

**LAKE ROYALE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING**

March 15, 2008

9:00 A.M. – CLUBHOUSE

Call to Order – The meeting was called to order. Present were: Stuart Nottingham, Ken Smith, John Goodwin, Ryan Walker, Richard Wainwright, Aimee Sharrett, Gina Louise, Bennie Franklin, and William Wakefield. Staff present: Robert VanGraafeiland, T.R. O’Neill, Peter Engberg, and Jarrett Umstead.

Pledge of Allegiance – Dave Turner.

Approval of Meeting Minutes

- Motion by Richard Wainwright to accept the minutes of the February 16th Board of Directors Meeting as amended. Seconded by Ryan Walker. **Motion carries.**
- Motion by Richard Wainwright to accept the minutes of the February 20th Special Session to hear Appeals from Board of Adjustment Decisions and Requests from Property Owners for Relief. Seconded by Ryan Walker. **Motion carries.**
- Motion made by Bill Wakefield to accept the minutes of the February 13 Closed Board of Directors Meeting. Seconded by Richard Wainwright. **Motion carries.**

Treasurer’s Report – In the absence of the Treasurer, the report was deferred and will be presented during the April meeting.

Recreation Committee – John Setzer reported that the Playground Equipment at Rocketship Park has been reinstalled after repair.

Club-House Subcommittee - Jane Goodwin made a presentation on the Lake Royale Christian Ministries offer to install accordion walls in the Clubhouse to provide flexibility for multiple meetings or access to Clubhouse Facilities while a meeting was taking place in the main clubhouse room.

- More than fifteen Lake Royale organizations participated in the initial discussions regarding the project.
- Installation of the walls will be funded by the Lake Royale Christian Ministries.
- When not in use, the walls will be compressed into two storage closets on either side of the stairs. The cabinets are approximately 30 inches by 7 inches deep.
- The ability to create separate meeting rooms will provide flexibility during emergencies and access to the computers, library and gaming tables during other events.

Finance Committee Minutes – Mr. Wallace reported the following:

- The Dam/Spillway Advisory Subcommittee received the Trigon report on repairs to the spillway. It will be forwarded to NC DENR for approval.
- The POA General Manager commended Bob Posvic and the Sub-Committee on the success of the new procedures for disposal of the POA acquired properties. He reported on foreclosures as follows: 523 are closed (either were paid, turned over to the POA or

sold); 100 are in the early stages of the process; 48 are scheduled for hearings; and 46 are noted for sale. March sales have been low due to the auction at which 43 of 50 lots offered were sold. The auction sales will net about \$131,000 plus another \$17,500 in 08-09 dues. The sale of Carriage Manor has been approved and is waiting funding.

- T.R. presented a report showing a very favorable funds position available for the remainder of the fiscal year due to procedures put in place and carried out by the staff. Dues statements for FY 2008-2009 have been mailed and procedures for tracking multiple owners has been implemented by the office staff.
- The POA General Manager reported continued progress on some small items in the capital budget and noted that other projects are on hold until the BOD releases funds for the priority items. The new police vehicle is to be picked up on Monday, March 10. The warranty part is in for the playground equipment and it was installed this week.
- Stuart Nottingham reported no progress by the BOD on Chief Umstead's request for an additional officer with investigative training, but said that several BOD members are monitoring the budget to find ways to increase both the police department staff and an additional CCR position.
- The Maintenance Manager provided a report on generator recommendations. Current estimates indicate cost for the POA Office, Clubhouse, and Police Department needs are between \$70,000 and \$80,000. The consensus was that more research and quotes are needed.
- Mr. Wallace noted that the Auditor was paid \$6,000 more than originally budgeted but that the extra effort by the Auditor resulted in tax savings of approximately \$100,000.

Board of Adjustments – Delcie Wakefield reported the following:

- Eleven non-compliance cases were brought to the BOA by Nicole Clift. Two cases were withdrawn as the property owner who had two violations had corrected both violations. One case was found non-compliant at the time of citation but the property owner had corrected it by the time of the BOA meeting so no fines were imposed.
- One case was tabled until the next meeting to allow the property owner time to become compliant. One property owner was granted a continuance of the case until the April BOA meeting at which time the property owner is to bring further information for determining the case.
- Seven property owners were found to be out of compliance and both initial and recurring fines were assessed. One of these property owners had two violations.
- A motion was passed directing the POA staff to suspend the taping of BOA hearings unless needed for the purpose of minute documentation. If a hearing is taped, the tape will be destroyed once the minutes are approved.

Building Committee – Bill Edwards reported the following, noting that 25 permits were issued in February 2008:

- For residential: 2 boat slips; 1 dock; 2 fences; 1 hot tub and enclosure; 1 house; 2 retaining walls; and 2 sheds
- For camping: 3 decks; 2 fences; 1 lean-to; 1 porch; 2 roof-overs; 2 room additions; 3 sheds
- Total revenues: \$855.00

President's Report – Stuart Nottingham:

- Read a Franklin County communication announcing imposition of water restrictions.
- Extended the deadline for applications for five open seats for the Board of Directors until the April meeting, noting that the only applicants for open seats were incumbents.
- Spoke about his annual severe weather notice and encouraged every one to make preparations for severe weather.

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

- The availability of space at the rental office.
- The Cypress Creek Water Shed Study meeting occurring the following week.
- Meetings with the Soil and Erosion Committee of Franklin County about grants that will benefit the Lake Royale Community.
- Meetings with ten realtors regarding Lake Royale properties.
- Discussions with the Postmaster to have the East Mail Facility turned over to POA.
- Expected arrival of the new police vehicle scheduled for Monday, March 17th.
- The Easter Egg Hunt scheduled for Sunday, March 23, at 2.p.m.

Property Owners' Forum -

- Lorraine Milark – Spoke about new Rules and Regulations and restriction waivers.
- June Affleck – Spoke about the condition of the Security Guard building and the need for a suggestion box.
- Robert Styers – Spoke about cottages, building restrictions, and security lights being out.
- Pam Jaye – Spoke about Building Rules and Regulations and restrictions on construction.
- Robert Dillard – Spoke about enforcing Lake Royale Covenants.
- Chris Eschbach – Spoke about water conservation and compliance with water restrictions.
- Patti Arms – Spoke about Building Rules and Regulations and Storm Water Management Committee issues.
- Troy Allen – Spoke about Building Rules and Regulations, variances for cottages, and Storm Water Management.
- Evelyn Abbott – Spoke about the need to educate builders about Lake Royale Rules and Regulations pertaining to construction and waste disposal.

Old Business

- Board members reported on individual goals.
- Motion by Bill Wakefield to:
 - Designate the Camping Area as a “Mixed Use” Living Area;
 - Accept the Building Committee recommendations regarding Roof-Overs, Garages, and Cottages.
 - Direct the Building Committee to make exceptions to the proposed Cottage Rules and Regulations, retaining the 899 square foot restriction, allowing variances on heights providing plans prohibit construction of additional living space, and requiring post construction inspection; and

- Allow a Property Owner in this Mixed Use area to combine lots in order to meet Franklin County land requirements for a residence, in order to build a larger structure.

Seconded by Ken Smith for purposes of discussion. Bill Wakefield accepted an amendment to his motion by Ken Smith designating the area as a “Mixed Structure Living Area.” After extended discussion, Bill Wakefield **withdrew the motion**.

- Motion by Stuart Nottingham as follows: In recognition that the area defined in Lake Royale documents as a “Camping Area” may contain structures defined as camping, camping with roof-overs, and cottages, that this area be designated as a Mixed Structure Living Area. Seconded by Bill Wakefield. **Motion Carries.** Motion by Bill Wakefield to divide his previous motion into segments. Seconded by Gina Louise. **Motion Carries.** Motion by Bill Wakefield to approve Section 8.8 (Roof Over), 8.78 (Garage) and 8.4 (Cottage) as presented by the Building Committee. Exception to height and roof pitch restrictions for cottages may be made by the Building Committee if the property owner, builder, or architect can prove that the plans will conform to Lake Royale Rules and Regulations and Lake Royale Covenants. Seconded by Richard Wainwright for purposes of discussion. Extended discussion occurred. Motion by Bill Wakefield to Call the Question. Seconded by Ken Smith. **Motion Fails.** Further discussion ensued. Motion by Bill Wakefield to permit the Building Committee to make exceptions to height for Roof Overs providing that the property owner could prove to the Building Committee that the plans would not violate Lake Royale Covenants. Seconded by Ken Smith. Motion by Aimee Sharrett to defer further discussion of this issue. Seconded by Gina Louise. **Motion Carries.** Stuart Nottingham announced formation of a Committee composed of Board Members and Building Committee Members to provide recommendations regarding these Rules and Regulations at the April Board of Directors Meeting.
- Motion by Richard Wainwright to approve Finance Committee recommended Capital Construction projects as follows: \$5,000 to repair a damaged culvert, \$3,000 to gravel the West Mail Facility Parking lot, \$18,000 for a Network Server and Document Scanning Software, and \$11,000 to dredge Silt Ponds. The Motion was extended to include funding approval of \$25,000 for the Front Gate Security building, \$100,000 for road repairs, and \$18,000 to fund Storm Water Management Committee projects. Second by Bill Wakefield. Ken Smith voiced opposition to the three items in the extended motion because they had not been appropriately vetted by the Board and insufficient material was available to evaluate the proposals. Extended discussion occurred. Motion by Bill Wakefield to Call the Question. Seconded by Richard Wainwright. **Motion Fails.** Motion by Bill Wakefield to approve Finance Committee recommendations (\$5,000 to repair a damaged culvert, \$3,000 to gravel the West Mail Facility Parking lot, \$18,000 for a Network Server and Document Scanning Software, and \$11,000 to dredge Silt Ponds). Transfer \$26,500 from the reserve funds to be expended as follows: \$1,500 in additional funds for West Mail parking facility gravel/grading plus \$25,000 for the Front Gate Security building construction with the provision that the \$25,000 may not be expended without a subsequent vote of approval by the Board. Seconded by Ken Smith. **Motion carries.**
- Motion by Richard Wainwright to accept Clubhouse Subcommittee proposal to install accordion walls in the Clubhouse. Seconded by Ken Smith. **Motion carries.**

- Motion by Aimee Sharrett to acknowledge the Lake Royale Company Police Policies. Seconded by Gina Louise. **Motion Carries.**

New Business

- Motion by Ryan Walker to accept the Building Committee Membership as reflected in the presented Committee roster. Seconded by Aimee Sharrett. **Motion Carries.**
- Motion by Ken Smith to expend \$640.78 in addition to the \$18,000 previously approved to purchase the LaserFiche system with Fijitsu 6140 Scanner and server. Seconded by Richard Wainwright. **Motion Carries.**
- Motion made by Richard Wainwright to accept the Pettway, Mills & Pearson, PA. proposal to conduct an Audit of Lake Royale finances for FY 2007-2008 at a cost of \$12,000 (\$10,500 for the audit and \$1,500 for taxes). Seconded by Ken Smith. **Motion Carries.**

Adjournment

Motion by Ken Smith at 12:15 P.M. to adjourn. Seconded by Aimee Sharett. **Motion carries**

Meeting adjourned