

**LAKE ROYALE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING
March 21, 2009
9:00 A.M. – CLUBHOUSE**

Call to Order - The meeting was called to order. Present: Stuart Nottingham, Ryan Walker, Ken Smith, Bill Wakefield, Tom Nichols, Danny Pearce, John Goodwin and Ruby Gavin. Staff Present: Robert VanGraafeiland, Peter Engberg, Nicole Clift, Jarrett Umstead, and Chris Schmidt.

Pledge of Allegiance – Ken Smith

Approval of Meeting Minutes – Motion by Tom Nichols to approve the minutes of the February 21st open meeting of the Board of Directors. Seconded by Gina Louise. **Motion Carries.** Motion by Tom Nichols to approve the minutes of the February 21st closed meeting of the Board of Directors. Seconded by Ryan Walker. **Motion Carries.**

Treasurer's Report – Stuart Nottingham, in the absence of the Treasurer, reported the following:

February 28, 2009 Status:

OPERATIONS ACCOUNT

• Beginning balance	\$ 139,298.76
• Deposits	\$ 116,980.59
• Net Transfers In/(Out)	\$ 20,194.76
• Interest Earned	\$ 10.02
• Checks and Bank Charges	\$ (155,114.62)
• Ending Balance	\$ 121,369.51
• Increase/(Decrease) for Month	\$ (17,929.25)

RESERVE ACCOUNT

• Beginning balance	\$ 1,096,209.77
• Net Transfers In/(Out)	\$ (20,194.76)
• Interest Earned	\$ 2,187.42
• Ending Balance	\$ 1,078,202.43
• Increase/(Decrease) for Month	\$ (18,007.34)

A new cash flow statement was discussed and information regarding its data will be presented at the next Board meeting.

Finance Committee Minutes – Attached

Board of Adjustments Report – Attached

Building Committee Minutes – Attached

Other Committee Reports - Beautification Committee, Protect Our Lake Committee, and Benevolence Committee reports and Recreation Committee Calendar attached.

President's Report – Stuart Nottingham noted that the Board had reluctantly raised the annual assessment to fulfill its obligation to safeguard the Association and its assets. Noting that the Association was well behind the schedule laid out in the Reserve Study for upgrading infrastructure, he commended the Board for its decision. President Nottingham renewed his appeal for volunteers to help in community projects and also urged Lake residents responsible for littering roads and properties to consider the impact of their actions on our Lake. Finally, he thanked everyone who had supported the Lake and its organizations during his tenure as Board President.

General Manager's Report - Robert VanGraafeiland:

- Reported that the POA was taking steps to ensure that the swimming pool drain system conformed to current government requirements.
- Noted that the Protect Our Lake Committee Website was operational and urged everyone to view the informative data on the website.
- Stated that the new POA stickers for 2009-2010 should be available soon.
- Noted that the tennis court had been evaluated and was useable despite needed repairs.
- Reported that work was underway to revise the Rules and Regulations pertaining to soliciting in the Community.
- Stated that the renovation of the Miniature Golf Course was about finished as was the renovation of the POA office second floor.
- Announced the following events: Children Easter Event (April 12th), the Basketball Tournament (April 25th), Lake Royale Clean-Up Day (April 25th), Boater's Safety Course (May 9th), Coast Guard Vessel Check and Boat Sticker Issue (May 16th), Ice Cream Social (May 23rd) and Lake Royale Yard Sale (May 30th).
- Presented information regarding Contract Services Agreements as requested by the Board. Because of the complexity of the issue, the Board President deferred discussion to "New Business" later in the Agenda.
- In response to a question regarding the discussion of Committees in February, reported that the Grief Committee was no longer functioning.

Property Owners' Forum

- Earl Nichols spoke about the appropriateness of Board of Directors participation on Lake Committees and his views regarding some Board decisions.
- Paul Schmitt spoke about deterioration of some recreational facilities, the terms of employment for the General Manager, and the need for surveys to determine community sentiment regarding POA initiatives.
- Richard Wainwright spoke about the recent TESI letter regarding water quality, the contributions of volunteer labor in conducting Lake projects, the need to install a rain barrel at the clubhouse, and the need for the Lake Royale Police Department to write tickets for littering. He also noted that the Protect Our Lake Committee had applied for numerous grants from government entities and would be testing a silt pump on Tuesday, March 24th.

OLD BUSINESS

Board of Directors Goals – Members of the Board of Directors discussed their individual goals for 2008-2009.

- Bill Wakefield noted that the Dock rental project would be discussed later in the meeting.

- Gina Louise thanked everyone for who participated in the Miniature Golf Course renovations for their tremendous work.
- John Goodwin urged everyone to attend the County Hearing on Request for Variance for the Gate Project scheduled for March 23rd at 7:00 PM in Louisburg.
- Ken Smith reported the 2009 Telephone Book would be distributed on March 28th at the POA Rental Complex. Signs will be posted announcing the distribution and subsequent dates will be scheduled. Each residence will be provided one book free. Additional copies may be purchased for \$3.00.

Dock Rental Project – A written staff proposal to move forward with Dock Rentals was discussed. Board members were asked to provide their thoughts to Bill Wakefield. No action was taken on the proposal.

Road Paving/Repaving – The General Manager reported that the staff was investigating loans and requirements for repaving Lake Royale roads. He indicated that one proposal had been received that would provide a \$2 million dollar loan but would require repayment over time of close to \$3.5 million dollars. He indicated that the POA Staff would continue the research.

Foreclosure Procedures - The Board of Directors discussed a comment raised during the Open Forum that one property offered by the POA at auction (and bid on at auction) had not been processed in accordance with legal requirement. Specifically, the foreclosure and proposed sale had not been advertised in a local newspaper. Board President Nottingham directed the General Manager to establish a procedure within his office to ensure that all legal requirements pertaining to foreclosures and resale were tracked and met.

Lake Royale Police Department – Ken Smith complemented Chief Umstead for actions undertaken by the Lake Royale Police Department, assisted by Law Enforcement agencies from surrounding areas, to execute a search warrant on a Lake Royale property. The warrant, which was successfully executed, resulted in the filing of multiple criminal charges including manufacturing and distribution of illegal drugs and illegal possession of weapons.

NEW BUSINESS

Nominating Committee Report - Art Wright, Chair of the 2009 Nominating Committee, recommended that the following individuals be considered as candidates for Board seats at the annual election.

- Residential Representatives (3 vacancies). Ruby Galvin, Shane Lee, Bill Wakefield.
- Camping Representatives (2 vacancies). Thomas Nichols, Tom Peters.
- Chairman. John Goodwin.
- Vice Chairman. Don Gould.

Motion by Danny Pearce to accept the Report of the Committee. Seconded by Gina Louise.
Motion carries.

- Board President Nottingham directed the Royale Reporter editor to obtain pictures of the candidates and publish them and appropriate biographical data in the May edition of the newspaper.

- He also noted that additional candidates could be placed on the ballot by petition signed by 50 residents but the deadline for submission of the petitions was at the Board meeting scheduled for April 18th.

Changes to Attendance Rules for POA Events – The Board considered a Recreation Committee proposal to change reservation Rules and Regulations for POA sponsored events. Motion by Bill Wakefield to change Subparagraph 3 (Functions/Events), Section 3.29 (POA Cards and their Use), Rules and Regulations as proposed in Resolution 0809-011. Seconded by Tom Nichols. Motion by Tom Nichols to amend the motion to keep the Annual Meeting social event, Thanksgiving Dinner, and Talent Show Night under existing rules in terms of the number of guests (e.g., two). Seconded by Ken Smith. **Motion to Amend carries. Amended Motion carries.** The Secretary was directed to make editorial corrections to the draft resolution.

Community Managers International Association (CMIA) Proposal - The General Manager presented a proposal to involve Lake Royale in the 2010 CMIA Workshop. There will be no monetary cost to the POA, and our Association would be showcased as a model community. The General Manager would be involved as well as one or two staff members and perhaps Board members. Motion by Bill Wakefield to approve the request. Seconded by John Goodwin. **Motion carries.**

Finance Committee Recommendations:

- Motion by Bill Wakefield to continue the balance of budget funds in nine accounts presented to the Board (less expenses in March 2009) into the 2009-2010 fiscal budget. Seconded by Tom Nichols. **Motion carries.**
- Motion by Tom Nichols to approve transfer of \$1,400.00 from the Reserve Account to the Operational Account to pay for the replacement of a garage door at the Maintenance Facility. Seconded by Ken Smith. **Motion carries.**
- The Board reviewed a proposal by the Save Our Lake Committee to form a Corporation and subsequently apply for 501(c)3 status. The proposal included a request for up to \$500.00 for incorporation fees. Motion by Tom Nichols to table the request until more information could be provided. Seconded by Danny Pearce. **Motion to Table carries.**

Contract Services Discussion - President Nottingham referred the proposal to the Finance Committee for consideration and a recommendation.

Adjournment

Motion by Tom Nichols at 11:15 A.M. to adjourn. Seconded Ken Smith. **Motion Carries.**

Meeting adjourned

Kenneth V. Smith
Secretary

MINUTES - LAKE ROYALE FINANCE COMMITTEE

March 14, 2009

Members present: Chairman Bill Wallace, Nancy Kizer, Ken Smith, Pam Owen, Dylan Bunch, and Dave Turner, Secretary. Members absent:, Gary Kytte, Karen Wienke, Stuart Nottingham, and Ann Marie Della Morte, Also absent was BOD Treasurer, Aimee Sharrett. Staff present: T. R. O'Neill and Robert Van Graafeiland.

1. The meeting was called to order at 9AM.
2. A quorum was determined to be present.
3. The agenda was approved with additions: NEW BUSINESS: E. Maintenance Garage Door, and F. Protect our Lake Committee Report.
4. The February 14, 2009 minutes were approved as presented with one correction: OLD BUSINESS - D: Replace "within two years" with "within 2009-2010 budget."
5. The POA financials were discussed including the 2008-2009 budget shortfall.
6. OLD BUSINESS
 - A. Robert reported that the dam repairs are scheduled to begin in late March or early April.
 - B. Robert presented the status of foreclosures (page 3 of our packets): December and March batches have been postponed due to the slowdown. Sales are scheduled for next week and hearings April 16th.
 - C. Robert reported the Carriage Manor closing is not yet complete. The office will begin dues billing when the closing is complete.
 - D. A report on BOD actions on FC recommendations was included in our packet - page 5.
 - E. The BOD approved the 2009-2010 budget - copies are available in the office.
 - F Robert presented the Capital Improvements projects - pages 6&7 of our packet. The FC approved the following motion to the BOD: **The balance of the nine accounts of budgeted Reserve & Capital funds be continued into the 2009-2010 fiscal budget less those expensed in March 2009.**
 - G. Office and Finance Report: T. R. reported that: 1) progress on the upstairs renovation is close to completion; 2) excess equipment has moved from the conference room; 3) continued progress on scanning and its efficiencies are fantastic; 4) Annual billing and dues payment is moving smoothly.
 - H. No report was available on the Policy and Procedures Manual.
 - I. T. R. reported continued contacts with many banks on our Bank Deposit Liabilities and all would like to have all of our business;
 - J. Robert reported on the Comfort Center excessive sewer charges by TESI: 1) letters and calls to TESI and the NC Utilities commission. 2) We are being charged the basic (w/ meter) sewer charge at CC#2. Consensus was to leave well enough alone.
 - K. Ken reported minor corrections of the galley proof of the new phone book will be sent to the printer next week. Tentative distribution is to begin March 28th.
 - L. Bill Wallace continued to seek FC volunteers to work with different POA budget/expenditure groups.
 - M. T. R. has not yet seen information for grants to make an accounting recommendation.
7. NEW BUSINESS
 - A. Pool Passes: We were given samples of the new pool passes. Advance purchase passes were five dollars for five visits. Cost at the pool will be two dollars for each visit. Discussion by the FC was favorable.
 - B. Robert reported that the tennis courts have been evaluated along with our insurance company for our liability. Necessary repairs should be made this year if not next year.
 - C. Robert reported the completion of painting and repairs to the East Mail Facility caused by an auto with materials funded by the auto insurance.
 - D. Ken Smith requested assistance to evaluate the new vehicle logs (began Feb 1) in April primarily to see if there is real value of maintaining the logs.
 - E. A replacement of a garage door at the maintenance shed was completed for \$1,400. The FC passed the following motion: **The FC recommends to the BOD that \$1,400 be transferred from the reserve account to operating funds for payment of the replacement of a garage door at the maintenance shed.**
 - F. Ken Smith reported that the **Protect Our Lake Committee (POLC) wishes BOD approval to incorporate as a 501C3 corporation. The fee for incorporation will be less than \$500. Advantages of this incorporation are: 1) it will provide tax write offs; 2) transfer certain POA property to the POLC; 3) grants may be applied for directly without having to apply through Franklin County.** Also discussed was the already approved \$3,000 budget item for testing our lake waters - expenditures by the POLC may be made under the manager's authority.

The meeting was adjourned at 11:15AM.

Respectfully submitted,
Dave Turner, Secretary

Approved 3/21/09

Board of Adjustment Report

February 26, 2009

The Board of Adjustment met at 7:00 PM on February 26, 2009 with the following members present: Hib Affleck, Ray Creek, Bob Crickmar, Don Gould, and Beth Styers. Nicole Clift, the CC&R Inspector, and Robert VanGraafeiland, The General Manager, represented the POA Staff.

The chairman called the meeting to order. There were no appeals or variances to be heard. Eleven compliance cases were heard.

Property owners in two cases were found to be out of compliance and initial and recurring fines were imposed.

Nine property owners were found to be out of compliance at the time of citation, but in compliance at the time of the hearing. In these cases recurring fines were imposed should the same finding re-occur within a reasonable time.

One case was dismissed as the property owner had corrected the violation by the time of the hearing. A recurring fine was not imposed as this violation is one that is not likely to re-occur.

There being no further business, the hearing portion of the meeting was adjourned. And the business meeting was convened.

The January 22, 2009, Hearings Minutes were approved as written. The approval of the closed session minutes and the business minutes for January 22, 2009, was tabled until the next meeting.

The chair advised the members that the Rules of Procedure had been approved by the Board of Directors and a copy was furnished each member present. A thank you was extended to Robert VanGraafeiland for finalizing the document after its approval.

The BOA members were advised that a resubmission of a Request for Variance was denied hearing when it was obvious that the facts had not changed substantially since it was denied in hearing on August 26, 2008. This is in accordance with Section III Conduct of Public Hearing of Variance and Committee Appeal Requests in the Rules of Procedure. The BOA members concurred that the denial for hearing was appropriate.

The BOA members were advised that the POA/BOD may be coming to the BOA for a variance on dock extension into the lake as mentioned in the BOD meeting of February 21, 2009.

The BOA members were reminded that one position on the board is still vacant and any recommendations are welcome.

There being no further business, the meeting was adjourned.

Respectfully Submitted
Ray Creek
Chairman

LAKE ROYALE BUILDING COMMITTEE MINUTES FEBRUARY 10, 2009

The Lake Royale Building Committee meeting was called to order at 7:05PM by Chairman, Louis Whitman. Present were Randy Lee, Danny Pearce, Tom Peters, Louis Whitman, Ed Hudson, Ryan Walker, Rhonda Lipinski, Ken Smithwick and Nicole Clift, C.C.&R. Inspector. Rhonda Lipinski made a motion to approve the agenda, seconded by Ed Hudson and passed unanimously. Ryan Walker made a motion to approve the minutes for the January 13 and 27, 2009 meetings. This was seconded by Ed Hudson and passed. No property owners were present for the Open Forum.

A discussion was held concerning roofover campers without leg supports. Nicole reported that Franklin County would not approve this. They state that a roofover has to be self-supporting and cannot touch or be supported by the camper. In light of this, Lake Royale cannot approve such a structure.

Building permit requests were as follows:

- Charles Perry, lot C463, 108 Arapaho Dr: permit #C0209-7342 issued for deck.
- James Kirby, lot R2097, 1211 Sagamore Dr: permit #R0209-4988 issued for deck.
- Daniel Eicher, lot R2656, 172 Nakoma Dr: permit #R0209-4989 issued for fence.
- Walter Webster, lot C996, 135 Tonto Dr: permit #C0209-7341 issued for shed.
- Ronald Haffner, lot C1077, 129 Wanna Dr: permit #C0209-7344 issued for shed pending verification on file of septic permit.
- John Eason, lot C1765, 112 Mahto Dr: permit #C0209-7343 issued for lean-to.
- John Hermann, lot R681, 125 Chickasaw Dr: permit #R0209-4990 issued for pool, fence, greenhouse.

A motion was made by Danny Pearce and seconded by Rhonda Lipinski to adjourn the meeting. The meeting was adjourned by Louis Whitman at 8:00PM.

Rhonda Lipinski, Secretary