

POA BOARD MINUTES

June 6, 2006

The POA board meeting was held at the Bay Tree community building on June 6, 2006 at 7:00 pm. The following board members were in attendance: Roger Wright, Bob Brediger, Charles Massey and John Hemingway. Board member John Shaw, sent regrets, he was in Hong Kong due to a family health matter. Others present were clerk, Tish Hermann and property manager, Roy Dew. POA members in attendance included: Charles Atkinson, Jim Crayton, Byron/Lori Massey, Terry Packard, Brian Wolf and George Starke.

President Wright called the meeting to order and welcomed everyone to the June, 2006 board meeting. Special recognition was given to our newest board member, Mr. John Hemingway.

The agenda was passed out and attached as exhibit 1. Charles Massey gave the invocation.

Property Manager Dew, introduced Rick Stuckman, from Southeastern Pond Stocking. Mr. Stuckman, suggested that we need a plan in place to properly manage the fish population in our canals and Horsepen Lake. Mr. Stuckman emphasized the delegate balance between too much cover and not enough cover. He indicated that fish species such as carp and cat fish are better management tools than chemicals.

ACTION:

Bob Brediger/Byron Massey will work with Mr. Stuckman to determine the current condition of our canals and Horsepen as well as the requirements (including cost) to properly maintain and manage long term. Bob/Byron will update the board at our July meeting.

Mrs. Hermann gave the clerk's report. We had 3 new purchases since the last meeting, which are: William and Shelia Austin from New Bern Lot 77, JOCO, Inc. Lot 90, and Tad Makowiecki from Aliquippa, PA Lot 205.

Mr. Dew gave the property manager's report for May. Property Managers report for May is attached as exhibit 2.

Board member Bob Brediger, read the May 2, 2006 minutes. Upon motion made by Charles Massey, seconded by John Hemingway the minutes were unanimously approved.

Treasurer, Charles Massey, gave the May, 2006 report. Income was \$3,666. Expenses were \$8,080 with a net loss of \$4,414 for the month. Cash at month end was \$78,790. Investment total was \$142,877. Upon motion made by Bob Brediger and seconded by John Hemingway the treasurer's report was unanimously approved. Report is attached as exhibit 3.

Treasurer Massey, advised that he is looking at options for our annual financial review and will be prepared to recommend a process at our July, 2006 meeting.

Treasurer Massey, reported he has talked with local banks and determined that we can earn 4.16% interest, \$1,000 minimum from a short term money market account. Treasurer Massey, will review likely, short term spending requirements and based on this determine how much of the \$77,000. available funds need to be deposited in short term money market.

* *Note—we can make up to three withdraws per month.

Treasurer Massey, presented a "Proposal" for letting of contracts for work. After a brief discussion board member Hemingway suggested that discussion be tabled until our July, meeting to allow board member Massey and property manager Dew to discuss details.

New Business:

Property owners, Brian Wolf, Terry Packard, Byron Massey and Roger Wright shared concerns about the number of unauthorized people who have access to our community and waterways (canals/Horsepen).

Discussion, suggest that we have three major issues:

1. Property owners, sharing cards with friends, opening the gate for recreational visitors that are not visiting homes of property owners and a lack of understanding (by property owners) of the rules and expectations for visitors.
2. Bay Tree property perimeter gates are not properly secured and provide access to unauthorized visitors.
3. A need for a better, more defined process for the guards to use when allowing people without gate guards to enter.

ACTION:

Property Manager Dew suggested that we immediately, increase gate security by covering the phone box (when guards are on duty) and insisting that visitors be allowed entrance only through discussion and approval of the gate guard.

Board member Massey, made a motion stating Mr. Dew's suggestion—We immediately, increase gate security by covering the phone box and insisting that visitors be allowed entrance only through discussion and approval (gate guard made phone home owner to confirm) of the gate guard. Motion seconded by board member Brediger and unanimously approved.

President Wright, shared the process followed in selecting John Hemingway to fill the board position created by the resignation of Joe Flutka.

President Wright, made a motion that this process (outlined below) be followed in the future to replace a board member that resigns, dies or leaves the board for any reason.

When a board member resigns, dies or leaves the board for any reason the board will do the following:

1. Review the list of nominated candidates that accepted the nomination and agreed to place their names on the list of eligible candidates to be voted on by the Bay Tree Property owners at the most recent Bay Tree Lakes general membership meeting (annual meeting).
2. The candidate receiving the most votes that was not elected (other candidate or candidates received more votes and filled vacant seats) will be asked to fill the remaining term of the candidate that has resigned, died or left the board for any reason.
3. If the candidate described in 2 above declines the request to fill the vacant position on the Bay Tree Lakes board the process (1 through 3 above) will be repeated with the candidate receiving the second highest number of votes (that was not elected) asked to fill the position.
4. This process will be repeated until:
 - a. A replacement candidate is selected.
 - b. All nominated candidates have declined the offer to serve the remaining term of the candidate that has resigned, died or for any reason left the board.
5. If steps 1-4 above does not produce a candidate the board will:
 - a. All remaining board members will be asked to nominate a candidate.
 - i. All board members are not required to nominate a candidate.
 - b. Names of nominated candidates will be presented to the remaining board members.
 1. Board members will cast their vote for a candidate from the list of nominations.
 1. This process can be carried out by email.
 - a. It is not necessary to convene a special meeting of the board.
 - ii. The candidate receiving the majority of votes will be asked to join the board.
 1. If no candidate receives the majority of votes the candidate receiving the lowest number of votes will be dropped and step 5.b.i. above will be repeated.

Old Business:

Property owner Jim Crayton, Review of Covenants and by Laws committee chairman reported that he has started the process of reviewing covenants and by laws and tends to think that in 1978 the original documents were amended to allow changes to be made only by a vote of the general membership.

Mr. Crayton will continue to review with the goal of getting us to a point that we have enough information to publish a document that accurately takes into account the proper changes that have taken place since the original documents were written. The goal, of course, is to insure that all property owners have the same frame of reference.

Property owner Charles Atkinson, chairman of the boat lift safety review team gave a brief overview of the task and indicated that it is currently in the "CAD" stage.

Terry Packard, agreed to be a part of this team. The Team will provide a new update at our July meeting.

The "Club House Rental" team, appointed to discern exactly what property owner Bob Latham, meant by his motion pertaining to club house rentals (POA general membership meeting-April 15, 2006) attached as exhibit 6 reported that Bob's motion:

Clubhouse Rentals – Bob Latham expressed concern about the policy regarding clubhouse rentals. Bob made a motion to modify paragraph 9 of the policy to read as follows:

The clubhouse may not be rented for the purpose of having a commercial party. Also, the clubhouse may not be rented for the functions of fraternal organizations, charities, clubs, churches, or businesses even though the property owner may be a member of same.

The motion was seconded and approved by the membership with a vote of 157 for and 40 against.

The only point of clarification made by Bob Latham (submitted the motion) is that the club house can be rented by property owners for functions that have to do with the property owners family.

Treasurer Massey reported that the impact of the \$10.00 per month dues increase would have a positive impact of \$14,670 in calendar year 2006. See exhibit 7 for details.

President Wright shared with the board that he and John Shaw from the road resurfacing subcommittee met with John Briton with the Hutchens Law firm to discuss the road issues. His recommendation was to negotiate the transfer of the roads because we could not force the developer to turn over the roads or force him to repave them. The POA also has no obligation to pave them as long as we do not own them. This was discussed with Steve Jones. The Corporation has asked to be given until mid June more or less to think through the information shared by the subcommittee before discussing the details.

The road resurfacing

Road repair/resurfacing—the board reviewed the minutes from the POA April, 15, 2006 general membership meeting. Based on this review board member Massey made a motion that the board initiate collection of \$12.00 a month, road maintenance, per dues paying lot. Collection of the \$12.00 per month will commence July 1, 2006. The motion was seconded by board member Brediger and unanimously approved by the board.

Action:

Secretary Shaw, will write a letter to the general membership detailing the following:

1. \$10.00 per month general fund dues increase

2. \$12.00 per month road maintenance dues increase
 3. Interest rate for delinquent bills remains @ 12% APR
- This letter needs to be sent prior to the end of June, 2006.

Board member Massey made a motion seconded by board member Brediger that board members and contract employees of the board are not to be exempt from the \$12.00 per month road maintenance fee. The board voted unanimously, to pass this motion.

Violation of Covenant issues:

Grooms case continued until late June, 2006

Britt case—board member Wright to follow up with Attorney Jim Hill as to current status.

The motion to adjourn was made by board member Brediger and seconded by board member Massey, approval by the board was unanimous.

Respectfully Submitted,
John Shaw, Secretary

Exhibit 1
POA BOARD MEETING
June 5, 2006
Club House

Call to Order

1. Invocation
2. Welcome
 - (a) Property Owners
 - (b) New Board Member
 - i. John Hemingway
3. Property Manager's Report
4. Clerk's Report
5. Reading of the May 2, 2006 Board Minutes
6. Reading of the Treasurer's Report

OLD Business

7. Review of Covenants and by Laws---Jim Crayton/Bob Latham
 - a. Goal—Covenants and By Laws that includes the **legal changes and revisions** that have taken place since the original documents were written.
 - b. A process to insure that changes and revisions are properly managed.
 - i. Revised copies are circulated to property owners in a timely fashion.
 1. Master Copy
 - a. Stored/maintained/available
8. Boat lift capacity study---Charles Atkinson
9. Policies and Procedures Review ---Charles Massey/Joe Flutka
 - a. Sourcing
 - i. Materials
 - ii Labor
 - iii. Services
 - b. Financial Review
 - i. Annually

10. Club House Rental—Bob Brediger/Byron Massey—clarification of motion made by Bob Latham at 2006 annual meeting.

11. \$10.00 per month dues increase---Chales

a. 2006 impact

b. Annual payment to coincide with fiscal year impact/implementation.

12. Review of Action Plan for Street Resurface/Repair

a. Meeting with Attorney (May 25, 2006)

b. Meeting with Steve Jones (June 1, 2006)

13. FIVE YEAR PLAN IMPLEMENTATION

a. 2006 issues

i. Double Entrance Gate System (widen current entrance) (street sub comm.)

ii. Trailer/Boat/Etc. Storage

iii. Boat Lift Weight Capacity

b. 2007 and beyond

i. Reference 5 year plan

14. Status of Grooms action

15. Status of Briggs Action

NEW BUSINESS

16. Policy/procedure for notifying property owners of: a.
Need/requirement to mow lot

i. POA policy for mowing lots

ii. Cost to property owner
1. Process for collecting

17. Gate Security

a. Job Description for Deputies

i. Who---are they allowed to let in without a pass

b. Penalty for breaking gate

i. How---do we collect

18. Filling Board Member vacancies a.
Define Process

19. Adjournment

Exhibit 2

Property Managers report for May 2006

- Surveyed Lots that needs mowing and turned list over to Roger
- Both air conditioners had to have repairs made
- Pier project is completed
- Had shelf installed in chair storage room
- Beach and play ground area raked
- Willie maintaining the yards at the clubhouse, boat ramp, and the playground areas
- Contacted Southeastern pond restocking representative
- Installed stop sign and boat lift signs

Exhibit 3

Financial Report

	Jan	Feb	Mar	Apr	May	Total
Income						
cards	\$165	\$75	\$505	\$285	\$275	\$1,305
club rental			\$350			\$350
dues	\$27,590	\$14,738	\$2,625	\$15,360	\$3,391	\$63,704
misc.	<u>\$245</u>	<u>\$165</u>	<u>\$20</u>	<u>\$50</u>		<u>\$480</u>
Operating Income	\$28,000	\$14,978	\$3,500	\$15,695	\$3,666	\$65,839
Grant for dry hydrants			\$14,400			\$14,400
Total Income			\$17,900	\$15,695	\$3,666	\$80,239
Expenses						
Buildings	\$596	\$496	\$464	\$446	\$793	\$2,795
Grounds		\$150	\$210	\$335	\$1,070	\$1,765
Insurance					\$750	
Maintenance			\$4,784	\$2,222	\$3,670	\$10,676
Member events						
Misc		\$3,683	\$100	\$52	\$52	\$3,887
Refund				\$15		
Office	\$35	\$506	\$354	\$288	\$189	\$1,372
Taxes		\$421	\$596	\$270		\$1,287
Utilities	\$669	\$620	\$646	\$594	\$636	\$3,165
VFD Support						
Wages & Salaries	<u>\$847</u>	<u>\$564</u>	<u>\$500</u>	<u>\$500</u>	<u>\$920</u>	\$3,330
Operating Expenses	\$2,146	\$6,439	\$7,655	\$4,722	\$8,080	\$29,041
Special projects	<u>\$4,645</u>	<u>\$206</u>	<u>\$332</u>	<u>\$1,545</u>		\$6,728
Total Expenses	\$6,791	\$6,645	\$7,986	\$6,267	\$8,080	\$35,770
Operating Profit/Loss	\$25,854	\$8,539	(\$4,154)	\$10,973	(\$4,414)	\$36,798
Total Profit/Loss	\$21,209	\$8,333	(\$4,486)	\$9,428	(\$4,414)	\$30,070
Operating Cash	\$54,484	\$62,817	\$72,731	\$82,159	\$77,745	
Reserve Cash	\$1,061	\$1,053	\$1,044	\$1,045	\$1,045	
Investment	\$143,029	\$143,193	\$143,024	\$145,677	\$142,877	
Total	\$198,574	\$207,062	\$216,799	\$228,881	\$221,667	