum 12,000 sq. ft. lot size and a County approved Septic System with repair area are required and all setbacks for a house must be met. The maximum living space of the Cottage may not exceed 899 sq. ft. and Cottage must be site-built (may not be a mobile home, park model trailer or other type of structure). When the Cottage receives a County Certificate of Occupancy (CO), it would become eligible for permanent occupancy, providing all County regulations are met. Multiple lots for cottage construction must be deeded as one and the deed must stipulate that it may not be subdivided. Cottages cannot be rented or leased for more than 90 days in any one calendar year.”
Passed, with 639 voting for, 219 against, and 26 no vote/abstain.

ELECTION RESULTS FOR POA BOARD OF DIRECTORS

Chairman:	Ray Robinson, 676 votes (unopposed)
Vice Chairman:	Richard Wainwright, 665 votes (unopposed)
Camping member:	Roy Batton, 261 votes (lost)
Camping member:	Brenda Gregory, 518 votes (won)

Jimmy Tanner swore in the new Board members.

There being no further business, the meeting was adjourned.

Bill Wakefield
Secretary

1. Ballot One: “The Association shall also have the right, after notice and an opportunity to be heard, to impose reasonable fines against any lot owner for violation of any provision of these Covenants, the Association’s By-laws or the Rules and Regulations of the Association. The procedure for such fines shall be in compliance with Section 47F-3-107.1 of the North Carolina General Statutes.”
Failed, with 432 voting for, 425 against, and 27 no vote/abstained.

2. Ballot Two: “An optional payment plan is available from the POA management.”
Passed, with 615 voting for, 253 against, and 16 no vote/abstained.

3. Ballot Three: The Protective Covenants are amended to provide that the provisions of Chapter 47F of the North Carolina General Statutes (the "North Carolina Planned Community Act") are hereby made applicable to the Lake Royale subdivision and Lake Royale Property Owners Association, Inc. pursuant to N.C.G.S. § 47F-1-102(d)." (47F)
Failed, with 400 voting for, 449 against, and 35 no vote/abstain.

4. Ballot Four: “A one (1) story maximum 24’x 30’ garage will be allowed in the Lake Royale camping area within Franklin County, in lieu of a carport. The roof pitch must not exceed 4/12. It may abut the camping unit, or be unattached. No garage may be used for living quarters at any time.”
Failed, with 572 voting for, 296 against, and 15 no vote/abstain. *Numbers reflect adjustment after re-count 7/22/04.*

5. Ballot Five “Each camping lot may have one room addition, which may not extend more than 12 feet from the camping unit, and may not extend beyond the ends of the camping unit. It may only be one story. The roof may extend over the camping unit to prevent leaking between the two.

In addition, each camping lot may have one open, roofed deck. It may not have any solid walls, but may be screened. It may abut the camping unit, or abut the room addition, or sit independently, like a gazebo.”
Passed, with 730 voting for, 143 against, and 11 no vote/abstain.

6. Ballot Six: “.....and provided further that no building or structure of any kind shall be erected prior to the erection of a dwelling house, **except for permitted waterfront structures.**”
Passed, with 764 voting for, 99 against, and 21 no vote/abstain.

7. Ballot Seven “Effective August 1, 2004 and thereafter, no residence shall have less than 1400 square feet of total heated living space, with a minimum 900 square feet of heated living space on the ground floor, or first floor, exclusive of porch or other unheated area. This minimum square footage requirement shall exist for all areas of the residential sections of Lake Royale”.
Passed, with 630 voting for, 235 against, and 19 no vote/abstain.

- **Bill Finch** mentioned that recently a tree from a neighboring lot fell on his property and asked for advice on obtaining reimbursement for damage incurred.
- **Tom Nichols** congratulated Tim Medlin on his Employee of the Year Award, thanked those who worked on the AMVET's project, and thanked everyone involved in finding a recent child who had been lost.
- **Marsha Powell** commented on the good changes in the community, inquired about the newsletter, and asked for help in knowing if her property is in a flood plain.. Mr. Tanner volunteered to assist her in answering her questions
- **Brenda Gregory** thanked the POA office staff and Chairperson for their efforts in planning and organizing the annual meeting.

REPORT OF VOTING ON BY-LAWS BALLOTS (Total votes = 828, Votes needed to pass = 553)

1. Ballot One: "If ownership of any one of said lots is ever transferred from the single family unit, then and in that event, **the family unit shall owe the POA dues for said lot from the time said family unit first acquired said transferred lot.**"
Failed, with 451 voting for, 361 against, and 16 no vote/abstained.
2. Ballot Two: "Dues shall be payable by those holding "developer" status for all lots which it has developed or sold within three years. Once streets are in place, the lot(s) shall be deemed developed."
Passed, with 666 voting for, 154 against, and 18 no vote/abstained.
3. Ballot Three: "If the property owner is an absentee landlord (meaning he does not own property in the Subdivision for his sole use and pleasure) and still wants to use the amenities, he must pay a full set of dues in addition to the dues paid on the property owned and held for rental."
Passed, with 598 voting for, 206 against, and 24 no vote/abstain.
4. Ballot Four: Our By-laws require voting be done by "signed ballot". The signature on a ballot has not been practiced for years to insure the privacy of voters. Instead the name is printed and signed on the back of the envelope. "Remove this requirement of signing on the ballot".
Passed, with 583 voting for, 225 against, and 20 no vote/abstain.

COVENANTS BALLOTS (Total votes = 884, Votes needed to pass = 590) Error! Bookmark not defined.

- Started a process to foreclose on lots that have liens place on them.
 - Hearings on Non-Compliance issues are being conducted by the Board of Directors.
 - Some Capital Needs for the current year have been met (such as purchase of vehicles, roof repairs, etc.).
 - Camping and Residential Lots we have acquired are for sale through two area realtors.
- Plans for the future include:
- Continue to improve customer service to develop a friendly atmosphere.
 - Develop a Capital Improvement Plan.
 - Revise the Personnel Policy Handbook and begin an Investment Incentive for Employees.
 - Develop a clear searchable table of contents for the Covenants & By-Laws.
 - Develop a new user friendly website.
 - Search out possible grants and pursue them.
 - Getting the authorization bill for our police department signed by the governor and then utilize it effectively.

Announcements

Mr. Tanner displayed the “Relay for Life” plague given to the Lake Royale POA.

Chris Schmidt mentioned that the Luau for tonight has reached it’s maximum of 200 people.

Bob Winters announced that a Volunteer of the Year Award goes to Bea Riley. Since she was not present the General Manager received it on her behalf and will convey it to Mrs. Riley.

Bob Winters also presented a Volunteer of the Year Award to Hib Affleck for his outstanding work.

Robert VanGraafeiland presented the Employee of the Year Award to Tim Medlin for his leadership and service to the Lake Royale community.

OPEN FORUM

- **Stuart Nottingham** mentioned the CERTS program and encouraged folks to volunteer for this work.
- **Diane & Tim Lee** asked for clarification regarding guest passes to the pool.

- Federal surplus property redistribution program.
- Stuart Nottingham reorganized and revitalized the Emergency Management Committee. He has been instrumental in Lake Royale being awarded another grant under the CERT program.
 - The Recreation Committee has done a phenomenal job of experimenting with new ideas and activities in an effort to get more people involved.
 - An agreement with Franklin County allowed them to move forward with the sale of tax delinquent properties in Lake Royale and thus get them in the hands of owners who will pay dues to us, as well as to the county.
 - Community-wide High-speed Internet access has begun.

General Manager Robert VanGraafeiland presented the following report:

- Mr. VanGraafeiland thanked all who have helped our community during the past year.
- He expressed his appreciation for work done by those serving on the committees and by POA staff which included the following:
 - Purchased and are now using new management software in the POA office.
 - Purchased and are using modern police software.
 - Added some new furniture for the POA office.
 - Started putting up new street signs.
 - Replaced weight room equipment.
 - Purchased road sweeper attachments for our tractors.
 - Road paving has been completed.
 - Police Department, Maintenance Department, and Compliance Department have continued to work very hard in improving our community.
 - Police Department has maintained a safe community.
 - Miniature Golf Course has had major repairs done by our Maintenance Department.
 - Received CERTS grant.
 - Recreation Committee has increased its programs and participation has increased also.
 - Franklin County auctioned off 173 Lake Royale lots which were delinquent in taxes.
 - Golf Course is now giving POA members in good standing a discount to play.
 - The POA is now 100% staffed (including a new manager).
- He also mentioned matters in process in the current fiscal year:

**LAKE ROYALE PROPERTY OWNERS' ASSOCIATION
ANNUAL MEETING JULY 17, 2004
10:00 am, LODGE**

Meeting of the POA Board of Directors

President Bob Winters called a meeting of the POA Board of Directors to order. Present were Ray Robinson, Tom Nichols, Ann Faison, Tim Gabriel, Jimmy Tanner, Bob Winters, Bill Wakefield, Roy Batton, Tony Antonelli, and Richard Wainwright. Staff present was Robert VanGraafeiland, Tim Medlin and Jarrett Umstead.

The minutes from the Board meeting held June 19, 2004 were presented. Tom Nichols moved that the minutes be approved as written. Tony Antonelli seconded the motion. The minutes were approved.

There being no other business, the president declared the director's meeting adjourned.

Annual Meeting

The annual meeting was called to order by chairperson Jimmy Tanner. Leo Bretton led the group in prayer. Tom Nichols, of the AMVETS, led the group in the pledge of allegiance.

Jimmy Tanner introduced the members of the Board of Directors and the POA staff.

Secretary Bill Wakefield read the minutes of the 2003 Annual Meeting. Ray Robinson moved to approve the minutes as written. Tony Antonelli seconded. Motion carried.

Bunch & Company, LLP representative Terry Sharp stated that their audit review has not been completed. At this point, the audit does not reveal any material modifications that should be made to the financial reports in order for them to be in conformity with generally accepted accounting principles. She expects to have the completed financial audit presented to the Finance Committee within two weeks.

President Bob Winters presented the following report:

- Mr. Winters thanked all who have come to attend the annual meeting. He thanked those who served on the Board of Directors this past year.
- He mentioned some of the important achievements accomplished during the year, such as:
 - Franklin County Board of Commissioners placed ordinances in effect specific only to the Lake Royale community.
 - NC Legislature passed House Bill 1728 which gives our police jurisdiction over the Lake and also empowers them to purchase tires and gasoline under state contract and partake in the