

LAKE ROYALE PROPERTY OWNERS ASSOCIATION

Annual Meeting

July 19, 2008

9:00 A.M. – CLUBHOUSE

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

Invocation – Leo Brenton gave the invocation.

Pledge of Allegiance – T.R. O'Neill led the Pledge of Allegiance.

Approval of Minutes – Motion by Bill Wallace to Approve the Minutes of the July 2007 Annual Meeting. Seconded by Dennis Godwin. **Motion carries.**

Call for Ballots – Chairman Wainwright made a final call for ballots, and urged anyone who wanted to speak at the Property Owner's Forum to sign up at the podium.

Introduction of the Board of Directors - Chairman Wainwright introduced the members of the 2007-2008 Board of Directors. He then introduced the POA Staff who were present. Chairman Wainwright also thanked Jack Hughes, Chair of the Ballot Counting Committee, Ballot Judge Lynwood White, Parliamentarian Dick Merryman, and Ballot Counters Rebecca Bennett, Leona Hughes, Buzz Fleming, Chris Wright, Chris Eschbach and Paul Wygowski.

Audit Report - The Audit report was presented by a member of the firm of Petway, Mills & Pearson, PA. A synopsis of the Auditor's report indicates an unqualified favorable opinion, which is the highest level of opinion that an audit firm can give. As a result of POA Staff and Committee efforts, the items of concern in the management operations section of the report were reduced from thirteen in 2007 to only one in 2008.

The Auditors noted the progress made by the Property Owners Association to establish a Reserve Replacement account but also noted that at current levels it may not be adequate to meet future needs.

Chairman's Comments – Chairman Wainwright thanked the property owners for the opportunity to serve them for four and a half years and pointed out the accomplishments of both the staff and the many volunteers that have improved the Lake over the past years. He urged everyone to sign up for committees. He noted that he had come into office with the idea of improving the Lake's financial operations but found that there was almost no fat to eliminate. Increased demands resulting from growth and neglect of infrastructure by past Boards have placed the POA in a difficult situation and he urged future Boards to continue to maintain Lake infrastructure to prevent future problems.

Committee Reports –

- Ray Creek briefed the membership on the operations and functions of the Board of Adjustments including committee functions, the definition of a variance, the appeals

process and the fines process. He noted that the Committee, whose meetings are open to all Lake residents, held 14 meetings during the last year, considered 214 compliance cases, nine variance cases and one appeal. He concluded his report by introducing members of the Board of Appeals.

- Richard Wainwright reported on the activities of the Benevolence Committee in the absence of Jean Sullivan who was ill. His report included the Ball Field fund project and other charitable events.
- Karen Voigt gave an update on the Dam/Spillway Committee, thanking Hank Hyatt and Boyd Phillips for their enormous contributions on this project. Work on the Dam and spillway should begin shortly after September 15th. She also reported on her efforts to convert POA official records and papers to electronic records and thanked John Goodwin for his efforts on this project. As Chair of the Board OF directors Nominating Committee, she thanked Pat Phillips and Art Wright for their efforts in helping to generate the slate of candidates whose names appeared on the annual ballot.
- Ryan Walker reported on the efforts of the Building Committee during the past years. The Committee approved 105 permits in the residential areas and 173 in the Camping areas. These included 38 houses in the Residential area and three cottages, 22 roof-overs and 20 room additions in the Camping area. \$25,630.00 in revenues was generated by the Building Committee. Mr. Walker closed his report by introducing the members of the Committee.
- Hib Affleck reported on the activities of the By-Laws and Covenants Committee, consisting of himself, Ray Creek and Gary Kittle. He noted that part 2 of the Rules and Regulations had been approved by the Board of Directors, was combined with Part 1, and is now available on the POA Website. He noted that because the POA did not generate any changes to the Covenants and By-Laws this year, saving almost \$12,000 in funds that would have been required to mail out changes to property owners.
- Bill Wallace outlined the functions and processes of the Finance Committee, noting that its members, who he introduced, were appointed by the Board of Directors. He noted that the operations of the Committee over the past two years had lead to a situation of stability as evidenced in the report of the Auditors given earlier in the meeting. He cited the efforts of the Committee's sub-committees including the Dam/Spillway subcommittee. He closed his report by noting the meetings of the Committee were open to all POA members.
- Robert VanGraafeiland gave the beautification Committee report and acknowledged all Committee members who were present at the meeting. He noted that the Committee, headed by Louise Rogers, looked after more than twenty common areas in the community. Through the power-point briefing, he highlighted committee accomplishments and urged all community members to become involved in this and the other Lake committees.

- Phyllis Wygovsky briefed the meeting on the activities of the Welcoming Committee, presenting an entertaining slide show that highlighted many of her activities and some of the products that were available to new Lake residents. She thanked her husband, Paul, for his considerable efforts in supporting her activities.
- Chris Eschbach presented the Storm Water Management Committee report. He discussed the efforts on the Committee in working with the County to develop a plan to protect the Cypress Creek Watershed which includes Lake Royale. The Storm Water management Committee's three step program is to prevent further degradation to our Lake, characterize water quality and remediate damage that has already occurred, and to educate Lake residents about steps that should be taken to preserve our Lake. He invited everyone to attend the SWMC fair scheduled for September and to become involved in Community Storm Water management activities. He concluded his report by acknowledging Committee members who were present.
- Stuart Nottingham presented briefings on the Community Emergency response Team (CERT) and the American Red Cross Shelter volunteers. He recalled for all the natural disasters that led to the formation of CERT, including Hurricane Fran, Hurricane Floyd, and the December 2002 ice storm and the response by the Community. He noted that CERT not only prepared for Emergencies but also participated in Community service activities including traffic control for major events and plan with other organizations for county-wide emergency response. He asked community members to consider volunteering for CERT and for the Red Cross team that mans the Lake Royale shelter in the event of emergencies. Members of both organizations were recognized.
- Christ Schmidt gave the report for the Recreation and Publications Committee. After recognizing the members who supported the Committee, including publication of the Royale reporter, she noted the need for volunteers to replace those who were leaving the Committee. Her presentation included an extensive slide show highlighting the major social and recreational activities conducted by the Committee during the previous year.

Following a recess from 1050 to 1105, Board President Stuart Nottingham addresses the meeting. He pointed out the need for volunteers to make the Community run effectively, and noted that the Board of Directors had voted to drop compliance checks for Community volunteers except for those serving on the Board of Directors, the Building Committee, the Finance Committee and the Board of Adjustments. He also noted that some residents built structures inconsistent with Lake Royale Covenants and the Association was forced to use Rules and Regulations to enforce the Covenants. He urged those who believed that the Covenants were too restrictive to change them properly rather than circumventing them. Mr. Nottingham next noted that while funds collected and held in the bank following assessment mailings seemed excessive, they were necessary for operations the rest of the year. He pointed out of the current funds held in the bank that \$200,000 was in the Lake Emergency Fund, \$250,000 was committed to repair of the dam and spillway, and that \$30,000 was slated for playground repair. He invited everyone to attend the Board's Capital budget workshop to become informed about capital projects being planned for the next year. Finally, he thanked the staff and the Board for their contributions during the past year, and also thanked the community for the opportunity to serve them as Board President.

POA Manager Robert VanGraafeiland next took the floor. He thanked volunteers, committees and boards, and the staff for making the Lake operate effectively. He noted the many programs and success achieved by Lake organizations, ranging from the Town Hall meetings and the Triathlon to establishment of the Emergency Contact Program and the E-mail contact program. He pointed out the many contacts established by the staff and volunteers with county, state and federal officials and the results of those contacts. During a comprehensive slide presentation, he pointed out the 2007-2008 objectives that had been accomplished and the goals for 2008-2009. In particular, he highlighted progress made on assessment collections.

Lake Royale Police Chief Jarrett Umstead addressed the meeting regarding the operations of the Lake Police Department. He emphasized that as a result of state level legislation that the Lake Royale Police Department was able to enhance its operations and effectiveness and cooperate with county law enforcement officials to better protect Lake residents. He presented a Certificate of Commendation to Police officer Kenneth Mangum for efforts that saved the life of a Lake resident during a recent medical emergency.

Chairman Wainwright next presented the Volunteer of the Year Awards to Karen Voigt and Louise Rogers for their significant contributions to making Lake Royale a better community. He also presented POA Manager Robert VanGraafeiland a special recognition for his accomplishments over the past years.

POA Chairman, Richard Wainwright presented Nicole Clift (CC&R Inspector) and Robert VanGraafeiland (General Manager) the Employee of the Year Awards for there significant contributions to the association.

Manager, Robert VanGraafeiland presented Service recognition Awards to John Goodwin, Wilson Scott, Ken Smith, Ryan Walker and Richard Wainwright.

Three property owners addressed the meeting during the Open Forum. Richard Ashe talked about the problems of visitor boats and jet skis brought to the Lake especially during holiday periods. Helen Best discussed her perception of inequities regarding porch covers for the Camping and Residential areas. Frank Kreiden pointed out problems with dock availability for Lake residents and the presence of unregistered and apparently abandoned boats in dock spaces.

Chairman Wainwright next announced the results of ballots for Board of Directors members for the coming year. John Goodwin was elected Chairman, running unopposed, with 403 votes. Ruby Galvin was elected Vice Chairman, receiving 353 votes. Danny Pearce was elected to the position of Camping Representative, receiving 229 votes. Ken Smith (475 votes) and Ryan Walker (272 votes) were returned to the Board as Residential Area representatives. Chairman Wainwright thanked all who ran for position on the Board.

Note: There were a total of 4,743 potential votes for the annual meeting. There was a need of 5% (238) to reach the quorum which we exceeded with 545 votes.

Following the administration of the Oath of office for Board Members, Chairman Wainwright adjourned the Annual Meeting.

Kenneth V. Smith
Secretary