

**LAKE ROYALE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
MAY 19, 2007
9:00 A.M. – CLUBHOUSE**

Call to Order – The meeting was called to order. Present were: Judy Strother, Dennis Godwin, Ryan Walker, John Smallhorn, Richard Wainwright, Ann Marie DellaMorte, Stuart Nottingham, William Wakefield, Ken Smith . Staff present: Robert VanGraafeiland, Peter Engberg, Jarrett Umstead.

Pledge of Allegiance – Ryan Walker

Approval of the May Meeting Minutes – Motion made by Bill Wakefield and Seconded by Dennis Godwin. **Motion carries.**

Treasurer's Report – Ann Marie Dellamorte reported the following for the December bank summaries:

• First Citizens Operating Acct. Balance	\$133,931.30
• First Citizens Payroll Acct.	\$ 4,719.89
• North State Operating Acct.	\$119,502.77
• North State Money Market Acct.	\$1,202,474.33
• North State Emergency Acct	<u>\$250,897.34</u>
• Total Balance	\$1,711,525.63

Finance Committee Minutes – Mr. Wallace reported the following:

- Robert reported the property foreclosure process continues to go well. 519 properties have been processed. 313 of the properties have closed. 142 are in the early process-- 38 are scheduled for hearings while 26 are set for sale on May 16 in Franklin County. Nash County hearings will happen later in May and sales will follow on June 15.
- The foreclosure sale of Carriage Manor is continuing on time for a sale as early as July or August. A motion was passed recommending to the BOD that a committee be appointed to research and consolidate all the information available in order for the POA's best interest to be served in a course of action at the sale.
- T.R. reported the auditor's visit was scheduled too early this year. With all the year end and year start up activities in administration, there was just too much distraction; so the audit will be scheduled differently in the future. In addition to the accounts payable PC failure, the Maintenance Department phones had problems and the Gate House had a PC problem. April was a little more challenging than usual for Administration.
- Robert reported capital projects as follows: the parking area expansion at the POA office continues; the beach sand is being updated; the new mower at Maintenance is functioning well; and the playground training course has been scheduled for the Maintenance Director.
- The Mail Facility Committee reported that September 1 has been set as the target date for the completion of the LR Mail Facility West and the beginning of transition to the new location. The Louisburg Postmaster was very enthusiastic about this new facility and pledged her support to assure the transition goes smoothly. Bids are in process for the necessary construction work.
- T.R. reported North State Bank's terms for refinance of the POA road loan should be received next week and a proposal from Community Association Banc has been received for comparison purposes.

- Under new business, a motion was approved recommending to the BOD approval of the bid of Hines Equipment for purchase of mower attachments for \$16,158, which is within the budget amount of \$20,000.
- A motion was approved recommending to the BOD approval of the bid of Dixie Power Wash and Paint Service, Inc. for painting and wood repair of the Clubhouse for \$12,750 which is within the budget amount of \$15,000.
- The April financial information could not be balanced for the FC meeting. The accounts payable PC malfunction caused some problems with the year-end close outs that affected the financial reports. There were questions to Robert about the figures on the Treasurer's report and may need to be restated once corrected.

Board of Adjustments –

- At the April 12 meeting, Nicole Clift brought 7 compliance cases before the BOA. Three cases had come into compliance or were in the process of becoming compliant and were withdrawn. She stated that one property owner was appealing the non-compliance citation to the BOD.
- Jimmy Hamilton announced his resignation from the BOA effective April 12. A motion was passed to accept his resignation.
- At the meeting on April 26, 2007, Nicole brought nine non-compliance hearing cases before the BOA. Four were being withdrawn since one gave evidence of a pre-existing permit and three had either come into compliance or were in the process of becoming compliant.
- Five property owners were found to be in non-compliance and both initial and recurring fines were imposed. Due to financial limitations of one of these property owners, a motion was passed that the recurring fine would start on the established date of May 4, but would be waived if the property owner completed the work and became compliant with six weeks. One property owner was found to be out of compliance for three violations.
- A motion was passed to request the BOD to adjust the range for an initial fine from the present parameters of \$85-\$100 to \$50-\$100.

Building Committee –

- For residential: 3 houses; 2 sheds; 1 deck; 3 fences; 1 lean to; 1 retaining walls; 2 bulkhead. Total of \$845.00
- For camping: 1 deck; 3 sheds; 1 garage; 2 porch; 1 fence; 1 room addition; 2 roof overs; 1 camper enclosure. Total \$545.00

President's Report - Stuart reminded the group that June 1 is the official start of Hurricane Season. He asked that the CERT Team, BOD, LR Shelter personnel, Maintenance, General Manager and Chief of Police meet at the clubhouse at 9:00 on June 2 to discuss everyone's responsibilities.

- If you need information on preparing for a Hurricane, you can go look on the LR website and click on the link CERT.
- July annual meeting is coming up, ballots are going out and he urged everyone to read them and give considerations.
- Memorial Holiday will be observed by Lake Royale at 11:30 a.m. on May 28.

General Manager's Report – Robert spoke about the meeting with the Auctioneer for Carriage Manor. The target date for the sale is set for the first week in August. He also spoke about the BOD having a "Meet the Candidates Forum" on June 16 at the BOD.

Property Owners Forum –

The Moffets - spoke about the washer and dryer situation in the camp grounds.

Bob Winters - spoke about wanting a gate at the golf course.

Karen Voight – spoke about the work on the spillway.

Tom Nichols – thanked Stuart for bringing the attention to the audience of Memorial Day celebration. Also the July 4th celebration will be on July 4th. He also talked about changing the by-laws so any member in the armed services would not have to pay dues when they are in a war zone.

Chris Eishbach – Encouraged the Board to support the erosion control measures ballot. Also thanked the Board for work on the retention ponds.

Andre Shy – Had a question about the POA’s right away, and its responsibility for channeling flood water on to an owner’s property.

Ray Robinson – Thanked everyone for the support while on the Board. Suggests that time be spent being financially responsible to keep dues down to a reasonable level.

New Business -

Residential seat is currently open on the BOD. The Board voted for Ken Smith to fill the Residential Seat. A motion that Mr. John Godwin replace Mr. Smith on the ballots for the position of vice chairman for next year by Mr. Wainwright and Seconded by Mr. Smith.

Motion carries.

Addition to Rules and Regulations to control construction debris. Motion made by Bill Wakefield as amended and Seconded by Ryan Walker. **Motion carries.**

Trash receptacles located at POA properties shall not be used for household trash. Motion made by Bill Wakefield and Seconded by Ken Smith. **Motion carries.**

Consider revision to Policy & Procedure Handbook for vacation policy. Motion made by Ken Smith and Seconded by Richard Wainwright. **Motion carries.**

Consider continued use of the User’s Guide until the Board takes further action. Motion made by Bill Wakefield and Seconded by Richard Wainwright. Ms. DellaMorte opposes. **Motion carries.**

Consider approving the BOA use the range of \$50-\$100 for initial fines. Motion made by Richard Wainwright and Seconded by Bill Wakefield. **Motion carries.**

Move to approve the BOA assess fines by averaging each valid individual vote. Any vote outside the approved range would be invalid. Motion made by Bill Wakefield and Seconded by Richard Wainwright. **Motion carries.**

Move to name the mail facilities Lake Royale Mail Facility East and West. Motion made by Ryan Walker and Seconded by Ann Marie DellaMorte. **Motion carries.**

Second recommendation is a facility charge of \$30 for access of small boxes and \$60 for access of large boxes was considered. . Motion made by Ken Smith and Seconded by Ryan Walker. Motion made to amend to \$15 for small and \$30 for large made by Bill Wakefield and Seconded by Ryan Walker. 4-5, amendment does not pass. The original motion of 30/60 5-4, **Motion carries.**

Move that the committee and staff not take efforts to refurbish Benton’s Harbor play area, surface and equipment. Motion amended by Stuart Nottingham that this area be a storm water

retention area and equipment be moved to another area if economically feasible. Motion made by Ms. Strother and Seconded by Dennis Godwin. **Motion carries.**

Move to approve the Recreation Committee host the proposed Triathlon. Motion made by Ryan Walker and Seconded by Richard Wainwright. **Motion carries.**
6-3.

Move to approve purchasing mower attachments from Hines Equipment for \$16,158. Motion made by Richard Wainwright and Seconded by John Smallhorn. **Motion carries.**

Move to approve bid from Dixie Power Wash and Paint Services for clubhouse Repair for \$12,750. Motion made by Ken Smith and Seconded by John Smallhorn. **Motion carries.**

Move to form an ad hoc committee to evaluate available information and submit recommendations to the BOD for the POA's best course of action regarding the sale of the Carriage Manor POA. Richard Wainwright, Ryan Walker and Ken Smith appointed to serve on Ad Hoc Committee.

Move to approve the opening the Lake for the Lake Royale Bazaar. Motion made by Richard Wainwright and Seconded by Ken Smith. **Motion carries.**

Consideration of Ballots for Covenant changes

Place 'Lot Designations' from *User's Guide* into Existing Covenants

Moved b Richard Wainwright, seconded by Ken Smith: that we approved recommendation 1.
Carried

Place 'Building Committee' from *User's Guide* into Existing Covenants

Moved to approve ballot 2 by John Smallhorn, seconded by Richard Wainwright. **Carried**

Residential Lots - Place 'General Guidelines' from *User's Guide* into Existing Covenants

Moved to approve ballot 3 by Ken Smith, seconded by John Smallhorn. **Carried**

Place Multiple "Descriptions" from *User's Guide* into Existing Covenants

Moved to approve ballot 4 by Ken Smith, seconded by John Smallhorn. **Carried**

Replace Existing Covenants with 'User's Guide'

Moved to approve ballot 5 by Richard Wainwright, seconded by John Smallhorn, **Carried (5-4), Walker, Struther, Della Morte and Godwin opposing**

Camping - Correct # of Sheds Allowed

Motion to approve ballot 6 by Richard Wainwright, seconded by Ryan Walker. **Carried**

Save Our Trees

Motion to approve ballot 7 by Richard Wainwright, seconded by Bill Wakefield. **Failed**

Allow Structure within 50' of Boat Slip

Motion to approve ballot 8 by Richard Wainwright, seconded by Ken Smith. **Carried**

Soil Erosion Bond

Motion to approve ballot 9 by Ken Smith, seconded by Richard Wainwright . **Failed**

Consideration of ballots for by-law changes

Road Frontage Fee on Contiguous Lots

Motion to approve ballot 1 by Ken Smith, seconded by John Smallhorn. **Carried, opposed by Godwin and Walker**

Administrative Transfer Fee

Motion to approve ballot 2 by Ken Smith, seconded by Bill Wakefield. **Carried, opposed by Godwin and Strother, abstention by DellaMorte, Walker recused.**

Committees of the Board of Directors

Motion to approve ballot 3 by Ken Smith, seconded by John Smallhorn. **Carried, opposed by DellaMorte and Strother**

Carriage Manor

Moved to approve ballot 4 by Bill Wakefield, seconded by Ann Marie DellaMorte. **Carried**

Need Majority Vote for Special Assessment

Motion to approve ballot 5 by Ann Marie DellaMorte, seconded by Bill Wakefield. **Carried, opposed by Godwin, Walker, Smith and Wainwright**

Nominating Committee

Move to approve ballot 6 by Bill Wakefield, seconded by John Smallhorn. **Carried, opposed by Wainwright, Smith, DellaMorte**

Motion to overrule the Chair's ruling that ballots cannot be amended, nor new ballots considered, by Bill Wakefield, seconded by Richard Wainwright. **Carried, opposed by Strother and Smallhorn**

Motion to approve a ballot to relieve service personnel who are in war zones of the annual dues while they are in the zones, by Ken Smith, seconded by Dennis Godwin. **Carried**

Motion by Richard Wainwright, seconded by Ken Smith: to revise Covenant ballot #9 by removing the word "bond" where it occurs in the ballot, and inserting the word "deposit". **Carried, opposed by Godwin and DellaMorte, recused-Walker**

Meeting adjourned