

Bay Tree Lakes

Property Owners Association

Board Meeting Minutes

February 12, 2015

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, February 12, 2015.

All of the Board members were present: Roger Wright, Lee Hauser, Junior Rideout, Clark Valentiner and Brian Wolf. POA Property Manager Jim Crayton, POA Clerk Tish Herrmann and Assistant Secretary Hank Howell also were in attendance. Property owners in attendance were John Shaw, George Starke, Charles Massey, Brenda Barnes and Larry Barnes.

President Roger Wright called the meeting to order at 7:01 pm and welcomed all POA members to the meeting. He then announced that the Bladen County Sheriff would be attending this meeting, and would be speaking to us shortly. Mr. Wright then asked Clark Valentiner to provide us with the invocation, after which he introduced Mr. Tyler Gallagher of the North Carolina Forest Service. Mr. Gallagher is the Assistant County Ranger for Bladen County. He spoke to the group about Defensible Space Guidelines, preparing our property for minimum fire hazards and for optimum fire control and extinguishing in the event of a fire on a BTL property. Mr. Gallagher was asked to come back to a Town Hall meeting this coming fall and repeat this message to a broader audience, while adding information on any new points.

The recently elected Sheriff of Bladen County, Jim McVicker, was then introduced by the BTL Property Manager, Jim Crayton. Sheriff McVicker expressed his appreciation for the support of many individuals in BTL during his campaign last fall. He reminded us that he had promised then to provide outstanding support to our community, and he intends to follow through with that promise. He expects to provide quick and thorough support whenever his office is called, and he encourages BTL residents to make that call when trouble arrives, rather than trying to solve law violations ourselves.

Approval of Prior Meeting Minutes (January 8, 2015): A motion to approve the subject minutes was made by Lee Hauser, seconded by Clark Valentiner. Unanimous

affirmative vote by those present. These minutes have been posted on the Bay Tree Lakes POA website, www.baytreecommunity.com.

Approval of Prior Month's Financial Report (January 2015): Report was presented by Clark Valentiner and is attached herein as Exhibit B. Motion to approve was made by Mr. Valentiner, seconded by Junior Rideout. Unanimous affirmative vote by those present was made.

Financials for January 2015:

Operations Checking:	\$ 96,305.25
Pool Checking:	\$ 9,960.96
Money Market:	\$ 55,765.23
Total Monies:	\$162,031.44

Pool Loan Principal:	\$ 357,894.19
ADA Contract Principal:	\$ 116,513.81

POA Clerk's Report (January 2015): Report was presented by Tish Hermann, and is attached herein as Exhibit C. Motion to approve was made by Lee Hauser, seconded by Clark Valentiner. Unanimous affirmative vote by those present. It was noted that the number of lots in BTL that are currently being billed, 451.5, has been reduced by one due to a lot amalgamation.

Property Manager's Report (January/February 2015): Report was presented by Jim Crayton and is attached herein as Exhibit D. Motion to approve was made by Junior Rideout, seconded by Brian Wolf. Unanimous affirmative vote by those present.

Business:

POA Financial Audits. Treasurer Clark Valentiner reported that the auditor has issued his initial report on the completed audit for 2013 transactions. Some revisions have been made and that revised report is being reviewed by the Board. Mr. Wright requested another meeting with the auditor be scheduled, hopefully within the next week. An additional audit, covering 2014, will be completed and available prior to the POA Annual Meeting next April.

Positive Facts of BTL on the Web. Brian Wolf reported no changes in his plan to post the major positive points identified thus far on this item, working with a team which currently consists of himself and John Ciccarelli. It was revealed that Jeff Passot, the

maker of a video, very complimentary to BTL, had given his permission for a link to that video from the BTL POA web site. Mr. Wolf will contact our web site administrator to have that link implemented.

ARC Development. Roger Wright reported that he and Jim Crayton had met again with Terry Cox, the architect who has agreed to build the framework and procedures for the Architectural Review Committee going forward. Mr. Cox has drafted a workable procedure and is ready to meet with the BTL developer to obtain agreement on its implementation. Mr. Wright is working with the developer to get that meeting scheduled.

Governance Review Committee (GRC) Report. Lee Hauser explained that the report presented to the Board in December had been sent to Cynthia Singletary for a legal review, but no response from her had been received. Mr. Hauser and Mr Wright met with Ms. Singletary on February 12th, and discovered that she had not yet read the report. As an overall assessment, however, she advised that until we have skin in the game we are on shaky legal ground to pursue sanctions against property owners who violate covenants and restrictions and refuse to comply. That point could come with the implementation of the revised ARC. Thus, no further action on the GRC recommendations relative to enforcement will be made until that happens.

Next Town Hall Meeting. Roger Wright described his concept of how the Town Hall Meeting, scheduled for February 14th, should unfold. Beginning at 10:00, following a breakfast to be cooked and served by the Board members at 9:00, he would like to present the short term, mid-term and long term capital needs for the POA. He proposes identifying each potential capital project, with its time frame and estimated cost, and seeking the wishes of the POA membership as to whether each project should be presented at the Annual Meeting in April. Next, he would like to inform the membership of the current plans for improved Future Financial Management of the POA, as previously described at Board meetings. Lee Hauser will follow with his presentation on the GRC efforts and recommendations. Finally, the floor would be opened for any member to speak on any subject appropriate to the time and place.

Future Financial Management. Roger Wright explained that further action on the need for improved Financial Management for the POA, to be administered by the Board, is pending the reaction of the membership at the Town Hall Meeting on February 14th. This concept was first introduced to the POA in his address to the membership at the Annual Meeting of 2014. As the POA continues to grow, with revenues approaching a quarter of a million dollars per year, so does the need for improved accounting associated with this large income, the large payables, the long term capital

commitments, and so on. There is a need for consistency of accounting principles and practices that transcend the fixed terms of Board members. This could begin with the acquisition of a computer system dedicated to the process and the hiring of a part-time financial manager, reporting to the Treasurer, and incorporating the existing Clerk's position and functions.

Re-certify Boat Lift Limitations. Roger Wright and Jim Crayton reported on several conversations and meetings that have been held with Mr. Pat Godwin of Godwin Manufacturing Co., the constructor of the Boat Lift some forty-plus years ago. Mr. Crayton expanded on the report he had already made as part of the Property Manager's report, explaining what needs to be done and his efforts at soliciting bids for that work. In appreciation of the knowledge and advice provided freely by Mr. Godwin, the Board has sent Mr. Godwin a letter of appreciation and a gratuity check for \$250.00.

Annual Meeting Preparation. The date for the 2015 Annual Meeting of the POA will be the second Saturday in April, April 11th, as defined in the By-Laws of the POA. Roger Wright suggested that the Board should hold a separate meeting, dedicated to planning for the Annual Meeting, following the Town Hall Meeting. He asked that all of the Board members work toward a target of March 1st to mail out the proper notice(s) for the meeting. Mr. Wright had previously asked Debbi Kettle to ask the Bay Tree Women's Association if they would prepare and present drinks and snacks for the Annual Meeting.

Approve 2015 Operating Budget. Clark Valentiner reported that he and Jim Crayton, as Treasurer and Property Manager, had developed the 2015 Budget and revised it following several reviews by Board members. He provided an overhead presentation and explanation of the budget and moved that it be accepted by the Board. Lee Hauser provided the second for the motion. In discussion, Mr. Wright pointed out that the anticipated carryover of \$33,410, in conjunction with the \$57,000 (approximate) carried over from 2014, would provide a figure of about \$90,000 for application toward the four critical safety issues identified by the Board. The motion to accept the 2015 Budget was approved unanimously by all present. The budget is attached to these minutes as Exhibit E.

New Business:

Bladen County Tax Reevaluation Status. Roger Wright reported on his conversation that day with Chris Ellis, the Bladen County Tax Administrator, concerning the delay in the issuance of the property value assessments for 2015. They had been expected to be issued before the end of January. Mr. Ellis explained that the county was outsourcing the mailing of notices to a company that has had a number of computer glitches. The

most recent has been corrected and it is now expected that all such mailings will be done by Friday, February 13th, arriving in the property owner mailboxes no later than Saturday, February 14th. Incidentally, while confirming to Mr. Wright that most assessments in BTL were reduced, Mr. Ellis said that “some” were increased.

Neighborhood Cleanup Day/Adopt-A-Highway. Roger Wright asked that we all keep in mind that this is an activity the community needs to plan for this Spring.

Set Monthly Board Meetings for 3rd Thursdays. Roger Wright called on Jim Crayton to explain why it has been recommended that the monthly meetings of the Board be moved from the 2nd Thursday of the month to the 3rd Thursday of the month, still at 7:00 PM. The primary reason is the Bladen County Firefighters Association holds its monthly meetings on the 2nd Thursday, conflicting with the BTL Board schedule. Other conflicts (such as work hours) frequently prohibit the Chief and Assistant Chief of the BTL VFD from attending. Jim Crayton, Captain in the department, is next in line to represent the department and BTL at these meetings. Brian Wolf moved that the schedule for the BTL monthly Board meetings be changed to the 3rd Thursday of each month. Lee Hauser seconded the motion and it passed unanimously by all those present.

Other Business:

Foreclosure Votes. Roger Wright asked that an Agenda Item for the March meeting be added, pertaining to the need for the Board to vote on foreclosure for each of the three properties in BTL for which a lien has been filed and no response received within the allotted time.

There being no further business, a motion to adjourn was made by Brian Wolf, seconded by Lee Hauser, and passed at 8:50 pm.

Respectfully submitted,

Lee Hauser
Secretary

Exhibit A

Bay Tree Lakes
Property Owners Association

Board of Directors Meeting Agenda

February 12, 2015

Call to Order and Welcome Members and Guests	Roger Wright
Invocation	Clark Valentiner
Approval of Prior Meetings Minutes (January 8, 2015)	Lee Hauser
Approval of Prior Month's Financial Report (January 2015)	Clark Valentiner
POA Clerk's Report (January 2015)	Tish Herrmann
Property Manager's Report (January/February 2015)	Jim Crayton

Business:

1. POA Financial Audits (2013 & 2014)	Clark Valentiner
2. Positive Facts of BTL on the Web	Brian Wolf
3. ARC Development	Roger Wright
4. Governance Review Committee (GRC) Report Legal Review Status Recommendations made at December 11, 2014 Board Meeting, Discussion/Action	Lee Hauser
5. Next Town Hall Meeting (February 14, 2015)	Roger Wright
6. Future Financial Management	Roger Wright
7. Re-certify Boat Lift Limitations	Jim Crayton

- 8. Annual Meeting Preparation Roger Wright
- 9. Approve 2015 Operating Budget Clark Valentiner

New Business:

- 1. Bladen County Tax Reevaluation Status Roger Wright
- 2. Consider Neighborhood Cleanup Day/Adopt-A-Highway Roger Wright
- 3. Set Board Monthly Meetings for 3rd Thursdays Roger Wright

Other Business:

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.**

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Exhibit B

Bay Tree Lakes Property Owners Association Profit and Loss – January 2015

	TOTAL
Income	(\$)
Non-Profit Income	
Dues	30,762.82
Gate Access	830.00
Pool	12,102.00
Rental	200.00
Total Non-Profit Income	43,894.82
Total Income	43,894.82
Expenses	
Building cleaning	300.00
Cost of Labor	
Assistant Property Mgr.-JC	40.00
Clerk	600.00
Property Manager	1,000.00
Total Cost of Labor	1,640.00
Funds transfer	
Interest Paid Pool	1,594.53
Principal Paid Pool	3,702.51
Total Funds transfer	5,297.04
Grounds	
Mowing & Cleaning	3,000.00
Trash removal	37.50
Total Grounds	3,037.50
Insurance	3,000.00
Legal & Professional Fees	2,600.00
Member Event	213.28

Office Expenses	
Bank Charges	9.95
Internet	72.81
Postage	102.00
Quick Books Online	26.95
Telephone	296.82
Total Office Expenses	508.53
Repair & Maintenance	
Clubhouse	120.69
Gate	686.58
Pest Control	85.00
Pool	99.00
Total Repair & Maintenance	991.27
Trailer storage facility	85.00
Utilities	
Electricity	833.74
Sewer	80.00
Water	36.95
Total Utilities	950.69
Total Expenses	26,048.31
Net Operating Income	17,846.51
Other Income	
Interest Earned	147.46
Total Other Income	147.46
Net Income	17,993.97

Friday, Feb 06, 2015 06:52:59 PM PST GMT-5 - Cash Basis

This report was created using QuickBooks Online Plus.

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Exhibit C: Clerk's Report

From the Clerk

February 12, 2015

January 31, 2015 Outstanding Dues: \$41,819.94

January 31, 2015 Credit Balance: \$3,744.00

Lots reported sold January 2015

Buyer	Lot	Home	Seller
First Citizens Bank	196	Raleigh, NC	Matthew Dixon
Complete Market Solutions, LLC	638	New Bern, NC	BB&T
Jody & Elenor Demyan	429	Jackson Springs, NC	Tomahawk Land Car.
Steve & Rachel Baxley	46	Lumberton, NC	Sue Butler
New Amalgamation			
Mick Robeson	271	Harrells, NC	Amalgamated with 269/270

Billable Lots 451.5

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Exhibit D

Property Mgrs. Report Jan/Feb 2015

- Issued several cards and passes. Had to replace two defective cards which were from a new batch. Have not figured out the problem yet...so far It has only been two cards.
- Spent time with Clark working up the budget
- Spent several hours trying to get bids for the pier. So far we have two and are waiting for a third. It has been difficult getting people to bid.
- Worked with Red Mote on getting the brush pile burned and got signs made that hopefully will limit materials to yard trimmings, tree limbs etc... No manufactured products of any kind. As you know the property belongs to Lake Creek and I had to clear the wording with them. There are also some "No Dumping Beyond This Point" signs in the area also. I hope to finish putting these signs up next week, weather permitting.
- Several of us met with Mr. Godwin, the original builder of the lift, and got his recommendations on what needed to be done. Since the lift would fall under the same requirements that a commercial elevator, he did not think "certifying" was feasible either economically or technically. He advised that if we had a good paper trail showing regular professional maintenance and made a few modernizing improvements such as adding supports to the lake end, painting and putting concrete boots on the vertical supports, we should be about as good as we could be. We have good maintenance records.
- I also met with Mike Smith from Smithco, about Mr. Godwin's suggestions. He is the one who has been doing the preventative maintenance,. He is trying to come up with an estimate for the cost. He also advised that the lift is in good mechanical condition.
- Met with park supt. Kristen Woodruff about what we can do at the boat lift and about permitting for the pier project. She advised that both projects are doable but will advise what the administrative process is. She wanted to do some research on both before giving us the final word. The major concern, was being able to add supports, per Mr. Godwin, to the lake side of the lift and add some type of docking area in the lake for boats trying access the lift. If you have used it on a windy day you know how difficult it is to stabilize your boat while waiting for the lift to come to you. We were discussing possibly putting in some pilings to tie off at within reach of the lakeside control.
- I had a complaint or two about renters cutting up on 4 wheelers last week-end in the North Horsepen Rd area. We probably need to look at some type of policy for the owners to post in their houses.
- You may have noticed the white buckets at the steps as you came in. These contain ice melt for when the weather gets nasty.

Otherwise it has been a quiet month. I hope I don't jinx us by saying that.

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Exhibit E

Bay Tree Lakes 2015 Operating Budget

Reserve (CD)	\$55,000 +/-	
Income		
Dues (452.5 lots)	162,900.00	
Rental	2,500.00	
Gate Cards	2,000.00	
Lot Mowing	500.00	
Basic Income	167,900.00	
Pool Assessment	65,160.00	
Pool Operating Costs		
Labor	4,000.00	
Cleaning	1,650.00	(22 times)
Phone	600.00	
Sewer	480.00	
Water	750.00	
Electricity	4,200.00	
Repairs	3,000.00	-----
Supplies	6,000.00	_____
Total Pool Op. Exp.	20,680.00	
Debt Service	63,564.00	
Total Pool Op. Exp.		\$84,244.00
Income (\$12/mo assmnt)		- \$65,160.00
Shortfall (@ \$12/mo.)		\$19,084.00

Administration

Salaries		
Clerk/Finace	15,000.00	--- New Position
Prop. Mgr	12,000.00	
Asst. PM	2,500.00	
Gate Guard	1,000.00	\$30,500.00
Utilities		
Phone (office)	600.00	
(gate X 2)		1,344.00
(clubhouse)		600.00
Sewer		480.00
Water		250.00
Electricity	8,000.00	\$10,794.00

Misc. Expenses			
Internet		876.00	
Web site		400.00	
Quickbooks		340.00	
Bank Fees		192.00	
Postage/supplies		2,400.00	
Taxes & License		300.00	
Fire Alarms/Insp.	450.00		
Insurance	11,000.00		\$15,762.00
Total	57,056.00		
			\$57056.00
Maintenance			
Roads		4,000.00	
Boat Lifts	2,000.00		(includes conversion of Horsepen Lift plus annual inspection)
Ramps		600.00	
Playground		500.00	
Fitness Ctr.		1,400.00	
Gate		5,000.00	
Trailer Stor.		400.00	
Clubhouse		2,000.00	
Cabana (bldg.)		500.00	
Grounds	5,500.00		(all grass mowing and trimming in common areas)
Pest Treatment		1,400.00	
Cleaning (clubhouse)		4,000.00	
Burning trash pile		3,000.00	
Trash removal		450.00	
Total		30,750.00	
			\$30,750.00
Legal & Professional Fees			
Lawyer		7,000.00	
Accountant		9,000.00	
		16,000.00	
			\$16,000.00
Fire Department			\$3,600.00
Member Events			
4 th of July	7,200.00		
Annual Mtg	200.00		
Christmas	600.00		
		\$8,000.00	
			\$8,000.00
Total Operating Budget (w/o pool)			\$115,406.00
Projected Income (except pool)			\$167,900.00
			\$ 52,494.00
Estimated pool deficit			- \$ 19,084.00
Projected income w/pool deficit			\$ 33,410.00

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