

Monthly Board of Directors Meeting

The Bay Tree Lakes Property Owners Association Board of Directors monthly meeting was held at the Bay Tree Lakes Clubhouse on Tuesday, July 3, 2007 at 7:00 pm. The following Board Members were present: Mr. John Shaw, Mr. Dennis Ford, Mr. Charles Massey, Mr. Charles Atkinson and Mr. Roy Dew. Others present were Mrs. Tish Herrmann, POA Clerk, and POA Members: Mr. Terry Packer, John Ciccarella, George Starke and Ray Rosser.

President John Shaw called the meeting to order promptly at 7:04 pm at which time everyone was welcomed to the meeting. President Shaw expressed his appreciation for everyone's attendance.

At President Shaw's request Mr. Charles Massey gave the invocation.

President Shaw distributed the meeting agenda to all present. (Attached marked Exhibit A)

Approval of June 2007 Meeting Minutes (Attached marked Exhibit B)

Secretary Charles Atkinson distributed the minutes for the prior month's meeting. The minutes from the June meeting were emailed to all board members prior to the meeting for their review. Correction: President Shaw points out error in last meeting minutes. It was incorrectly stated: "President Shaw will discuss with principals and try to reach some type of agreement." It should read: "Vice President Dennis Ford will discuss principals and try to reach some type of agreement." Charles Massey made a motion to approve the minutes with one "correction". Roy Dew seconded the motion. Minutes were unanimously approved.

Approval of Financial Report (Attached marked Exhibit C)

Treasurer Charles Massey presented the June 30, 2007 financial report. June income from cards, clubhouse rental, dues, miscellaneous and road fund was \$4,695.00. The year to date income is \$127,478.00. Expenses for the month for buildings, grounds, insurance, maintenance, member events, refunds, office, taxes, utilities VFD support, wages, salaries, and miscellaneous was \$9,060.00. Expenses for the new gate project totaled \$998.00. Total expenses for the month of June 2007 were \$10,058. The year to date total expenditures is \$78,451.00. The operating profit for the month of June is (\$4365.00) and the total operating profit for the year \$49,027.00

The POA operating cash is \$49,027.00, money market account balance \$117,994.00, investment account balance \$ 166,123.00. Total of all accounts ending June 2007 is \$301,482. Additionally, Treasurer Massey reported issues regarding a reoccurring ADT bill for security camera maintenance at the main gate. Since no one could determine who authorized the reoccurring expense; therefore Mr. Massey did not pay these invoices for the past two months. The board agrees we do not require these services in the future and request, Mr. Massey to determine the best way to terminate this agreement as well as to ascertain any penalty cost to terminate this agreement. He

continues this investigation with the company and will report his findings at the next board meeting.

Motion to approve the financial report and to continue the investigation of the camera maintenance agreement as presented by Treasurer Massey was made by Charles Atkinson and seconded by Vice President Dennis Ford. The motion was unanimously approved.

Property Manager's Report (Attached marked Exhibit D)

At Large Board Member and Property Manager Roy Dew presented the report to the board. Items completed since the last meeting are: Planted a tree at west end of clubhouse, removed a holly tree from the beach area, priced swing gates to secure areas of the property (\$123.00 each at Big Blue Store) Water fountain was reinstalled at the Cabana. "No wake" signs are on order. Met with Southeastern Pond Restocking representative, identified areas with heavy grass, received a sample of artificial reef for our consideration, (cost \$25.00 each) and recommends we add 75-100 additional carp in the heavy grass areas. Additionally, we should do another survey next spring.

New Gate Entrance Update

Work on the new gatehouse has stopped, there has been no progress made in the last six weeks. Fencing is complete for the generator complex as well as wiring for the new gates. The installation of the new gate system is scheduled to commence July 10, 2007. This process will take several days to complete; several property owners have expressed interest in working at the gate during this process. Property manager is to have a meeting on July 5 or 6 to finalize the schedule. We are continuing to work on the hard files.

Proposed Golf Practice Area Project

Purpose: Designate area directly across street from clubhouse for a small practice "target green" and four tee boxes of various yardage to allow property owners a place to practice.

Scope: Install four tee boxes, approximate size 10 by 16 feet.

Install protective post to keep traffic off of tee box

Install "target green and flag" (not a putting green)

Install sand trap behind the green ,

Cost: Labor free, however it requires property owners to do the project.

Water taps Free supplied by Bay Tree utility

Sod Cost to be determined

Dirt and Sand Free will be supplied by Lake Creek Corp., however labor and equipment to excavate, load haul and spread, POA will have to supply.

Miscellaneous items; to be determined

The Board had a discussion regarding on going maintenance (grass cutting) the need for a reel type lawn mower, what type of sod to be used, watering requirements, and most important liability issues. Will our insurance carrier cover any potential liability and if

so, would we incur additional cost. After this discussion, Charles Massey made motion to table this project until we could determine answers to all the Board's question. Motion seconded by Dennis Ford. Motion unanimously approved.

A motion was made by Charles Massey and seconded by Dennis Ford to approve the Property Manager's Report. Motion was unanimously approved.

Clerk's Report (Attached marked Exhibit E)

POA Clerk Tish Herrmann presented the clerk's monthly report. Tish reports no lots were reported sold during the previous month. Third quarter POA dues billing will be mailed on July 2, 2007. Total amount in arrears is \$27,429.16 and the credit balance is \$5,728.20. Total amount billed for the July 1, 2007 is \$54,810.00, total interest due from unpaid balances of \$430.37 for a total of \$55,240.37. Bay Tree Lakes POA currently has 477 lots of which 29 members have amalgamated (2 lots) 13 members have amalgamated (1 1/2 lots), 3 members have amalgamated (2 % lots) and 1 member has 3 amalgamated lots. Total billable lots is currently 435.

Old Business

A brief discussion regarding the status of the Lewis lots amalgamate issue. President Shaw restated the board's previous position. Both parties appear to have some conflicting information regarding this issue. John Shaw has followed up with our attorney on this issue and ask him to help us get it resolved with the attorney for the Lewis's before the next meeting.

President Shaw explains we do not have the lease agreement for the new storage area property between POA and Mr. Steve Jones. Charles Massey informs Steve Jones has agreed to provide two acres for the storage project. Lawyer office states the completed draft lease will be complete in the next week. The Board expects to have lease to review at the next meeting.

Street repair and resurfacing project was discussed. President Shaw and Vice President Ford have appointed a committee to update the scope and cost of this project. The committee consists of the following members: Mr. Dennis Ford, Mr. Charles Massey, Mr. Roy Dew, Mr. Tommy Edge and Mr. Carl Allen. President Shaw encourages any POA member wishing to serve on this committee to do so. The Board desires to proceed with discussions regarding drainage, water line replacement and updating quotations. This committee has not met, however; they are planning a meeting sometime between July 6, and July 13, 2007. Some board members met with Steve Jones and Brooks concerning this project. Mr. Jones implied grading, repairing damage as result of utility installations, and drainage issues could start as early as September. Everyone thought it was a positive meeting. Retired State engineer advises the state normally stops resurfacing projects at end of October each year. The Board desires to proceed with this project and may need to look at some type of compromise with the corporation to achieve the desired results. POA has approximately five miles of roads. What is our liability of owning the roads? What is cost of normal maintenance? What could we expect to pay for the grass mowing

maintenance currently paid by the corporation? The Board believes we should get all the facts documented, and present the POA members the details and potential compromises at the next general membership meeting in April. We should make a power point presentation at the annual meeting.

The security committee has determined several places where the overall security can and is being breached. Some areas are, but not limited to, the following: beside the Corporation office building, trails off NC 41 accessing the Horsepen area and the trash dump area. Mr. Dew advises Steve Jones desires to have gates installed at points of this type in lieu of cables for safety and liability reasons. The board agreed for the Property Manager to purchase gates for these areas. Everyone agreed. Discussion regarding areas adjoining Bay Tree Properties that are hunted by hunting clubs and the access to said property is via some installed gates. Vice-President Ford will discuss with the principals and try to reach some type of agreement. He will report back to the board. Mr. Packer also advises the Guard instructions and standing orders have been updated as requested by the board. A motion was made by Dennis Ford and seconded by Charles Atkinson to approve the Security Teams report as presented. Passed unanimously.

New Business

The Board appointed a committee to handle the activities for July Fourth celebration Committee volunteers are Lenox Harrelson chairperson, Phyllis Latham co chairperson for children activities and Charles Atkinson to handle the flotilla. Any POA member is encouraged to help this committee. The schedule for events is as follows: Children's Activities will begin at 5:00 pm, cook out begins at 5:30 pm until 7:30 pm, flotilla assembly at 8:00 pm in the canal and the fireworks display begins at 9:00 pm. P

President Shaw emailed the five year plan to all board members He expressed the need to update the plan through the year 2012. Everyone agreed to review the plan and schedule a special meeting to update and revise need changes this fall.

The Board appreciates Mr. Starke's dedication and service maintaining the POA website. Mr. Starke advises all changes have been completed as instructed during the last Board meeting. Additionally, the weather link to Director Ford's weather station has been completed and is working well. The Board expressed their appreciation to the Ford Family for this "free" service.

Treasurer Charles Massey previously informed the board of several issues regarding the POA accounting system and records keeping. After the Board's review, it was agreed to authorize Mr. Massey to purchase Quick Books and begin the transfer of data to the new program. Everyone believes this will improve the records keeping of the association. Motion was made by Mr. Atkinson seconded by Mr. Ford to approve this item. Unanimously approved.

President Shaw request all Board of Director to email all reports to each member prior to the next scheduled meeting. Additionally, the board decided to move the regular Board meeting from the first Tuesday each month to the second Tuesday each month. The Boards reasoning it would give the Treasurer more time to prepare the financial report

and everyone could review prior to the meeting. Everyone agreed. Mr. Shaw advises the will make the meeting progress in a more timely manner, as each member will have adequate time to review prior to the meeting. Motion to make these changes was made by Charles Atkinson, seconded by Dennis Ford and unanimously approved. Therefore, the next scheduled Board of Directors meeting will be Tuesday August 14, 2007 at 7:00 pm in the Bay Tree Lakes Club House. Mr. George Starke will post this on the POA web site as soon as possible.

Executive Session

All Property Owner Association Members were dismissed and the board went into Executive Session at 8:23 pm. This session was held to discuss private matters, which could result in future potential legal actions, by the board.

There being no other business, a motion was made by Dennis Ford seconded by Director Charles Massey to adjourn the motion passed. The meeting adjourns at 9:04 pm

Respectfully submitted

Charles H Atkinson
Secretary
Bay Tree Lakes POA

Exhibit A
POA Board Meeting
July 3, 2007

Welcome-----John Shaw

Invocation-----Charles Massey

Minutes June 5, 2007-----Charles Atkinson

Treasurer's Report-----Charles Massey

Property Manager's Report-----Roy Dew

Clerk's Report-----Tish Herrmann

Old Business:

1. Trailer Parking-----Charles Massey
2. Paving project-----Dennis Ford
3. Holiday Activities 4th July and Labor day-----Roy & Charles

New Business:

1. Security Team Update-----Brian Wolf

Executive Session: Adjourn:

Exhibit C

June Financial Report

	Jan	Feb	Mar	Apr	May	June	Total
Income							
cards	\$140	\$70	\$155	\$260	\$195	\$35	\$855
club rental	-	\$400	\$600	-	\$200		\$1,200
dues	\$36,039	\$7,442	\$4,128	\$29,285	\$10,164	\$3,369	\$90,427
Roads	\$13,856	\$3,096	\$1,692	\$10,944	\$3,564	\$1,116	\$34,268
misc	\$295		-	\$258		\$175	\$728
Operating Income	\$50,330	\$11,008	\$6,575	\$40,747	\$14,123	\$4,695	\$127,478
Expenses							
Buildings	\$2,898	\$283	\$3,396	\$297	\$538	\$315	\$7,727
Grounds	-	\$397	\$400	\$720	\$1,973	\$886	\$4,376
Insurance	\$3,438	-	-	-	\$750		\$4,188
Maintenance	\$937	\$138	\$1,524	\$2,156	\$1,544	\$1,333	\$7,632
Member events	-	-	-	\$1,072	\$91		\$1,163
Miscellaneous	\$200	\$491	\$849	\$475	\$458	\$1,182	\$3,655
Refund	\$3,285	-	-	\$150	\$150	\$261	\$3,846
Office	\$106	\$304	\$202	\$881	\$199	\$766	\$2,458
Taxes	-	\$294	\$1,242	-			\$1,536
Utilities	\$662	\$725	\$696	\$459	\$728	\$842	\$4,112
VFD Support							
Wages & Salaries	\$1,000	\$1,000	\$1,000	\$1,140	\$1,420	\$3,475	\$9,035
Operating Expenses	\$12,526	\$3,632	\$9,309	\$7,350	\$7,852	\$9,060	\$49,729
Gate Project	\$2,035	\$678	\$17,563	\$2,663	\$4,641	\$998	\$28,578
Special projects	\$40	\$104					\$144
Total Expenses	\$14,601	\$4,414	\$26,872	\$10,013	\$12,493	\$10,058	\$78,451
Operating Profit/Loss	\$37,804	\$7,376	(\$2,734)	\$33,397	\$6,271	(\$4,365)	\$77,749
Total Profit/Loss	\$35,729	\$6,594	(\$20,297)	\$30,734	\$1,630	(\$5,363)	\$49,037
Operating Cash	\$59,066	\$35,660	\$15,363	\$46,098	\$47,728	\$17,365	
Money Market Acct.	\$61,572	\$91,797	\$92,085	\$92,364	\$92,653	\$117,994	
Investment	139,047	\$156,128	\$158,045	\$164,146	\$168,997	\$166,123	
Total	\$279,685	\$283,585	\$265,493	\$302,608	\$309,378	\$301,482	

Exhibit D

Property Managers Report for June 2007

Clubhouse:

- Planted a tree at the west end of the clubhouse
- Removed a holly tree from the beach and picnic area.
- I was asked to price swing gates for other areas of the property (manufactured from round tubing are \$123.00 each at Big Blue Store)

Cabana:

- Someone removed the water fountain from the water cooler. It was returned later and I reinstalled it, and is working ok.

Canals:

- The No Wake Signs are on order.
- On June the 6th I met with the representative from Southeastern Pond Restocking, and he did a survey of the weeds in the canals. The worst areas were from the boatlift to the bridge, the two canals on Spring Branch, and the one in front of the clubhouse at the boat ramp. In the nea. future or two to three months he suggests we put another 75 to a 100 more carp in the heavy grass areas and do another survey next spring. He gave me a artificial reef for demonstration that is very successful for the fish to hide from the larger fish. The cost of these reefs are \$25.00 each.

Gate Entrance:

1. Work on the gatehouse has stopped, no work has been done in 6 weeks.
2. The fence is complete where the generator for the gate system will be positioned.
3. All the wiring for the new gates have been installed.
4. The new gate system is scheduled to be installed starting 7/10/07 it will take several days to complete.
5. I am putting together an implementation schedule. Several folks have expressed interest in working at the gate during this period of implementation. I would like to have a meeting with these folks on July 5th or 6th to finalize the schedule.
6. Hard files are being worked on; but not a show stopper for the gate installation.

New project Recommendations:

- Proposed golf practice area:
Purpose: There are a lot of property owners that are interested in this project. It gives them the opportunity to practice here at Bay 'tree. The area that is proposed is across from the clubhouse. I talked to several folks and used their ideas to put this project together and the proposed layout. I had a meeting at the clubhouse and about 15 folks came (men and women) to give their ideas and support. Scope:
 1. Four tee boxes size 10'x 16'
 2. Post to keep traffic out of area
 3. Green and flag layout (this will not be a putting green but area to drive and chip the ball)
 4. Sand trap behind the green to prevent the ball from rolling into the water.

I have forwarded a E-mail from George Starke of a drawing layout, I cannot attach it.

Project Cost:

- Regular labor **Free** (property owners)
- Water taps **Free** (Bay Tree utility)
- Sod **???????????????**
- Fill dirt, and sand trap sand **Free** (Lake Creek)
- Labor and equipment to haul fill dirt and excavate the sand trap area.
- Miscellaneous items

I will have to present the actual cost at the regular meeting.

Proposed Practice Area

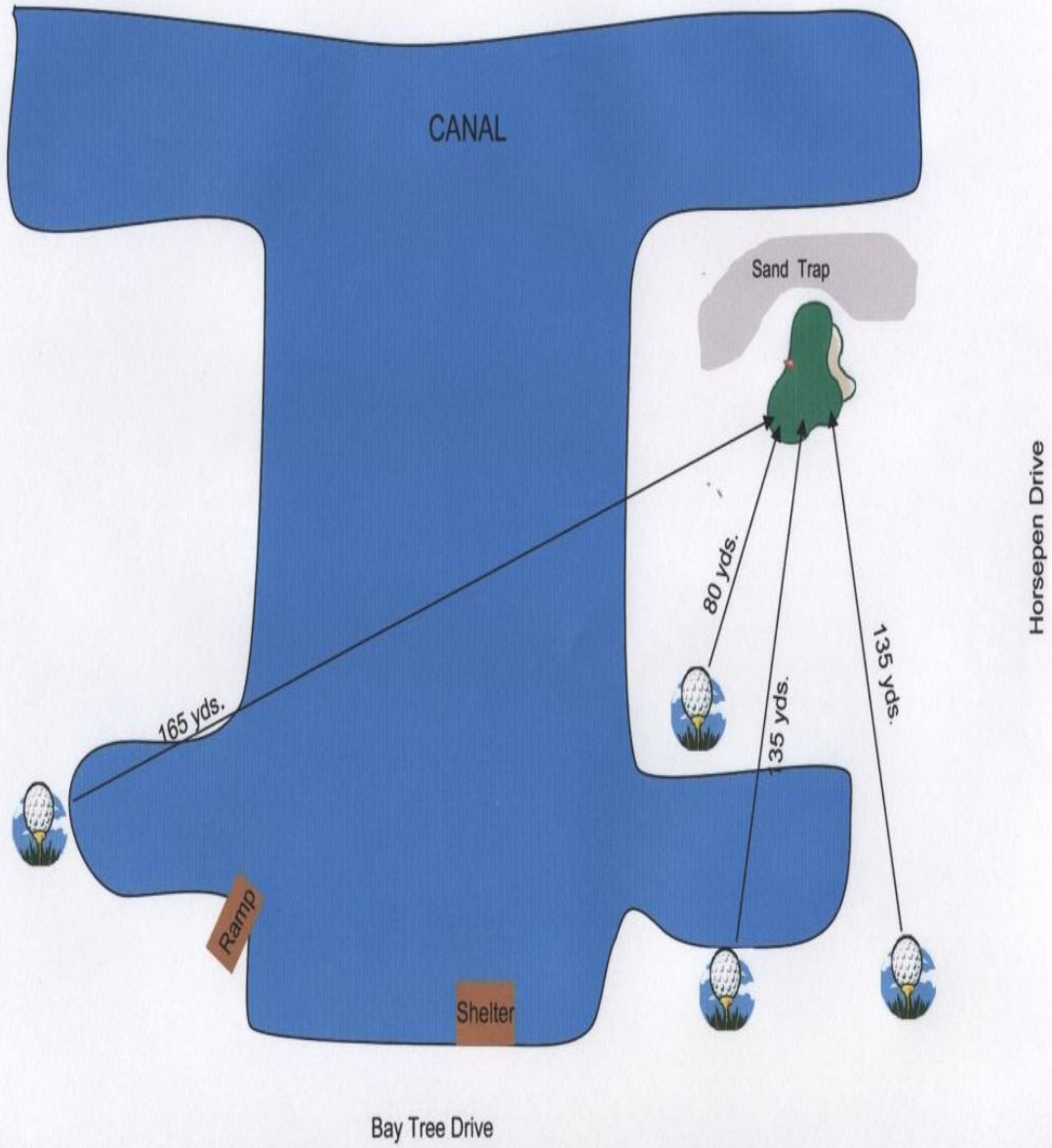


Exhibit E
Clerk's Report

July 3, 2007

From the Clerk

No lots were reported sold June 2007

Billing cards will be sent out July 2, 2007.

The total amount in arrears is: \$27,429.16

The total credit balance is \$5,728.20

The total amount billed July 1, 2007:

Dues and roads	\$54,810.00
Interest due	<u>430.37</u>
Total	\$55,240.37

Bay Tree Lakes POA currently includes 477 lots.

29 people have amalgamated. 2 lots

13 people have amalgamated 11/2 lots

3 people have amalgamated 2 1/2 lots

1 person has amalgamated 3 lots

Total lots billed: 435