

**LAKE ROYALE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
September 17, 2005 - SATURDAY
10:00 a.m. – Clubhouse**

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

Pledge of Allegiance - Tim Medlin led the pledge.

Approval of the August Meeting Minutes -

- Mr. Pierce asked about the driveways including Section 13 & 14. Mr. Nichols stated that the motion was when it was amended, 6 months after the road is paved they had to have their driveway paved or asphalted. That was in Section 13 & 14.
- Mr. Robinson states “silk fences,” should be “silt fences.”
- Mr. Wainwright states that on Page 4, top of the page on motions, it’s missing who made the motions and how many votes were for and how many against.
- Mr. Nottingham states he can say the motion made on the “silk” fence was made by me and seconded by Ray Robinson.
- Mr. VanGraafeiland states we didn’t put who was for and who against. We just put how many for and how many against. Unless you want it specified you want it noted in the minutes, then it does not have to be noted in the minutes.
- Mr. Nichols asks the Board if there is a “nay”, vote, the person casting the “nay” can request that it be inserted.
- Mr. Wainwright states on Page 3, Second Paragraph should read, Motion was made to table for 90 days to give Mr. Gotta **time to get a permit**.
- Mr. Nichols asked that on those items list who made the motion and who seconded the motions.

MOTION WAS MADE THAT THE MINUTES BE ACCEPTED AS AMENDED BY MR. NOTTINGHAM AND SECONDED BY MR. ROBINSON.

Motion Carries.

Treasurer’s Report - Ann Marie Dellamorte reported the following for the August 5, bank summaries:

| | |
|---------------------------------|-------------------|
| First Citizens Oper. Acct. Bal. | 376,595.73 |
| First Citizens Payroll Acct. | 9,475.29 |
| North State Oper. Acct. Bal. | 10,434.52 |
| North State Money Market Bal. | 571,759.20 |
| North State Emergency Acct. | <u>253,970.23</u> |
| Total Balance | 1,222,234.97 |

Finance Committee - Bill Wallace reported the following:

- The financials were reviewed and discussed. It was suggested the long-term issue of showing driveway deposits as a line item in the financials be resolved appropriately. A few negative items on the balance sheet were questioned for resolution by staff. The handling of funds between bank accounts was addressed to help maximize the interest on the current excess funds on hand in the banks.
- Robert reported no change in the resolution of dues for the 89 adjoining lots billed: 67 have paid, 18 are adjoining and 4 unresolved. He also reports no change in the 173 lots sold by the County: 107 have paid dues, 29 are adjoining and 37 remain delinquent.
- Robert reported that Carriage Manor lawyer has verbally agreed that the POA counter offer for resolution of the past dues should be acceptable to Carriage Manor to resolve the lawsuit. However, Robert had not received anything in writing at that point in time to confirm that as a fact.
- Funds generated by the Lien and Foreclosure process have built up in that account to the point the process should be self-sustaining as reported. Robert says the Foreclosure report will be revised to simplify the preparation and to provide only the needed information in an easy to read format.
- Robert presented a written report from Jewell Engineering Company with recommendations for dam and culvert repairs. The immediate focus for repairs will be on the downstream culvert below the dam.
- In the Capital Improvement line, the new Police Vehicle is completely equipped and in operation. The HVAC system has been installed and the duct cleaning has been completed at the Rental Complex.
- Robert reported the final grading and seeding of the ball field is in the planning stages.
- Robert announced the Office Manager/Finance Manager has been hired and the individual is scheduled to start September 19, 2005. The FC is very please this important position has been filled with a qualified person.
- Robert reported the permit process for the Big Horn Cove riprap area has been submitted to the Corp of Engineers and to the DWQ.
- It was reported th BOD will approve the appointments of all the committees at its September meeting. Then new officers for the FC will be elected at the October FC meeting.

Mr. Wainwright states that while discussing the finance report, Robert, Joe Brooks and Richard went to the CAI, Community Association Institute, meeting yesterday. One of the big things got out of the meeting is if your community didn't have reserve funds, you're in big trouble. Mr. Wainwright thinks we should consider starting a reserve fund.

Board of Adjustments - Robert reported:

- Approved previous meeting minutes.
- Two variance requests. One of them was denied and one of them was

- approved.
- Discussed standards that are being reviewed by the BOD today and the last couple of months, the fining standards.
- Discussed the revisions that are on the table with the Governor right now to revise 47F.

Building Committee - Joe Brooks reported the following:

- Residential housing there are five applications; one garage; one deck; one deck and sunroom; one dock; and one boatslip for a subtotal of \$1,240.00.
- Camping there are two roof overs; five decks; three sheds; one garage; one room addition; one gazebo; two fences; one jet ski ramp for a subtotal of \$590.00. The total is \$1,830.00.

President's Report - Tom Nichols reported the following:

- We are in the final stages of the appointment for the long-range planning committee. This should be finalized at the October board meeting. There are nine applicants and seven positions.
- ADHOC Committee has been re-established to study our water runoff catch-basin situation. This committee will gather information as to the needs and what part the State Water Quality will assist us with.
- The Board has completed its review of the revised covenants, by-laws and changes have been given to the committee for re-writing.

General Manager's Report - Robert VanGraafeiland reported the following:

- Revenue has continued and we are still at about a 1.5 percent above the same rate last year at the same time. Through the month of September, we have already met what we brought in last September in 2004.
- Foreclosures and Give-Away properties, those have continued to go well. They getting on the market and turn a profit in both areas.
- Will be starting third official round of foreclosures the first of October.
- TESI has applied for the sewer rate to the Utilities Commission. Robert has made a request for a hearing. That is based on the rate and service issues that we have been having from the past and to current.
- We had a seminar Thursday rain gardens. It will catch the water and filter it before it gets into our resources out here. Going to try to do a handful of gardens throughout the community.
- Franklin County Planning Board had approved re-zoning of the parcel down by the dam from R1 to R15. That will allow them to do the multi-family dwelling. It still has to go to the County Commissioners for approval.
- Maintenance Department has been in Section 13 & 14 very diligently working on the roads and get them up to the best standard they can.
- Passed out registration form for the October 8 seminar. If anybody from the Board is interested in going, please let me know by Friday.

- Covenants review, I have only received the review from three members.

Compliance Hearings - Robert stated we are going to hear Case 16 & 17. Case 18 as well as Case 20, those individuals have supplied the permits.

Hearings - Leo Breton, was sworn and testified as follows:

- First case is George L. Henderson, Lot 753. Noncompliance letter was mailed certified mail June 8, 2005, regarding tall grass and weeds on his lot. To this date there is no response from the property owner. Adjacent property owners are concerned about that lot and other that might be a fire hazard when it starts to get dry again.
- There are no structures on the lots. Discussion was on what a lawn is: a maintained grassy area as part of the ornamental or residential or commercial development. There is no development on these three lots. And it has returned to its natural state.
- If there has been no permit, there has been no intention to develop.

MOTION WAS MADE WE TABLE THESE TWO UNTIL SUCH TIME THE GENERAL MANAGER CAN MAKE A DETERMINATION AS TO WHETHER OR NOT THERE HAS BEEN ANY PERMITTING BY STUART NOTTINGHAM AND SECONDED BY MR. GABRIEL.

Motion Carries, Unanimous.

- Next case is John Leo Owen, Lot 1161. Sent him a noncompliance for building a deck without a Lake Royale permit. Attempted to deliver that certified mail on 6/20; 7/9; 7/14; 7/24. As of this date 9/13/05, there has been no response from the property owner.
- Discussion on how it appears that the deck had to be there when they built the house. If you have to replace a structure, you can replace it with like-material without a State, County or Lake Royale permit. You have to build it back just like it was.
- Discussion on if he refused to sign for letter or not available to sign for it. Mr. Breton said according to the Postal Service, it was refused three times.

MOTION WAS MADE TO DISMISS FOR LACK OF EVIDENCE BY MR. GABRIEL AND SECONDED BY PIERCE.

Mr. Nottingham is opposed.

Motion Carries.

Past Hearing Status - Robert states the following:

- That the only update on these is we do have a few in the payment plan.
- Three properties that are pushed into foreclosure. One has been completed foreclosure and in the sale process which should come in October; the two others just started foreclosures on.

Property Owners' Forum -

- **Lee Robinson** here today to forward an invitation to everybody for the

Poker Run. The next one is Saturday, September 24, at 10:00. There is a 50/50 drawing for whoever wins. You meet at Comfort Station #3. The other thing I have is for the Board: Wants to re-instate the Action Report we used to get a number or years ago.

Old Business - Mr. Nichols states the following:

- Nine applicants for the Long-Range Planning Committee. Will take time to select the seven members for the Long-Range Planning Committee. At the conclusion of the next workshop, we will have a short BOD meeting for the formation of the Long-Range Planning Committee.
- Next is Board of Adjustments Recommendation/Position. The BOA recommends that a re-occurring fine start on a set day after the BOA meeting, not after the BOD meeting. We need to consider revising the re-occurring fine start date.

MOTION WAS MADE TO ESTABLISH THE RE-OCCURRING FINE STARTING ON THE SEVENTH DAY AFTER THE BOARD RECOMMENDS BY RAY ROBINSON AND SECONDED BY RONNIE PIERCE.

Motion Carries. Unanimous.

- Next item was to consider the approving the BOA fining standards. Mr. Wainwright states the numbers in the packet are not what was discussed at the workshop. If we approve this, this supercedes any previous fining procedures they may have or amounts. This would become, basically, our Lake Law.

MOTION WAS MADE THAT WE APPROVE THE BOA AND ADOPT THE BOA FINING STANDARDS AS AMENDED BY TIM GABRIEL AND SECONDED BY RONNIE PIERCE.

Motion carries. Unanimous.

- Alice Hicks made application for the alternate seat on the BOA. That expires January 1, 2006. She came into the workshop for an interview.

MOTION MADE TO APPROVE ALICE HICKS TO FILLING THE ALTERNATE SPOT ON THE BOA BY RAY ROBINSON AND SECONDED BY ANN MARIE DELLAMORTE.

Motion Carries. Unanimous.

- Next is our building committee recommendation. They recommend guidelines on un-permitted structures older than January 1, 2000. Fourth line, third word is fences. We need to put "distance". It would read, "existing structures and fences distance from all property lines."

MOTION WAS MADE THAT WE APPROVE IT WITH THE ALTERATIONS NECESSARY AND ALLOW THE BUILDING COMMITTEE TO GO FORWARD WITH IT BY RAY ROBINSON AND SECONDED BY TIM GABRIEL.

Motion Carries. Unanimous.

- Next item is recognizing the 2005-2006 Committees: Beautification, Benevolence, Building, By-Laws/Covenants, Finance, Publications, Recreation, Safety and Welcoming.

MOTION MADE TO APPROVE THE COMMITTEE LIST AS SUBMITTED TO THE

BOD BY STUART NOTTINGHAM AND SECONDED BY RAY ROBINSON.

Motion Carries. Unanimous.

- We will be continuing at our next workshop our covenants and rules and regulations, Section 13 & 14 paving the BOD 2005-2006 Goals, Rental Rates, Signs within POA and definition of Tent and further discussion on erosion control.

NEW BUSINESS

- Building Committee Recommendation for camping roof pitches; shed-roof pitch; roof over camper/room addition-roof pitch; garage roof pitch; Garage roof pitch should not be on here because our covenants states that not to exceed 4'12.
- Mr. Brooks wanted to have the discussion now so if the Board agrees to all this, a motion can be put in the next election to get this altered so we have continuity throughout the community.

MOTION MADE TO MOVE THIS ITEM TO THE WORKSHOP BY ANN MARIE DELLAMORTE AND SECONDED BY RAY ROBINSON.

Motion Carries 4-2; opposed is STUART NOTTINGHAM AND JOE BROOKS.

- Mr. Nottingham asks for a roll-call vote because he didn't hear more than two yeas.
- Mr. Brooks states this has been the discussion for months. If you don't want the guidelines, reject them. But to go back and discuss it again has no purpose. He wants a decision made. Mr. Brooks does roll-call vote on the motion to table this to the workshop.
 - Mr. Smallhorn - Yes.
 - Tim Gabriel - No.
 - Ann Faison - No.
 - Ronnie Pierce - Yes.
 - Ann Marie Dellamorte - Yes.
 - Stuart Nottingham - No.
 - Joe Brooks - No.
 - Richard Wainwright - No.

The vote was 3 to 4. So it will not be tabled. Let's take this one item at the time:

- The shed-roof pitch may not be less than 4'12 and not more than 7'12. We will not vote on the garage roof-pitch. It is currently in the covenants.

MOTION MADE ON THAT BY JOE BROOKS AND SECONDED BY TIM GABRIEL.

Motion Carries. Unanimous.

- Roof Over Camper/Room Addition-roof pitch many not less than 4'12 and not more than 7'12.

MOTION MADE ON THAT BY JOE BROOKS AND SECONDED BY TIM GABRIEL.

Motion Carries. Unanimous.

- Porch attached to roof Over Camper and/or Room Addition. Roof pitch may not exceed 4'12.

MOTION MADE ON THAT BY JOE BROOKS AND SECONDED BY STUART NOTTINGHAM.

Motion Carries. Unanimous.

DEVELOPER -

- Bob Doyle of Foxborough is interested in negotiations with PNC of North Carolina to purchase the lots owned by PNC of North Carolina. The POA has worked with the attorney on a “Developer Agreement” for this transition.
- Robert VanGraafeiland notes that on Page 2, Item No. 1, 1a: “two years after the date of the sale of the undeveloped” that word should be “developed.” And then in parenthesis: (as defined in covenants) will be added.
- Robert summarized the agreement to be approved by the BOD legally that would have him pay dues on all properties that are on developed roads after two years of his purchase. That represents approximately 100 properties. There is an additional 100 properties that are on undeveloped roads. This agreement will give him a period of five years to get those roads and utilities in. After that period of time, they will fall suit to the covenants in which he will have that three -year period to do the same. It’s not transferrable to any other developer. This is just with this individual. 85 percent of these properties are over in Section 16, on the golf course area.

MOTION MADE TO ACCEPT THE AGREEMENT AS AMENDED BY TIM GABRIEL AND SECONDED BY RAY ROBINSON.

Motion Carries. Unanimous.

TOPICS TO CONTINUE AT NEXT WORKSHOP -

- According to this, we are going to continue to the workshop discussion on the Girl Scout Troop in the Clubhouse.

REQUEST -

- Stuart Nottingham states he was approached by Bunn Baptist Church about borrowing our CERT trailer in order to carry materials and supplies to Mississippi. I have no problem granting this request, but needs the approval of the Board to allow it.

MOTION WAS MADE TO GRANT BUNN BAPTIST CHURCH THE LOAN OF THE CERT TRAILER BY STUART NOTTINGHAM AND SECONDED BY ANN FAISON.

Motion Carries. Unanimous.

- Ray Robinson state that Star Mart donated a sign to put up at the front of the POA Property, by the gate house. The sign needs repair. Once we come up with the information to repair it, we will go to the Finance Committee and ask if we can find a couple hundred dollars.
- This is directed to Tim and Jerod: When are you going to put my siren up?
- Jerod responds that he requested a siren and he got it for him. Stuart Nottingham states he was given the quotes just before the meeting today by two contractors and he will take that to the CERT team and it will be discussed and then go to the Finance Committee.
- Ray also comments to Jerod about tractor trailers parking either on the road over night or on the right-of-way. Please make these people understand they are not to park there.
- The water has been less than palatable in the last month or so. Stuart Nottingham states the warm weather up at Kerr Lake and the algae has bloomed and died. And that puts the odor in the water. It is one hundred percent safe to drink.
- Ray makes a motion before the Board next month that before we award any contracts for the repaving additional roads in the other sections, we take a hard look at doing something in 13 & 14 to prevent those roads from being washed out again. And Mr. Nichols states that is on the agenda for the workshop.

Adjourned Meeting.