

Bay Tree Lakes

Property Owners Association

January 9, 2014

The Bay Tree Lakes Property Owner's Association, Inc. Board of Directors monthly meeting was held at the Clubhouse on Thursday, January 9, 2014. The following Board Members were present: Troy Votaw, Clark Valentiner, Jim Crayton and Roger Wright. Board Member Junior Rideout was out of town. POA Clerk Tish Herrmann and Property Manager Jim Crayton attended.

President Troy Votaw called the meeting to order at 7:00 pm and welcomed all POA members to the meeting. Clark Valentiner gave the invocation.

President Votaw shared with the POA Members in attendance that anyone that would like to share comments or ask questions must be recognized by the POA Board President and time would be allocated at the end of the meeting for questions/comments.

*****PLEASE NOTE: Starting on page 12 of this document you will find minutes from special meetings on January 3 and January 5 to discuss making payment to DeVane Builders.**

Approval of Prior Meeting Minutes: December 12, 2013 Roger Wright 1st, Jim Crayton 2nd Unanimous affirmative vote by the board

Approval of Prior Month's Financial Report: December 2013 (Attached as Exhibit A) Jim Crayton 1st, Roger Wright 2nd Unanimous affirmative vote by the board.

Our December 2013 Financials:

Operations Checking: \$ 90,354.51

Money Market: \$ 55,674.09

Pool Checking: \$ 54,011.26

Total Monies: \$ 200,039.86

Bay Tree Lakes

Property Owners Association

Pool Loan Principal: \$ 394,478.71

Operations

Approval of Property Manager's Report: (Attached as Exhibit B)
Submitted by Jim Crayton Clark Valentiner 1st, Roger Wright 2nd Unanimous affirmative vote by the Board

Approval of Clerks Report: (Attached as Exhibit C) Submitted by Tish Hermann Jim Crayton 1st Roger Wright 2nd Unanimous affirmative vote by the Board

Business & Issues:

- NC Wildlife Commission: Raleigh office of the NCWC is reviewing our request to privatize the Bay Tree Canals and Horsepen Lake.
 - We will update property owners as we receive information from the NCWC
- Property Manager Position
 - The current Property Management structure consist of:
 - Property Manager---Compensation is an hourly rate payable only for hours worked.
 - Typically 40 to 50 hours per month.
 - Three Assistant Property Managers
 - The purpose for having three (3) Assistant Property Managers is to make sure there is always an APM available to respond when requirements surface.
 - Generally speaking there is never a need for all three APMs to be on the payroll at the same time.
 - Assistant Property Manger ---compensation is an hourly rate payable only for hours worked
 - Typically current job requirements require us to have one of the three assistant property managers on the payroll for a total (total hours for all 3)of approximately 10 hours per month..

Bay Tree Lakes

Property Owners Association

- Pool Manager
- We have a fourth person employed to take care of the pool when it is in use as well as task required to keep the pool prepared for use both before and after normal operating hours.
 - Typical work hours for this position will be established when the pool opens.
 - Pool Manager is paid an hourly rate for hours worked.
- The Bay Tree POA Board acknowledges the above structure is very effective in terms of having the Property Manager or one of the Assistant Property Managers available when needed. **As indicated below Property Manager and combined Assistant Property Manager Cost are down significantly since Quarter 1, 2013 as compared to 2011 and 2012.**
 - **2011 Property Manager cost----\$20,676.**
 - **2012 Property Manager cost----\$20,102**
 - **2013 Property Manager cost----\$8,487**
 - **We applaud the hard work and management skills that allow us to maintain a high level of service at a significantly reduced cost vs. 2011 and 2012.**
- However, the POA Board recognizes the dynamics of the Bay Tree community are quickly changing and in an effort to position ourselves to take a proactive, visionary approach to the future believe it is time to:
 - Review the requirements of the Property Managers position and develop a new job description based on defined requirements.
- The Board acknowledges there is a broad range of duties the Property Manager and his team are responsible for.
 - The Board believes it important to do a very detailed study of all requirements and use these requirements for the basis of a new Property Manger Job Description.
- The expectation is that we will fully understand “all” requirement for the position of Property Manger and make sure we have the capability in place to match the defined requirements.
- **The Board recognizes the fast changing dynamics of the Bay Tree Community significantly change the requirements for the Property Manger Position and we have reached a point that makes it impractical for the Property Manager to also be a member of the POA Board.**
- **Property Manager Action Plan:**
 - **The Board will immediately commence to define all requirements for the Bay Tree Property Manager and use these requirements to develop a new job description designed to**

Bay Tree Lakes

Property Owners Association

meet current requirements with provisions to keep pace with expected change.

- The Board upon approval of the new job description will make sure we have capability in place to meet the requirements of the new property manager job description.
 - The Board will take appropriate steps to stop the practice of allowing an active POA Board Member to also be employed as Property Manager.
- **Road Bladen County Tax Revaluation:**
 1. The POA Board reinforced their belief that it is prudent to have a knowledgeable and united position on the 2015 tax revaluation.
 2. Our purpose is simply to make sure we understand the revaluation process and effectively communicate to the Bladen County Tax Office, information we may have that may influence property values..
 3. Bottom line most Bay Tree residents were shocked by the 2007 revaluation and did not understand the logic or supporting data that produced huge increases in Bay Tree Property values.
 - i. Our expectation is that a more proactive approach for the 2015 revaluation will allow us to better understand the basis for values and if there is conflict we will be prepared to present factual data that supports the position of a united Bay Tree Community on this issue.
 - b. **If you would like to be a member of this team please contact:**
Roger B. Wright
1038 Bay Tree Drive
rogfishin@gmail.com
910-874-1458

Pool Update:

1. Board member Jim Crayton advised that armed with the Architect, Cleve Pate “road map” the process of interviewing contractors to renovate the Cabana has begun.
 - a. Four well qualified contractors have been scheduled and will be interviewed over the next week.

POA Board Attorney (s) Requirements:

1. Board Member Roger Wright shared the following update concerning the local POA Board attorney required for day to day issues.

Bay Tree Lakes

Property Owners Association

- a. **The POA Board has asked local attorney Cynthia A. Singletary** (Elizabethtown, NC) to work with the POA Board to collect delinquent dues and other day to day requirements.
- b. Attorney Singletary understands the necessity of all property owners paying their dues and will in the near future help trigger a very consistent collection process.
 - i. Part of the process will be to effectively communicate the consequences of not paying dues.
 - 1. And in doing so trigger the collection activities as required and advise of lost privilege and other consequences.
 - a. It is the Board's hope and desire that it will not be necessary to utilize Attorney Singletary to collect dues through legal means.
 - b. However, the reality is that we have no choice but to do everything within our legal boundaries to collect.
- c. Please understand it will take a little time for Attorney Singletary to fully understand and carry out our requirements but we have every confidence that she will be a very effective resource for the Bay Tree Property Owners.
- d. **POA Expertise:**
 - i. Board Member Wright by way of motion, offered an action plan for pursuing the goal of eliminating the one vote majority rule now enjoyed by the Developer.
- e. The Motion
 - i. Effectively immediately and continuing until the April 2014 general membership meeting the POA Board work with and negotiate with the Developer with a goal if finding an acceptable plan for the Developer to pass the control that comes from the one vote majority rule to the Bay Tree POA.
 - 1. Specifically the goal is to eliminate the one vote rule now enjoyed by the Developer.
 - ii. If we cannot negotiate an agreement that is acceptable to both parties prior to the April 2014 Annual Meeting we take the following action at the April, 2014 Annual Meeting.
 - 1. Elect two property owners to join two board members to form a team to follow through on the legal action required to shift control of Bay Tree to the property owners---specifically eliminate the one vote majority rule now enjoyed by the Developer.

Bay Tree Lakes

Property Owners Association

- a. The Chairperson for this four member team is to be chosen from the four member team by the four members of the team.
2. Additionally, based on further research with legal firms the POA Board will establish a reasonable budget to cover legal expenses incurred in the pursuit of the goal of eliminating the one vote majority rule now enjoyed by the Developer.
3. This motion authorizes the new, established team of four to start with a clean sheet of paper:
 - a. Meaning if the team of four choose to use a law firm other than Lewis, Deese and Nance they have the authority to choose the firm they believe most capable of achieving the goal of eliminating the one vote majority rule now enjoyed by the Developer.
 - b. Within the guidelines set forth by the Bay Tree POA Board the team of four has the authority to do what they believe best in terms of pursuing the goal.
- iii. This motion in its entirety is contingent upon the Bay Tree POA Board establishing a well defined "Code of Conduct" for all Bay Tree POA Board sub teams with the understanding the Bay Tree POA Board has the right to hold this team and any other team to the established code of conduct.
- f. **This motion was made by Board Member Roger Wright and seconded by Clark Valentiner with unanimous approval from the four board members present.**
2. **Later in the meeting a comments was shared suggesting that if the above action was voted on in the April, 2014 Annual Meeting in theory the Developer could invoke the "one vote" rule and defeat the action plan.**
3. **With this in mind Board Member Roger Wright made a motion to rescind the above motion. Board Member Roger Wright's motion to rescind was seconded by Board Member Jim Crayton and unanimously supported by the four board members in attendance.**
4. **Board Member Roger Wright then restated the motion with the following change:**
 - i. **Under above bullet "e" The Motion: "ii" HAS BEEN CHANGED TO READ: If we cannot negotiate an agreement that is acceptable to both parties prior to the March, 2014 Bay Tree POA Board meeting the POA Board will take the following action at the March, 2014 POA Board meeting.**

Bay Tree Lakes

Property Owners Association

- b. This amendment to the motion was seconded by Board Member Crayton and unanimously approved by the four Board members in attendance.
- c. 4.i. above represents the only change to the original motion.

A motion was made by Jim Crayton and Seconded by Clark Valentiner to adjourn. The affirmative vote by the board was unanimous.

Minutes submitted by:
Roger B. Wright
POA Board Secretary

Bay Tree Lakes Property Owners Association
Profit & Loss
December 2013
EXHIBIT A

	Total
<hr/>	
Income	
Non-Profit Income	
Dues	3,032.36
Gate Access	245.00
Pool	1,206.00
Total Non-Profit Income	4,483.36
Total Income	\$4,483.36
Expenses	
Building cleaning	437.50
Building fire protection	75.00
Cost of Labor	
Cost of Labor	
Clerk	600.00
Property Manager	532.50
Total Cost of Labor	1,132.50
Total Cost of Labor	1,132.50
Funds transfer	
Interest Paid Pool	1,241.41
Principal Paid Pool	2,771.30

Bay Tree Lakes

Property Owners Association

Total Funds transfer	4,012.71
Office Expenses	
Bank Charges	9.95
Internet	72.10
Postage	334.33
Quick Books Online	26.95
Stationery & Printing	141.55
Telephone	205.25
Web site	9.90
Total Office Expenses	800.03
Repair & Maintenance	
Boat Lift	40.00
Clubhouse	175.00
Gate	822.49
Pest Control	60.00
Pool	26,557.70
Total Repair & Maintenance	27,655.19
Trailer storage facility	71.00
Utilities	
Electricity	767.92
Water/Sewer	150.45
Total Utilities	918.37
Total Expenses	\$35,102.30
Net Operating Income	\$ -30,618.94
Net Income	\$ -30,618.94

Tuesday, Jan 07, 2014 06:22:54 PM PST GMT-5 - Cash Basis

This report was created using QuickBooks Online.

Bay Tree Lakes

Property Owners Association

Exhibit "B"
Property Manager's Report
Through December 12, 2013

Jan. Property Mgr. Report

Dec 14, 2013-Jan. 12, 2014

Issued 5 windshield stickers and cards

1. Had a new treadmill installed by US Fitness.
 - a. US Fitness recommended a dedicated 20 amp. circuit for the new treadmill. In the process of checking this out with an electrician, I discovered that there is only one circuit in the room where the treadmills are located. The circuit in the weight section is shared by this room. So, per the

Bay Tree Lakes

Property Owners Association

electricians advice, I am having 2 new circuits run to the fitness room to handle the load. This should be completed by Saturday with an estimated cost of around \$350.

2. The vapor barrier under clubhouse was installed by State Pest Control. There has been no new evidence of the floor buckling.
3. I awarded the street repair contract to Diamond Construction. They will begin work as soon as weather permits.
4. I am in the process of re-organizing the office in the gatehouse. The old desk fell apart. As a result, I purchased a new small filing cabinet and materials and I am building a new desk. I have also purchased new shelving and other supplies for that office and store-room.
5. Per board instructions, John and I have been working on getting a list of contractors for the cabana project together. We have met with one contractor and have meetings scheduled for tomorrow (Friday) with two more. The first meeting went very well. After reviewing the plans, the contractor indicated it looked like a 75-90 day project. We expect to get his bid in about 10 days.
6. I have received a lot of positive comments about the new red "Notice" sign for the bulletin board at the gate. I use this to highlight new or important postings on the board. On a related issue I have noticed that some of the signage being put on the board is difficult to read from a distance. Since I have the capability to print poster size documents, I will do it for you if you get it to me in time.
7. I am happy to report that the generator at the gate works very well. It functioned as designed during last week's power outage.

Bay Tree Lakes

Property Owners Association

Exhibit "C"

From the Clerk

January 9, 2014

December 31, 2013	Outstanding Dues	\$26,524.86
December 31, 2013	Credit Balance:	\$ 677.82

Billing January 1, 2014

441.5 lots	\$55,629.00	
Interest		755.97
Outstanding dues	26,524.86	
Total Billed	\$82,909.83	

Lots reported sold December 2013

Buyer		Lot	Home	
Heather Singleton	535	Currie, NC		Carolina Land
Tomahawk II				
Charles Wilson	320	Harrells, NC		Roger Wright
Sue Pigott	76	Ocean Isle Beach, NC		Lucille Strickland
(Inherited)				
Jamie Perryman	430	Leland, NC		Lake Creek
Corp. (new lot)				
Mohammed Hamed	584	Fayetteville, NC		Charles Matthew Hardee

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Bay Tree Lakes
Property Owners Association

BAY TREE POA BOARD MEETING
FRIDAY, JANUARY 3, 2014
SPECIAL MEETING WITH CHAD DEVANE

Meeting date: Friday, January 3, 2014

Bay Tree Board Attendees:

Troy Votaw

Clark Valentiner

Jim Crayton

Junior Rideout

Roger Wright

DeVane Builders attendee:

Chad Devane

Objective: To sort through the outstanding issues associated with the work Bay Tree Lakes POA commissioned DeVane Builders to do.

Bay Tree Lakes

Property Owners Association

To reach agreement on disbursing the remaining \$12,407 owed to DeVane Builders by the Bay Tree POA.

Chad presented the details of the steps his company has taken to accomplish the task his company was hired to do. Chad started with the Engineered (stamped) drawings that he used for the basis of his bid. He indicated that prior to submitting his bid he reviewed the engineered drawings with the Bladen County Inspection Department with the goal of defining any requirements that may not be included in the engineered drawings.

The Board reviewed the incremental steps taken by Chad including the activities associated with relocating the pool after initial work had commenced.

The Board advised Chad that because of the trauma and confusion surrounding the pool that we did not believe it prudent to ask him to participate in bidding on the project to renovate the Cabana.

After Chad left the meeting the Board talked in more detail about the outstanding \$12,407 owed DeVane Builders. This discussion included a review of the Engineered Drawings used at the beginning of the project. It was apparent that as the pool project evolved, pool moved, fence issues, etc. Engineered drawings were not used. It was also concluded that while there is a paper trail it is not detailed enough to fully understand the day to day activity.

One definition of a general contractor is the person who is principally responsible for a building or reconstruction project. The

Bay Tree Lakes

Property Owners Association

general contractor hires additional workers and oversees the job, ensuring that it is completed satisfactorily.

A review of the actions taken by the Board indicates the General Contractor of the Project was in fact the POA Board. Meaning there were four or five subcontractors including Tarheel Pool and DeVane Builders however no implied or written lines of responsibility were found that effectively gave anyone other than the Board the authority to oversee the total job.

Friday, December 3, meeting adjourned.

POA Board Meeting Sunday, January 5, 2014

After Board members had an opportunity to think through and further reviewing related documents the Board met again on Sunday, January 5, 2014 to discuss an action plan for DeVane Builders.

The following motion was made by Roger Wright and seconded by Junior Rideout and unanimously supported by the POA Board.

Motion:

We immediately pay DeVane Builders \$10,000 of the \$12,407 owed. DeVane Builders to be paid the \$2,407 balance when the punch list is completed:

---2nd drinking fountain or reduction in cost

Bay Tree Lakes

Property Owners Association

- Correct location of soap and paper towels in bathrooms
- Shatter proof mirrors in bath rooms
- Other issues

Additionally some changes made by DeVane by specific instruction from the POA have now proved to violate code and will be changed back to code.

DeVane Builders will make these changes:

---Pump room door—the Board asked DeVane to change the 36 inch door they hung to two---32 inch doors. Code requires one of these door be 36 inches.

DeVane will change the two 32 doors out and put a 36 inch and a second door to properly fill the allocated space.

-----The Board requested DeVane Builders to move the electrical boxes outside the fence and because of the location the Board requested the boxes to be placed they can now be used as footholds to climb over the fence for this reason the location is not acceptable by code.

-----DeVane will work with the board to bring these box locations into code compliance.

---Other issues

This motion authorizes DeVane Builders to correct these issues in a manner that brings them back into code compliance.