

Bay Tree Lakes

Property Owners Association

September 11, 2014

The monthly meeting of the Bay Tree Lakes (BTL) Property Owners Association, Inc. (POA) Board of Directors (Board) was held in the Clubhouse on Thursday, September 11, 2014.

The Agenda for the meeting can be found in Exhibit A. Other exhibits are:

- B. Profit and Loss, August 2014
- C. Clerk's Report
- D. Property Manager's Report
- E. Proposal by Lori Massey for Clubhouse Usage by Property Owners
- F. Clubhouse Rental Policy, Approved 9-11-14

The following Board members were present: Roger Wright, Lee Hauser, Junior Rideout and Clark Valentiner. POA Property Manager Jim Crayton also was in attendance. Board member Brian Wolf, POA Clerk Tish Herman and Assistant Secretary Hank Howell did not attend. Property owners in attendance included Debbi Kettle, Mick Robeson, Cathy Ross, Lori Massey, Larry Barnes, Brenda Barnes, and L. D. Brock.

President Roger Wright called the meeting to order at 7:05 pm and welcomed all POA members to the meeting, after which Clark Valentiner provided the invocation. Roger opened the meeting by thanking all those who assisted with the Labor Day Weekend activities and especially singled out Larry and Brenda Barnes for chairing the Youth Fishing Frenzy event. On short notice, Larry and Brenda were able to pull together volunteers and secure prizes and awards to conduct a highly successful kids fishing tournament enjoyed by all. Roger also praised the Bay Tree Lakes Volunteer Fire Department for providing the delicious barbecue meal and thanked everyone else who had helped make the BTL Labor Day Weekend Celebration a huge success.

Approval of Prior Meeting Minutes (August 14, 2014): Motion to approve was made by Junior Rideout, seconded by Clark Valentiner. Unanimous affirmative vote by those present. Minutes are posted on the Bay Tree Lakes POA website, www.baytreecommunity.com.

Approval of Prior Month's Financial Report (August 2014): Report was presented by Clark Valentiner and is attached herein as Exhibit B. Motion to approve was made by Junior Rideout, seconded by Lee Hauser. Unanimous affirmative vote by those present was made.

Financials for August 2014:

Operations Checking: \$ 57,336.80
Pool Checking: \$ 15,927.83
Money Market: \$ 55,729.72
Total Monies: \$ 128,994.35
Pool Loan Principal: \$ 372,116.92
ADA Contract Principal: \$ 119,951.23

POA Clerk's Report (August 2014): Report was submitted prior to the meeting by Tish Hermann and is attached herein as Exhibit C. Motion to approve was made by Junior Rideout, seconded by Lee Hauser. Unanimous affirmative vote by those present.

Property Manager's Report (August/September 2014): Report was presented by Jim Crayton and is attached herein as Exhibit D. Motion to approve was made by Junior Rideout, seconded by Lee Hauser. Unanimous affirmative vote by those present.

Contained as the last item in the Property Manager's Report is the request to the Board of Directors for help in defining what "neat and attractive" means as it pertains to Lawn/Yard maintenance. There followed a brief discussion on managing over grown lots including over growth along canal banks without any specific motions being made. President Roger suggested that the matter be studied further and welcomed Jim Crayton's announced plan to develop guidelines and get back to the board at the next monthly meeting on October 9, 2014.

Business:

1. Fishing Habitats. Byron Massey did not make a presentation as planned. Previously the Board had agreed to promote and sanction a proposal from Mr. Massey on fishing habitats, contingent upon receipt of a letter of approval from the developer, Steve Jones, Jr., and the production of a plan of implementation (the "rules of engagement") by Mr. Massey. The board awaits Bryon Massey's presentation in the near future.

2. POA Financial Audit. Treasurer Clark reported on the financial audit. He informed the board that preliminary work is done. President Roger requested Clark to determine

if the audit team would include the first six months of 2014 in the audit. If not, President Roger asked Clark to determine the cost associated with a separate audit that covers the first six months of 2014. Because much of the pool expenditure took place during the first six months of 2014, President Roger believes it important to include these expenditures and time period in the audit.

3. Actual vs. Budget Expense Reporting. Treasurer Clark also updated the board on the progress being made on financial reporting and presented an example which included the schedule, "Actuals Thru August Vs 12 Month Budget," January – December 2014. This is an obvious work in progress. He also presented the Profit and Loss schedule for the eight months to date in 2014, showing each month's figures and a total to date column. The financial report in Exhibit C will only show the Profit and Loss statement for August.

4. Governance Review Committee (GRC). Lee Hauser, chairman of the GRC, presented a summary of the GRC activities as reported in the minutes of the GRC meetings on August 21 and September 4, 2014. On August 15th a meeting with Steve Jones, Jr., Jim Crayton and Hauser covered a number of topics including Architectural Review. Although none of the topics discussed reached the level of final conclusion or agreement, Lee Hauser reported that the discussion regarding Architectural Review was very productive and that definite progress was made toward the mutual goal of turning over this important responsibility from the developer to the POA. The GRC has reviewed the history of Architectural Review and has found a significant basis of agreement between both parties. There awaits a specific proposal to be placed on the table from either party in order to proceed.

The GRC also conducted reviews of selected POA policies including Clubhouse Rental Policy and Fishing Regulations. Revisions to the Clubhouse Rental Policy were officially approved by the GRC and the GRC voted unanimously to send the recommendation to the POA Board.

Hauser reported on the primary focus of the GRC, to conduct a detailed review of the Bay Tree Lakes POA By-Laws, Covenants and Restrictions, Rules and Regulations, the Planned Communities Act of State of North Carolina, as well as applicable local laws and regulations. To this end, the GRC began a line by line review and discussion of the 1972 Covenants and Restrictions, concluding on paragraph 26, Book 193, Page 207, at the end of the September 4th meeting. This review will continue on September 18th and thereafter as necessary until governing documents specifically referencing and pertaining to BTL have been reviewed line by line. Upon conclusion of the review the GRC will prepare a report with recommendations to the BTL Board of Directors.

5. E&O Insurance. Clark Valentiner reported that the liability insurance question regarding E&O and D&O insurance initiated by President Wright had been resolved. Clark asked that a previous motion made by Lee Hauser to investigate whether the Board needed to purchase E&O insurance be withdrawn. Lee agreed to withdraw the previous motion. Basically, E&O, errors and omissions insurance, as Treasurer Clark explained, is intended to protect individual professionals such as doctors, contractors, real estate agents, but does not extend to persons serving on a for profit or non-profit board of directors. That's where D&O, directors and officers insurance, comes in. Treasurer Clark determined that since we already have coverage of D&O insurance, E&O insurance is not required.

New Business:

1. Pool Closing Date. No discussion was held on this item, although previous discussion indicated the pool would remain open as weather conditions warrant, until September 30th.

2. Clubhouse Usage by Property Owners. President Roger recognized Lori Massey who made a proposal for clubhouse use. See Exhibit E.

After much discussion, generally positive, President Roger stipulated that any decision regarding this issue must consider (1) insurance liability, (2) the precedence of paid rentals, (3) policy guidelines and (4) legal advice. President Roger asked Clark Valentiner to look into insurance and he asked Junior Rideout to study current clubhouse usage and report back to the Board with his recommendations on setting priorities for paid rentals. President Roger volunteered to draft a set of "rules of engagement" to answer the question of policy guidelines and he also agreed to obtain legal advice from the Board's attorney, Cynthia Singletary. A motion was made by Junior Rideout, seconded by Clark Valentiner, specifically to include the points above, that the POA Board move forward with the consideration of the proposed expansion of the use of the BTL Clubhouse to include usage by home schooling groups and other adult, youth and children's activities at no charge. The motion passed by unanimous vote. Consideration of this issue will continue at the next meeting.

3. Encourage Board Candidates for 2015. President Roger encouraged POA members to run for the POA Board. There are three positions which will be open and voted on at the next annual meeting in April, 2015.

President Roger also provided an update on his discussions with county officials

regarding assessed property values. Roger is working with Bladen County tax officials to address overstated property values. He recommends that an invitation be extended to Chris Ellis, Bladen County Tax Administrator, and Tim King, Contract Appraiser for property assessments in Bladen County, to be invited to a BTL POA BOD meeting and/or BTL Town Hall meeting.

President Roger also reminded the Board had given him permission to talk to Steve Jones, Jr., and Jeff Passott (head of the marketing firm hired by Steve Jones, Jr., to promote lot sales in Bay Tree Lakes), to discuss the general topic of the Best Days of BTL being still ahead. President Roger indicated these discussions are taking place and suggested that the BTL POA should work in concert with the developer to flush out pinch points, generally, those issues which are derogatory regarding the BTL community and its amenities. The idea is to make sure that all parties are dealing with factual information and working together for the good of the Bay Tree Community. Roger proposed two town hall meeting, (1) to meet with the Bladen County Tax Administrator and Contract Appraiser and (2) to meet with the developer and the head of the marketing team promoting Bay Tree Lakes for the developer.

Additional Discussion. Lee Hauser presented the GRC's recommendations to amend the Clubhouse Rental Policy. See Exhibit F. It is noted that these recommendations were approved unanimously by the GRC. Lee Hauser made the motion to approve the Club House Rental Policy, seconded by Roger Wright. The motion was passed by unanimous vote of board members present. It is noted that the topic of other clubhouse use will be addressed at the next board meeting.

There being no further business or comments, a motion to adjourn was made by Lee Hauser, seconded by Junior Rideout and passed at 9:28 pm.

Respectfully submitted,
Lee Hauser
Secretary

Exhibit A

Bay Tree Lakes *Property Owners Association*

Board of Directors Meeting Agenda

September 11, 2014

Call to Order and Welcome Members and Guests	Roger Wright
Invocation	Clark Valentiner
Appreciation for Labor Day Activities	Roger Wright
Approval of Prior Meeting Minutes (August 2014)	Lee Hauser
Approval of Prior Month's Financial Report (August 2014)	Clark Valentiner
POA Clerk's Report (August 2014)	Tish Herrmann
Property Manager's Report (August/September 2014)	Jim Crayton

Business:

(Previous agenda items relating to Boat Lifts, Signs (Street, Private Property, No Wake), Pool Bulletin Board, CPR Classes, 30 Acres East of Storage Lot, and Irrigation Engine Noise have been addressed in the Property Manager's Report.)

1. Fishing Habitats	Byron Massey
2. POA Financial Audit	Clark Valentiner
3. Actual vs. Budget Expense Reporting	Clark Valentiner
4. Governance Review Committee (GRC) Update	Lee Hauser

5. E & O Insurance

Clark Valentiner

New Business:

1. Pool Closing Date

Jim Crayton

2. Clubhouse Usage by Property Owners

Roger Wright

3. Encourage Board Candidates for 2015

Roger Wright

4. Next Town Hall Meeting

Roger Wright

POA Member Comments:

~ **Please note that POA members that would like to share comments must be recognized by the Presiding Officer.**

~ **Please note also that individual comments will be limited to three (3) minutes.**

Exhibit B

Bay Tree Lakes Property Owners Association
Profit and Loss
August 2014

	Total
Income	
Non-Profit Income	
Dues	6,803.98
POA Lot Mowing	75.00
Pool	2,724.00
Recovery	25.00
Total Non-Profit Income	9,627.98
Total Income	\$9,627.98
Expenses	
Building cleaning	600.00
Cost of Labor	
Cost of Labor	
Asst Pool Operator - KA	320.00
Asst Property Manager - JC	279.00
Clerk	600.00
Property Manager	1,000.00
Total Cost of Labor	2,199.00
Total Cost of Labor	2,199.00
Funds transfer	
Interest Paid Pool	1,650.56
Principal Paid Pool	3,646.48
Total Funds transfer	5,297.04
Grounds	
Mowing & cleaning	660.00
Trash removal	10.00
Total Grounds	670.00
Member Event	99.94
Office Expenses	
Bank Charges	21.95
Internet	72.63
Postage	234.40

Quick Books Online	26.95
Supplies	3.70
Telephone	363.16
Web site	61.90
Total Office Expenses	784.69
Repair & Maintenance	
Boat Lift	96.08
Clubhouse	244.12
Exercise Room	150.00
Gate	837.66
Pool	1,689.76
Total Repair & Maintenance	3,017.62
Utilities	
Electricity	1,133.75
Sewer	80.00
Water	70.79
Total Utilities	1,284.54
Total Expenses	\$13,952.83
Net Operating Income	\$ -4,324.85
Net Income	\$ -4,324.85

Friday, Sep 05, 2014 07:44:04 PM PDT GMT-4 - Cash Basis

This report was created using QuickBooks Online Plus.

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Exhibit C: Clerk's Report

From the Clerk

September 11, 2014

August 31, 2014	Outstanding Dues	\$30,948.42
August 31, 2014	Credit Balance	\$ 5,012.30

Lots reported sold August 2014

<u>Buyer</u>	<u>Lot</u>	<u>Home</u>	<u>Seller</u>
Rachelle Brooks-Blue	920	Fayetteville NC	Lake Bay East*
Betsy Kinlaw	292	Lumberton NC	Lake Bay East*
John & Elizabeth Urban	527	Cary NC	C. Matt Hardee

*** first time lot sale**

Total lots 452.5 as of August 1, 2014 (Secretary's note: This is the date provided in the Clerk's Report)

Exhibit D

Property Mangers Report
August/September 2014

Presented Sept. 11, 2014

- This month we have issued - 15 windshield stickers; 3 gate cards; and one storage area key. At least two customers represent new families to the community.
- Boat Lifts: I and several volunteer community workers spent several hours over last weekend working on the boat lift. A sand bar had formed under the lake side of the boat lift causing one corner of the lift to keep from going all the way down. . On Monday morning I went over to blow the sand away with my boat but got too hot and went in for a while to cool off. When I left I parked the lift midway hoping folks would see there was a problem. While I was gone someone tried to use the lift and apparently tried to make some adjustments. The cable on the high corner became slack and got off the rollers overhead. That put the winch motors in a bind and shut the lift down. Fortunately no serious damage was done. We finished blowing the sand bar away and got all the cables adjusted. No malfunctions have been reported since. On Tuesday of this week Mr. Mike Smith (the repair technician) came and inspected our work but only had to tweak a few things. Per our plan, I had him check out the Horsepen lift while he was here. He reported a problem with one of the solenoids that activates the high pressure pump. He was unsure at that time what was causing the problem. He was call away before he had time to finish (his mother is apparently in the final stages of a battle with cancer) but he said he would bring his helper with him soon and would give a more complete report at that time. He did not anticipate a problem converting they system to a different kind of oil. Steve Jones has indicated he is willing to deed that lift too us. I am trying to determine what the costs would be should that happen.
- The CPR classes have been put on hold until October because the instructor will not be available until then. I will post more information as it becomes available. Anyone interested should let me know as soon as possible. Cost is \$35.00 and the course takes about 3 ½ hours.
- I finally got the NO WAKE signs and am in the process of getting them painted and installed. I have not heard anything back from Steve Jones about the street signs or the "Private Property" signs other than his original indication that he would take care of it.
- We have the wood materials for a bulletin board at the pool but I have held off on purchasing the aluminum enclosure for it due to the cost, since it is not an emergency. My best estimate for an exterior grade enclosure is about \$400.
- The undeveloped 30 acre plot adjacent to the trailer parking lot that came into question earlier remains undeveloped in the same manner as the properties on either end of the community. Undeveloped lands are not subject to dues.
- We hired Janet Allen to take her daughter Kelly's place assisting Donovan at the pool. Kelly had to leave to begin her college classes. Our plan at this time is to keep the pool open as long as weather permits and there is continued usage. This will probably result in it being closed around the end of September but a definite date has not been set.

- A resident on Spring Branch Drive is using a gasoline powered pump to irrigate his lawn with. As best as I can tell this is only taking place in the daytime. It is unclear to me what we can do about it since we do not have a noise ordinance. Perhaps this is a topic we need to discuss.
- We now seem again to have a growing number of resident geese. I have contacted the USDA about this and we will likely have another round-up in the spring during their molting season. (That's when they can't fly.) We did this a few years ago and it was very successful. I hope to get this dealt with before it gets to the crisis stage.
- Finally, I would like to ask the board's help in defining what "neat and attractive" means as it affects lawn/yard maintenance. That is the terminology in the covenants. Lots with houses on them are not generally a problem. However, when it comes to vacant lots, there is a great deal of variation in appearance. Some lots have very few trees or shrubs on them and look very neat when the grass is cut. Some lots have a few trees which are neatly trimmed with no brush growing under the trees. They also look neat when cut. Then there are quite a number of lots with numerous large trees with thick brush and bushes growing under the trees. Many of these also have heavily overgrown canal banks. These lots have a "wild" look even when the grass is cut. In addition to the appearance issues this creates, there are numerous incidences of deer bedding down on those lots. These same deer are the ones doing the damage to our shrubbery and ornamentals. There are many rabbits living and breeding in these bushy areas. Not only are the rabbits also eating our plants but they are part of the food chain this is attracting foxes and coyote to the area. As I'm sure most you know, foxes and raccoons are the prime carriers of rabies among area wildlife. In summary, I see three issues 1- appearance; 2-nuissance animals destroying ornamentals; and 3-a health and safety issue. I seek the boards assistance in establishing a viable interpretation of "neat and attractive" so we can have better consistency and a safer community.

Exhibit E

Proposal For Clubhouse Use

Situation: There is a need for the residents of BayTree to have a place to gather together indoors for community events.

Proposed Solution: I would like to coordinate activities in the BTI Clubhouse for both Adults and Children.

Examples of Events:

- **Friday Morning Kids Club (for Homeschool Group)**
- **Family Movie Night**
- **Family Game (Board Game) Competition**
- **Chess Club/ Lego Club**
- **Arts and Crafts Activities**
- **Exercise/ Stretch Class**
- **Spanish Lessons (via video)**

Benefits: I feel that having a common place to gather for group events would further enrich and benefit our community.

Submitted by: Lori Massey at POA Board Meeting on September 11, 2014

Exhibit F

Bay Tree Lakes ***Property Owners Association***

CLUBHOUSE RENTAL POLICY

Rental of the room and porch at the east end of the Bay Tree Lakes Clubhouse is limited to only property owners for their personal use. A property owner may not rent the clubhouse for a function for a relative or a friend. The following rules shall be observed:

1. POA members in good standing may rent the clubhouse and shall be present for the entirety of the event for which he/she has rented. Rental shall be limited to events of property owners and their immediate household members. POA members in good standing are members whose dues are paid up to date and have observed the covenants of Bay Tree Lakes as they apply.
2. The rental fee is \$200.00 per day and is to be paid in advance. If the member wishes to “set up or take down” on a separate day, there will be an additional \$50 fee for each of those days also, providing clubhouse is not rented on those days. “Set up and take downs” will be limited to the afternoon or evening before and morning,(before noon), following the event. This money is non-refundable unless the event is cancelled at least ten days prior to the scheduled event.
3. A deposit of \$200.00, (*separate check*), is also required. This will be refunded when the keys have been returned and if no damage has occurred and the building is clean and all trash has been removed from the premises, including outside cans and one at the end of the handicap ramp at the east end of the clubhouse. A POA board member will make an inspection of the clubhouse area within 12 hours after the event.
4. Any POA board member may, if needed, terminate the event at any time the clubhouse is being abused and the rules are not being observed.
5. Rental of the clubhouse DOES NOT entitle the party use of the exercise room at the west end. The exercise room will remain available to other property owners even if the room at the east end has been rented.
6. Rental of the clubhouse DOES NOT entitle the party to sole use of the beach, cabana, *pool* or pier. The party is welcome to use those areas, however.
7. Parties shall end by 12:00 midnight and all guests shall have until 1:00 A.M. to vacate the building. All persons not residing at Bay Tree Lakes shall depart the grounds at this time unless they are overnight guests of a resident.
8. If necessary the POA member renting the clubhouse may provide a gate attendant with a complete guest list to allow guests onto the Bay Tree Lakes property for the scheduled event. The attendant is to allow only persons on the list to enter.

9. The clubhouse may be rented for the purpose of having a commercial party or for the functions of fraternal organizations, charities, clubs, churches, or businesses if the property owner is a member of same, is in good standing with the POA, and will be present during the entire function. POA members in good standing are members whose dues are paid up to date and have observed the covenants of Bay Tree Lakes as they apply. Request for such rentals must be approved by the Board of Directors.

10. Renovations have or will be done to the inside of the clubhouse. Please do not use thumbtacks on the walls or anything else that may damage the work that has been done.

11. I agree to abide by the following occupancy limitations:

<u>Configuration</u>		<u>Maximum Capacity</u>
Standing Only		384
Chairs (meetings, etc.)	294	
Tables, Chairs		128

Clubhouse rental applications may be made to:
The At Large Member of the POA Board of Directors

Approved by POA Board of Directors on 9-11-2014

Rental Agreement

CLUBHOUSE RENTAL APPLICATION

NAME OF PROPERTY OWNER _____

ADDRESS _____

Date Requested _____

I agree to:

1. Comply with the rules and regulations of the clubhouse and Bay Tree Lakes Property Owners Bylaws.
2. Conduct an inspection of the property prior to the use and report to a board member any discrepancies observed.
3. At the conclusion of use, turn off all lights and stove, reset the thermostats to 75°F, and leave only the ceiling fan closest to the kitchen in operation.
4. Remove all waste generated by my group from the clubhouse and grounds. Including can at end of handicap ramp. (Failure will result in loss of deposits.)
5. Put all tables used back on their trolleys and chairs back in the closet where they were stored.
6. Conduct a final inspection for damages caused by your group and report discrepancies to a board member.
7. Secure all doors and windows at the conclusion of the event.
8. Maintain possession of the clubhouse key and not make nor allow anyone else to make duplicate copies of the key.
9. At conclusion of event, return key to Member-At-Large.
10. I agree to abide by the following occupancy limitations:

<u>Configuration</u>	<u>Maximum Capacity</u>
Standing Only	384
Chairs (meetings, etc.)	294
Tables, Chairs	128

Signing this application acknowledges that you have read and understood all the above Bay Tree Lakes Property Owners Association policies.
You also agree to be in attendance during the entire event.

Property Owner Signature and Date

Board Member Signature and Date