

**LAKE ROYALE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
JUNE 16, 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, TR O’Neil.

Pledge of Allegiance – Led by Jarrett Umstead

Approval of the May Meeting Minutes –.

Corrections –

Replace Existing Covenants with ‘User’s Guide’

As shown: Moved to approve ballot 5 by Richard Wainwright, seconded by John Smallhorn, Carried, **Walker and Godwin opposing**

Vote corrected –**Walker, Godwin, Strother and DellaMorte opposing – tie vote broken by President voting “For”. Motion Carried**

Motion made by Smith to approve the minutes as corrected and Seconded by Strother.

MOTION carries

Motion made by Wakefield to accept the minutes from the June 6 executive committee meeting. Seconded by Wainwright.

MOTION carries

Motion made by Smith and seconded by Wainwright to accept the contract for the dry wall for the Postal Facility.

MOTION carries.

Treasurer’s Report – Ann Marie DellaMorte reported the following for the May bank summaries:

• First Citizens Operating Acct. Balance	\$ 51,621.77
• First Citizens Payroll Acct.	\$ 21,296.76
• North State Operating Acct.	\$ 22,550.36
• North State Money Market Acct.	\$1,297,492.90
• North State Emergency Acct	<u>\$ 250,959.91</u>
• Total Balance	\$1,643,921.70

Finance Committee Minutes – Mr. Wallace reported the following:

- The Finance Committee met at 9:00 AM Saturday, June 9th for the regular monthly meeting.
- Phyllis Pearson of the audit firm of Petway Mills & Pearson, PA presented a draft of the annual audit report for FY 2006-2007. While the report was favorable, it did point out some areas for improvement and the finance manager and staff are addressing those improvements.

- Dillon Bunch and David May of RBC Centura Bank made a brief proposal to the FC on how they could serve the financial needs of the LR POA. A motion was approved that they meet with T.R. O'Neill to see what they would offer. A separate motion was approved to submit RFPs to other area banks for competitive bids to supply the POAs banking needs.
- The May financials were reviewed and discussed. Adjustments have been made to clear up some problems with the year-end close outs that was caused by the malfunction of the accounts receivable PC.
- The Miller-Dodson Reserve Study continues under review of the combined BOD, FC, and LRPC for possible suggested changes to the study.
- Robert reported the property foreclosure process continues to go well which includes 519 properties already processed. 338 of the properties have closed (sold, paid, or been turned over to the POA). 113 are in the early process; such as, 28 are scheduled for hearings while 40 are set for sale on June 15th and 27th in Franklin County. A number of hearings are scheduled for July 25th.
- Robert reported the BOD appointed an ad-hoc committee to research the best way to protect the interest of the LR community at the auction/sale of the Carriage Manor property. The FC will support their efforts with financial information as needed.
- T.R. reported written accounting procedures for each of the office/accounting personnel are nearing completion. The audit recommendations are being addressed and will continue until all the recommendations are met.
- Robert reported on capital improvement projects as follows: the gravel parking lot at the POA office has been completed and the mower attachments have been purchased and they are in use.
- The Mail Facility Committee reported that the Mail Facility West is under construction and on target for a September completion date.
- Karen reported the lowered lake level will be maintained through the week of June 18 to allow for the engineering survey as scheduled.
- T. R. reported North State Bank's terms for refinance of the POA road loan had not been received as of our meeting time.
- *Under new business, a motion was approved recommending to the BOD that the SWMC's check dam proposal to expend up to \$3,000 for a pilot project beginning immediately with volunteer free labor supervised by the SWMC and to extend the project using the designated funds as needed with the General Manager's approval, if Management deems the pilot project successful.

Stuart asked if the audit report was unqualified, TR assured him it was.

Board of Adjustments –

- The Variance Hearing was called to order by the chairman. Appeals for a variance by three property owners were brought before the BOA by Nicole Clift. One variance was granted and two were denied by the BOA. The five regular members of the BOA voted on the variance requests.

- Seven non-compliance cases were brought before the BOA by Nicole Clift. All regular and alternate members of the BOA voted on the compliance cases
- Two non-compliance citations were for one property owner. Nicole stated that both of these were being withdrawn at the time of the meeting, as a building packet was submitted by the property owner for one of the violations, and she is working with this property owner to correct the other violation.
- Four property owners were found to be out of compliance. One of these property owners was cited for two violations. An initial fine and recurring fines were imposed for three of these property owners.
- A motion was passed to delay for one month the fining of one property owner to give the owner time to contact the Division of Facilities Services, or whoever they should designate, to provide documentation on the needs of the property owner.
- A motion was made to revise the Board of Adjustment Rules of Procedure to include the new Fining Standards adopted by the Board of Directors. This replaces the previous Fining Standard.
- Due to scheduling conflicts the BOA regular meeting dates were changed for the following months:
 - June 2007 – June 21
 - November – November 29
 - December - December 20
 - Public notification of these date changes dates will be given.

Building Committee –

- For residential: 1 Garage; 6 sheds; 1 porch; 1 fence; 1 room addition; 1 dock; 1 boathouse; 2 carports. Total of \$550.00
- For camping; 3 decks; 4 sheds; 1 carport; 1 porch; 1 fence; 1 room addition; 1 roof over; 1 camper enclosure. Total \$500.00
- No permits denied. Need two new approval stamps. Robert has ordered.

President's Report –

- Regarding the Spillway, the lake level is just about where we need it to start Trigon Engineering's testing. As soon as this is done, the valve for the spillway will be closed and the water level will return to normal. A promise to all waterfront owners that they will be notified before the actual work begins (the lake level will be lowered again).
- Population increases in the summer at Lake Royale, prompting an increased need for respect for each other. It is upsetting when driving around and observing the increased amounts of Trash along the roads. Please don't litter.
- Whoever the young man is going up and down Shawnee at 11:00 pm – please play something different. The noise is irritating.
- Thanks to everyone for obeying the traffic laws. We don't get a monthly report on this, but please keep your speed down. During the summer there are more golf carts – most will pull over and let you pass them. Please give them a chance to do that.
- The 4th of July celebration is coming up – annual parade with Golf Carts, bikes, etc. This is sponsored by the Am Vets, including a Hot Dog sale after parade. Please support the Am Vets and buy a hot dog!

- On July 7th there will be fireworks. The emergency response team will set up safety zones – please respect those areas.
- Mr. Moffet spoke at the People’s Forum last month. He has since sent a letter saying “Hooray and thank you for the new washers and dryers as replacements and additional ones as well”. The POA will be negotiating a new contract for service.
- Annual meeting next month – Stuart thanked all members of board and community for allowing him to serve as president.

General Manager’s Report

- Reminder of “meet the candidates” and “discuss ballots” today at noon.
- Reminder to sign up for open forum.
- There will be no workshop in July.
- We are trying to get a list of email addresses for property owners. Please notify the office of your address and help us with this effort.
- We are now tracking emergency numbers – if you have an emergency number you would like to have on record, please notify the POA staff.
- The Annual meeting has taken the staff a lot of time to prepare. Ballots were mailed last Friday.
- Trigon Engineering is coming next week. We will be closing the spillway on Monday to prepare for their inspection.
- The new Mail facility going along fairly well.
- Carriage Manor sale continues to be on track. We should have report soon.
- June 30, 11 am will be the employee appreciation day at the Pavilion.
- Franklin County has two properties below the spillway. We have approval from the county to use them as parcels for a greenway, on a 10 year contract. We are in the process of finalizing that contract.
- Reminding property owners, while cleaning up your properties, do not put leaves or any debris in ditches. This severely messes up the drainage system.

Property Owners Forum –

- Bill Finch - Disturbed by Road frontage fee of \$75 for adjoining lots.
- Mark Koppel –A lot of Jet skis in Pavilion area, and not following the “no wake” rule creating a huge safety issue. Suggestion that LR Police show up at beach for ½ hour periodically to enforce rules and slow things down.
- Joe Sergi – Jet Ski situation – we need some kind of control. Danger to little kids swimming. House on lake has 6 jet skies – smoke filling whole area. Running a business fixing them?
- Alexis Scott – Regarding \$75 lot fee – worked hard on their lot. Trying to get third lot. They were told they would not be penalized – verbal contract has been breached. This is unethical.
- James Grainsy – not fair to charge \$75 per lot – he has four.
- Bill Edwards – Spread of Hydrilla - plant can take over and kill this lake – could stop all fishing, skiing and swimming. Board should do something. Perhaps put in a boat washing station and charge 20\$ to get boat washed before this starts in our lake. That would be cheap insurance.

Old Business:

Security Report; It was requested that the staff evaluate the equality of security offerings throughout the subdivision, specifically improvements to Section 16 (the River) entrance.

Ken Smith reported as to what we could do to provide security at the golf course and what would it take to put a guard there for the night hours. \$14,000 one time basis, annual cost \$43,400 per year and would increase as years go by. We are doing a larger study on the gate, and within that report there will be a provision for The River, for a security system utilizing a bar code sys. About \$1,200 to maintain yearly. 10 pm 6 am. Includes spike barrier for out going lane.

Stuart asked – does the POA own that gate. Yes, we own gate and shed. All structures are on POA property.

Deferred to August meeting.

Nash County lots to Franklin County; The POA has been discussing the possibility of the Nash County lots being turned over to Franklin Co. Consider direction to take with Franklin Co.

Stuart - Franklin Co. says a lot of the things we are doing, we should not have. Looking to us to change our documents back – do we want to continue asking them to take over the lots and argue with them as to who would do what changes?

John Smallhorn - Section 14 residents want this to happen. Other informal conversations with the County personnel have indicated we would get favorable response. County Management is not in favor. John feels we should push for this to happen.

Ann Marie – reason we took out of covenants because it duplicated what the county has already recorded.

MOTION made by Smallhorn, seconded by Godwin to direct POA General Mgr to continue pursuing **CARRIED.**

The FC recommends the approval of the SWMC's check dam proposal to expend up to \$3,000 for a pilot project beginning immediately with volunteer free labor supervised by the SWMC; and extend the project using the designated funds with the managers approval, as needed, if management deems the pilot project successful.

A few hundred dollars will be moved to the Maintenance Department to cover their time as discussed at the FC meeting.

Motion was made by Smallhorn, seconded by Wainwright: **MOTION to approve the FC recommendation on SWMC Check Dam Proposal.**
CARRIED.

New Business -

POA staff is presenting a key portion of a recent order with the NCPUC for repairs to damaged roads within the subdivision. Consider proposed regulations.

Road Repair Standard

Damaged roads need to be put back into good repair, at least as good of repair as they were before the damage. Repaired areas shall have all wet soils removed from the damaged area and replaced with clean dry suitable soils preferably with a high sand content, properly compacted to within ten inches of finished grade. For the initial repair, ten inches of compact crush and run, or ABC stone should be installed. The paving contractor performing the final repair shall remove three inches of crush and run or ABC stone, and install three inches of asphalt surface. The asphalt patch shall be a smooth patch on edge (sealed) and on top (rolled/compacted).

Road repairs shall be made in a reasonably prompt manner. Specifically, initial repairs shall be made within 24 hours of the time the road damage occurs and will continue such initial repairs thereafter until the final repair is completed. To the extent additional or final repairs are required, Property Owner (responsible party) will promptly notify the contractor hired to complete final repairs which final repairs shall be completed within a reasonable period of time not to exceed 60 days after the road damage occurs.

MOTION – Motion was made by Wainwright, seconded by Wakefield to accept the “Road Repair” regulations.

CARRIED.

Consider proposed regulations re” unsupervised youth for control”. The following is presented as amended:

CLUBHOUSE REGULATIONS:

- Days of Operation: The facility hours are as advertised the same as Lake Front Grill. Hours for the facility will be posted and may periodically change.
- Conduct: All persons must conduct themselves in a civil and courteous manner at all times and must not jeopardize or interfere with the rights and privileges of others. Loud, profane, indecent or abusive language is prohibited. No person’s actions shall compromise the safety of another. All persons using the facility shall obey all safety rules and shall cease unsafe activity when directed to do so by the POA staff.
- Ages: An adult shall accompany children under the age of 14 when in the Clubhouse facilities. (Adult shall be defined as a member of the age of 18 years and up).
- Guest: Residents shall always accompany guests when in the clubhouse. Residents are responsible for guests.
- Alcoholic Beverages: The sale of alcoholic beverages is prohibited in the facility. Alcoholic beverages consumed in or on any Association common area should be done with discretion. Drunkenness is not condoned and consumption beyond the State established legal limit is not allowed. Intoxicated individuals will be asked to leave the facility. Absolutely no consumption will be allowed by minors. In accordance with state law and alcoholic beverage being brought into the Clubhouse shall be properly labeled with owner’s name.

- Bulletin Board: The Clubhouse has a common area Bulletin Board for displaying events, activities, rules, activity calendar and community communication. Common Bulletin Boards shall be cleared in the beginning of each month.
- Pets: Pets are not allowed in the facility (except for handicap assist animals).
- The Board of Adjustment may assess fines in connection with the enforcement of any rules and regulations.

Motion was made by Wakefield, seconded by Smith to: Accept the “Clubhouse” regulations as amended (amendments in text above) **Carried**

Recess

APPEAL

Call to Order

Hearing 0607-114 Appeal

Lot 2084, Lancaster property, Appeal of the BOA Decision (fines)

Nicole Clift presented – an additional letter from a neighbor (2085 Sagamore).

Stuart – asked Nicole about what Leo had told them in the beginning of construction.

Nic – Leo remembered pulling from seawall to encroaching. Did not do diagonals nor did he remember everything that transpired.

Stuart – issued permit 12/14/04 –

Nic - Drawing no boathouse, shows pool retaining wall within 50 FT.

Judy – discrepancy as to which was presented to building committee vs. what was actually built.

Nic – 45’8” as Robert and Nicole measured.

Original submission to building committee different.

Stuart and board reviewed plans at front desk

Ryan – Two plot plans in documents. 2nd is drawn by Nichole.

Robert – explained how measurements were taken.

Richard – months of time, why did so much time go by?

Stuart to Lancaster – state your case

Lancaster - Before we did anything, met with CCR to establish how to do setback – Leo said get survey, draw line across and that should be the setback. At one point it was going to go across the line drawn, met with POA again and instead of asking for a variance – diverted the wall to avoid. Worked with POA from the beginning.

He conferred with Stuart to explain drawing.

Stuart – at this time you are asking for relief from fines. Do not see where you are applying for variance. Robert & Nicole said wait until after DWQ & Army Corp. DWQ variance came in yesterday. The condition still exists until variance is granted by the association.

MOTION: Table this discussion and freeze fines until they can go back to BOA and apply for variance.

Smith made the motion, Seconded by Walker

CARRIED - Unopposed.

Hearing adjourned.