

**LAKE ROYALE PROPERTY OWNERS ASSOCIATION  
BOARD OF DIRECTORS MEETING  
August 20, 2005  
10:00 a.m. - Clubhouse**

**Call to Order** - The meeting was called to order. Present were: John Smallhorn, Tim Gabriel, Ann Faison, Ronnie Pierce, Ann Marie Dellamorte, Ray Robinson, Tom Nichols, Stuart Nottingham, Joe Brooks, Richard Wainwright,. Staff present: Robert VanGraafeiland, Tim Medlin and Jarrett Umstead.

**Pledge OF Allegiance** - Jarrett Umstead led the pledge.

**Approval of the July Meeting Minutes** - There are no minutes for July. July was the membership meeting and those minutes will be done in July 2006.

**Treasurer's Report** - Ann Marie Dellamorte reported the following for the July 5, bank summaries:

First Citizens Operating Acct Bal.	161,441.72
First Citizens Payroll Acct.	8,128.75
North State Operating Acct. Bal.	9,557.24
North State Money Market Bal.	630,408.84
North State Emergency Acct.	<u>253,388.04</u>
Total Balance	1,062,924.59

**Committee Meeting Minutes** -

**Finance Committee** - Bill Wallace reported the following:

- 1 It was suggested that the legal fees for foreclosure and liens be given a separate line item apart from the legal fees/professional fees in the administration budget. It was also suggested that depreciation, all lumped into administration, be divided and applied to the appropriate departments.
- 2 Of 89 of adjoining lots billed, 67 have paid; 18 are adjoining, and 4 unresolved. Of the 173 lots sold by the County, 107 have paid dues and 37 remain delinquent.
- 3 Status foreclosure tracking sheet shows that funds generated to offset the cost of the process will make the process self-sustaining.
- 4 The ball field, where the camper and surplus property had been stored, has been cleared of debris and covered with seed and straw. The entire area will need to be graded, to have large rocks removed and to be re-seeded with a more suitable grass. Layton has volunteered to do the grading.
- 5 The process of filling the new Office Manager/Finance Manager position has gone well and the position should be filled soon.
- 6 No satisfactory large chipper could be located to fit in the current budget. Therefore, a motion was passed to recommend to the BOD that \$1000.00 from unallocated revenues in the '05-'06 budget be allocated into line item 7700-200 for debris removal and disposal.
- 7 Rip Rap of Bighorn Cove common area shoreline was discussed. It was reported that the POA has applied for a Corps of Engineers permit to proceed with this project.
- 8 Under new business, the Finance Committee approved a motion to recommend the BOD approve the transfer of \$5,400.00 from the emergency fund to line item 1500-00(Building Improvements) to install a new 4-ton Heat and Air Conditioning Unit(Heat Pump) and to clean the associated duct work at the Rental Office. The Heat Pump cost of \$4,900.00 is the best of 3 bids and the cleaning of the duct work is not to exceed \$500.00.

**Board of Adjustments** - Phil Anzalone reported he had a combined report for the month of June as well as July.

The month of June:

- 1 Approved previous meetings minutes.
  - 2 Tabled variance request #0506-03.
  
  - 3 Heard fining issue #0405-08.
  - 4 Unanimously approved a motion to formally accept Larry Holland's resignation from the BOA submitted verbally to Robert.
  - 5 Voted to impose an immediate and recurring fine when a non-compliance is flagrant or serious.
  - 6 Voted not to hear any variance requests if a F.C. variance is required before and unless a F.C. variance is requested.
  - 7 Fining standards were discussed and updated and should be finalized at the next BOA meeting. If finalized, we will vote to present them to the BOD for approval.
- In July:
- 8 No hearings were scheduled.
  - 9 The BOA voted to adopt fining standards and submit them to the BOD for approval.

**BUILDING COMMITTEE** - Dale Dodson reported the following:

- 1 In June we had 1 off-frame, 1 deck, 1 boat house, 2 of something that's not listed, 7 houses, 1 garage, 1 shed, and 2 docks. In the camping area, 2 roof overs, 2 decks, 7 sheds, 1 lean-to, 1 open porch, 1 gazebo and 2 fences. Total income for June was \$2,480.00
- 2 In July we 1 shed, 1 fence, 1 pool, 1 carport, 1 deck, 2 houses, 1 screened porch. In the camping area we had 5 sheds, 2 decks, 1 roof over, 1 room addition, 2 fences. Total income for July was \$1,135.00.
- 3 Meeting on Tuesday afternoons to try to take some work load off.
- 4 Need a camper on the committee.

**President's Report** - Tom Nichols thanked the property owners for allowing him to represent them on the BOD for the past five years.

- 1 He welcomed new board members: Joe Brooks, a three-year residential representative; John Smallhorn, a three-year representative from the camping section.
- 2 Roads are still a top priority along with with run-offs and other factors that damage our lake.
- 3 The long-range planning committee will be in place and working this year.
- 4 Robert identified the roads that will be paved or repaired this fiscal year and subject to modification. But these have been identified with the funds we have available to work with.
- 5 Plans are in the final stages for the protection of Bighorn from further erosion.
- 6 Construction of no or inadequate silt fencing is a big problem with silt running into our lake and steps are being taken to correct that situation.
- 7 Reports of vandalism in the weight room.
- 8 Office Staff continues increasing collections on delinquent accounts and handling the day-to-day operations of the lake.
- 9 Police department continues with their professional protection of our property and people. The officers are in the final stages of radar certification.

**General Manager's Report** - Robert Vangraafeiland reported the following:

- 1 We did record the new revised votes on By-Laws and Covenants for both counties.
- 2 The new police car is in and has been fully equipped.
- 3 Swimming pool has revised the hours and extend them through August.
- 4 Revenue collections have continued to increase. They have gone up approximately one and a half percent.
- 5 Collections, will be sending out the third set of bills. After that bill, we will follow with liens for new delinquent accounts as well as re-emphasizing the current liens that we have.
- 6 Foreclosure process has continued to go along well. Five are scheduled for sale on August 26 and two additional hearing set for August 26.
- 7 The lots received in foreclosure, six were put on the market and have had acceptable offers and waiting for those to close.
- 8 Road signs in the capital budget should arrive in the next week or so and get them installed in September.

9 The community has had about 400 properties switch hands this year.

**Compliance Hearings** - Robert reported the following:

Hearing 10, 11, 13, there was an error in posting and we are pulling those aside and work on corrections to resolve that. But we do need to hear the 0506-12 today. And 14 and 15 have been resolved and corrected their situation.

**Hearing BOD 0506-12** - Leo Breton

- 1 Lot 3440, Gotto Memorial Trust, no permit posted, soil erosion prevention had not been practiced and no record of driveway permit on file and not properly installed and no street address. Michelle Beasley is here. She is working as an assistant with Mr. Gotto.
- 2 Ms. Beasley states that the driveway was already an existing driveway when Mr. Gotto purchased the lot. This driveway was put in by the former owner, Paul Kuger. The only thing Mr. Gotto has done to the driveway is added stone on top of the driveway.
- 3 Ms. Beasley states will do what is needed to get the problem taken care of with the erosion issues.
- 4 Robert states that there is no record for that property of having a permit.

**MOTION WAS MADE TO TABLE FOR 90 DAYS TO GIVE MR. GOTTO TIME TO GET A PERMIT AND COME INTO COMPLIANCE.**

**Motion Carries**

**Past Hearing Status** - Robert states there are none that need any action at this time.

**Property Owner's Forum**

- 1 **William O'Neal** felt compelled to come to let us know the status of his circumstances. He did not get out of compliance intentionally. And after much consideration, he is in the process of coming into compliance. He feels his rights of due process as a permanent POA member have been denied because of the actions taken by the POA Business Office in Franklin County. This issue could have been reviewed and resolved within Lake Royale By-Laws. Will need assistance when he moves his units to be sure someone qualified from POA be on site to insure offset backs are in compliance.
- 2 **Ann Smallhorn** is talking about dues and developers. Researched By-Laws and Covenants to find out what a developer was according to our By-Laws. On Page 13 of our By-Laws, there is a little section that says, 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 should be deemed developed. There are approximately over 400 lots that no dues are being paid on at this time. There are two big consortiums that own these lots. 200 of them are for PNC and about 250 are resort lands, which is about \$157,000 per year of dues. My question to you is: What are we doing about the big developers in here? And if streets are the issue, you can drive down the streets and there are streets over the in the golf course area too. What is our definition of a street? More importantly, we want to make this place better and better. How can we collect all the dues?  
**Discussion:** As far as PNC is concerned, a lot of the lots he owns are at the River and they do not have roads. Not all the ones he owns, but there are a number of lots he owns that are over there in the River and there are no roads or access to them.
- 1 **Richard Wainwright** I am here today as a property owner and not a board member. I read an article in our "Royale Reporter" from a young lady talking about how she finds it very difficult to get to her property and it's that way in Section 13 and 14. My thought is: The Board has a road plan to re-pave parts of Sagamore and Shawnee and my only thought is that I think since these people have property in Sections 13 and 14 that are not paying their dues probably aren't because they can't get to their property. We should consider re-paving as much of 13 and 14 as we can possibly do so that those properties become accessible.  
**DISCUSSION:** I think we should take it to the next workshop and decide how we are going to handle the re-paving. We have an obligation to the people in 13 and 14 to do something about their roads.

**Old Business Topics** Mr. Nichols states the old business topics will be continued to the next workshop.

- 1 We did not pass the revised issue of Covenants and By-Laws.
- 2 Lots 1080A and 1300, across Sledge Road are being discussed on the people not paying dues.
- 3 Official list of the Police Commission is: Ann Faison, Lake Royale Board of Directors; Joe Brooks, Lake Royale Board of Directors; Tim Hoard, Chief of Police In Zebulon, N.C.; Rick Lassiter, Chief of Police Louisburg; and Bruce Nelson, Retired Raleigh Police Department.

**MOTION MADE THEY BE APPROVED**

**Motion Carries**

**New Business**

- 1 Code of Conduct for Board of Directors
- 2 Joe Brooks read the Code of Conduct and all Board Members have signed it.
- 3 Joe Brooks read the Mission Statement for Lake Royale Property Owners Association.
- 4 Joe Brooks read the Rights and Responsibilities for a Better Lake Royale.
- 5 Joe Brooks read the Lake Royale Property Owners Association By-Law Resolutions.
- 6 Suggestion was brought up about keeping the Utility Committee in there or eliminating it. Nobody knows how it got in there.
- 7 Ms. Faison stated the reason the Utilities Committee was formed was when the Lake had a water problem.

**MOTION MADE THAT IT BE REMOVED FROM THE RESOLUTIONS**

**Motion Carries**

**MOTION MADE THAT THE RESOLUTION BE ACCEPTED AS CORRECTED**

**Motion Carries**

- 1 By-Laws(Section 8, D)
- 2 Conflicts with NC Senate Bill 156. A change to the By-Laws will have to go to vote of the membership if this is the BOD desire. The By-Laws and Covenants Committee can review this to propose potential item to be voted on in 2006.

**MOTION MADE THIS BE REFERRED TO THE BY-LAWS AND COVENANTS COMMITTEE FOR CONSIDERATION FOR 2006**

**Motion Carries**

- 1 Board of Adjustments Recommendation/Position
- 2 BOA recommends that a re-occurring fine start one day after the BOA meeting, not after the BOD meeting

**MOTION MADE TO TABLE THIS TO THE WORKSHOP**

**Motion Carries 4-2**

- 1 Action to consider and Applicant for the BOA. Will interview the individual at the workshop and then take the official action at the next board meeting.
- 2 Building Committee Recommend guidelines on un-permitted structures older than January 1, 2000. All property owners will be forgiven the need for pre-recorded permits for structures erected prior to January 1, 2000 upon presentation to the Building Committee of a current plot plan. It must show the location of all existing structures and fences from all property lines, location of the driveway and parking areas, as well as the location of the septic tank and its drain field. They would get a certificate of compliance to be placed in the files.

**DISCUSSION** Should include in that listing that the significance of compliance would not forgive any county, state or federal rules and any By-Laws, Covenants or rules and regulations of the POA **MOTION MADE TO TABLE THIS TO THE WORKSHOP**

**Motion Carries 4-2**

- 1 Also, rescind the current requirement necessitating a notary seal on Building Committee applications. It causes delays on projects since some of the owners are out of the area or state.

**MOTION MADE THAT THE NOTARY PORTION OF THE APPLICATION BE**

**REMOVED**

**Motion Carries**

- 2 Fee Schedules - recommends corrections to inconsistencies in the fee schedules.

**MOTION MADE THESE CORRECTIONS BE DONE**

**Motion Carries**

- 1 Rules and Regulations of Driveway Requirements, Clarification for the recently approved covenant change: "Effective July 17, 2005, and thereafter, all property owners installing a new

driveway must put in a minimum fifteen (15) foot-long by twelve (12) foot-wide concrete or asphalt apron abutting the road.”

**MOTION MADE THAT IT BE 90 DAYS AFTER THE ROAD IS PAVED AND THEN AMENDED THE MOTION TO BE WITH WORKSHOP FINDINGS OF SIX MONTHS IN SECTION 13 & 14.**

**Motion Carries**

**MOTION MADE THAT SECTION READ, “AT A MINIMUM A SILT FENCE MUST BE USED FOR THIS.”**

**Motion Carries**

- 1 **Emergency Operation Plan**, Safety Committee has recommended revisions to the POA Emergency Operation Plan. Stuart states it was formulated in 1997 with revisions up through 1999 and hasn't been looked at since then. I took it and made the necessary revisions along with some additional items that have changed in our plan here as a result of our CERT team and the shelter operations changes and put it in here. Recommends the Board read what their responsibilities are in maintaining a safe area at a time of disaster.
- 2 **Finance Committee Recommendations**
- 3 \$1,000.00 from unallocated current revenues be allocated into 7700-200 for debris removal/disposal.

**MOTION MADE TO ACCEPT THE TRANSFER THE \$1,000.00**

**Motion Carries**

- 1 That funds be transferred from the Emergency Fund to 1560-00, Building Improvements to install a new 4-ton Heat and Air Conditioning Unit at the Rental Office and clear the duct work for this unit. The unit cost is \$4,900.00 and the cleaning should be less than \$500.00.

**MOTION WE ACCEPT THE TRANSFER**

**DISCUSSION** As long as the money is returned back to the Emergency Fund. Also, the cleaning fee, as of Thursday, is to not exceed \$750. Were only able to get one bid for the cleaning. We can try to search out some additional quotes. We will be going from \$5,400. to \$5,650. With the collection of past dues, the money will be replaced in the Emergency Fund.

**MOTION AMENDED TO INCORPORATE THE REPLACE THE MONIES FROM PAST DUE COLLECTIONS**

**Motion Carries**

**MOTION TO ACCEPT THE TRANSFER**

**Motion Carries**

**Adjourn Meeting**