

Bay Tree Lakes

Property Owners Association

Board Meeting Minutes

September 17, 2015

The monthly meeting of the Bay Tree Lakes (BTL) Property Owners Association (POA) Board of Directors (Board) was held in the Clubhouse on Thursday, September 17, 2015.

All of the Board members were present: Charles Atkinson, John Ciccarelli, Bob Latham, Junior Rideout and Troy Votaw. POA Clerk Tish Herrmann, POA Property Manager Jim Crayton and Assistant Secretary Hank Howell also were in attendance. Property owners in attendance were Jim Smith, Jill Stevens, Leslie Reinlib, George Starke, Ed Stone and Debbi Kettle.

President Charles Atkinson called the meeting to order at 7:01 pm and welcomed all POA members to the meeting. Mr. Atkinson then asked Bob Latham to provide us with the invocation.

Approval of Prior Meeting Minutes (August 24, 2015 and Executive Session on Same Day): A motion to approve the minutes of the monthly meeting was made by Junior Rideout, seconded by John Ciccarelli. Unanimous affirmative vote by those present. These minutes will be posted on the BTL POA website, www.baytreecommunity.com. The minutes of the Executive Session held on that same date were also considered. A motion to approve those was made by Junior Rideout, seconded by John Ciccarelli. Unanimous affirmative vote by those present.

Approval of Prior Month's Financial Report (August 2015): Report was presented by Treasurer John Ciccarelli and is attached herein as Exhibit B. Motion to approve was made by John Ciccarelli and seconded by Junior Rideout. Unanimous affirmative vote by those present was made.

Financials for August 2015:

Operations Checking:	\$ 70,394.06
Second Checking	\$ 5,490.03
Pool Checking:	\$ 17,973.68

Money Market: \$ 55,813.39
Total Monies: \$149,671.16

Pool Loan Principal: \$337,516.50
ADA Contract Principal: \$110,373.93

President Atkinson inquired as to the Interest Rate for each of the two loans outstanding. The information was not readily available, but John Ciccarelli agreed to find out and inform Mr. Atkinson ASAP.

In order to close out all debt relative to the construction of the POA pool, it was suggested that the approximately \$2500 owed to Chad Devane be paid right away, if it had not been paid per the Board action at its meeting in May, 2015. Junior Rideout made a motion to this effect and it was seconded by Troy Votaw. Unanimous affirmative vote by those present. The \$551.40 owed Tarheel Pools is being withheld until all manuals for the pool equipment purchased are supplied to the POA.

POA Clerk's Report (August 2015): The report was presented by Tish Herrmann, and is attached herein as Exhibit C. One addition was made to the list of delinquent payers, a list not normally publicized. Motion to approve the report as modified was made by Junior Rideout, seconded by John Ciccarelli. Unanimous affirmative vote by those present.

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

In response to a question, Mr. Crayton explained that “a complete shutdown” of the pool means that the pumps will be turned off and the pool will need to be drained, cleaned and refilled next spring. He also added to his report that beavers have been spotted in the canals in at least two places. He is contacting the USDA which normally sends out a representative to capture and remove the beavers.

Old Business:

Lawyer Matters. The president called on Bob Latham to report on his meetings and conversations with the POA lawyer, Mr. Michael Levine, with the firm of Womble & Campbell, P.A.. First, he reviewed the payment options with that firm. Without a retainer (which would cost the POA \$500 per month for a minimum of six months), the POA will pay the hourly rate of \$200, plus a \$200 consultation fee (up front) for each

case/issue we ask the firm to pursue, plus any costs imposed by the court. Under this option, there would be no additional charge for a “delinquency letter” or for filing a lien. There would be, however, a charge of \$1200 per home owner for filing a foreclosure. With that in mind, Mr. Latham reviewed each entry on the list of delinquent payers and got agreement from the rest of the Board as to what action should be taken in each case. Mr. Latham and Ms. Herrmann were asked to deal with this matter according to the new Dues Collection Policy. The policy is effective now even though the final typed version has not yet been approved.

Next, Mr. Latham presented the previously reviewed policies, ATV Rules and Regulations and Golf Carts Rules and Regulations. Due to the requisite \$200 consultation fee for each of these, Mr. Latham moved that the lawyer not be asked to review and comment on these policies. Troy Votaw seconded the motion and it passed, four votes in favor, one opposed. The Board then discussed each policy, primarily relating to the requirements of the driver. Agreement was reached. Troy Votaw moved that the Board approve the modified ATV, etc. policy. Junior Rideout seconded the motion and it passed, unanimously. Next, Troy Votaw moved that the Board approve the modified Golf Cart policy. John Ciccarelli seconded the motion and it passed, unanimously. Both of these policies required re-typing to incorporate the modifications, to correct spellings and to harmonize the formats. They will be presented again for acceptance in their new forms at the next monthly meeting of the Board.

Mr. Latham then explained the gist of the conversation with the lawyer concerning Short Term Rentals. Due to the requisite \$200 consultation fee, the issue was not presented to the lawyer for his review and consideration. However, the general idea was discussed and, although a true legal opinion was not given, it was clear that a modification to the Covenants would be needed to prohibit the rental of property in Bay Tree Lakes for a “short” period, or to limit the benefits of the tenant when so renting. Thus, Mr. Atkinson asked the Board members to consider the draft on the subject as authored by John Shaw, modified by Mick Robeson, for discussion at the next Board meeting. Mr. Latham agreed to modify as needed and send the results to the Board members for review.

Similarly, the proposed Lot Maintenance Policy was not given to the lawyer for his review. The Board discussed it briefly and came to general agreement, but objected to the “wordiness” of the draft, asking that it be condensed to the essentials and presented again at the next Board meeting. Meanwhile, the Property Manager should act where necessary as if the policy were in effect.

Positive Facts of BTL on the Web. There was some consideration as to publicizing this project in the mailout for the October billing. The idea was rejected, however,

because the current small card in use does not have enough available space.

ARC Development. President Atkinson continues to pursue this item with Mr. Steve Jones, Jr. They have discussed it several times, but Mr. Jones displays varying reactions and no conclusions, yet.

Boat Lift Modifications. This subject was covered in the Property Manager's report. The Board asked that he try once again to schedule a meeting with Mr. Bagley and the Board.

Clear Drainage Ditch on Horsepen. The drainage ditch at the beginning of Horsepen Road, before the canal tunnel overpass, does not drain properly. President Atkinson has pursued this matter with the developer, with no satisfaction. Thus, he asked that the Property Manager obtain an estimate from Red Mote as to the cost and timing to get the ditch draining properly.

Requests for Copies. President Atkinson acknowledged that the N.C. Nonprofit Corporation Act requires nonprofit corporations (such as the BTL POA) to allow a member to copy certain documents, including membership lists. He asked Hank Howell to modify the current POA Member Privacy and Confidentiality Policy to reflect this new information and present the result to the Board for consideration at its next meeting.

Golf Carts and ATV's in Bay Tree Lakes. This subject was covered (see above) under Lawyer Matters.

Foreclosures/Liens of 6 Properties. This subject was covered (see above) under Lawyer Matters.

Delinquent Owners Using The Pool. Within the new Dues Collection Policy, there is a procedure to disallow privileges to any property owner that is delinquent in paying dues by two quarter or more.

Clutter / Beautification and Lot Maintenance Policy. At the July meeting of the Board, Bob Latham presented a draft of a letter regarding ways to beautify the BTL neighborhood. Jim Crayton also presented a draft of a proposed Lot Maintenance Policy. President Atkinson asked that the two authors incorporate Mr. Latham's suggestions into the Lot Maintenance Policy. Upon investigation, it was determined that the Beautification proposal was quite complex and will take some time to resolve, while the Lot Maintenance Policy is relatively straightforward and needs to be implemented right away. Thus, the Lot Maintenance Policy was addressed (see above under Lawyer Matters) and the Beautification proposal will continue to be reviewed for a best method

of achieving the goal.

Short Term Rentals. This subject was covered (see above) under Lawyer Matters.

Yard Waste Trash Pile Burning. This issue was addressed as part of the Property Manager's Report (see above).

Accrual Account for 80% of New Dues. John Ciccarelli reported that the needed accrual account has been set up and the data entry procedures have been modified to assure the proper amounts are credited to this account as they are received.

New Business:

Other Business:

Bills Carryover. In response to a question and comments raised at the August meeting of the Board, concerning outstanding bills carried over from the previous Board to the one now in place, Mr. Atkinson presented the following list:

Auditor	\$4,720.00
Attorney	\$6,795.26
Tar Heel Construction	\$11,678.69
Chad Devane Builders	\$2,407.00
Jim Woodruff (Pier construction)	\$24,000.00

Small Claims Court. Jill Stevens questioned why the delinquent accounts, at least those under \$5,000, are not being addressed through Small Claims Court. There was not a ready, satisfactory answer, so the Board agreed to investigate that option of a better solution to collecting outstanding dues.

There being no further business, a motion to adjourn was made by Troy Votaw, seconded by Junior Rideout, and passed at 9:07 pm.

Respectfully submitted,

Bob Latham
Secretary

Exhibit A

Bay Tree Lakes
Property Owners Association

Board of Directors Meeting Agenda

September 17, 2015

Call to Order and Welcome Members and Guests	Charles Atkinson
Invocation	Bob Latham
Approval of Prior Meeting Minutes (August 24, 2015) (Both Regular Session and Executive Session)	Bob Latham
Approval of Prior Month's Financial Report (August 2015)	John Ciccarella
POA Clerk's Report (August 2015)	Tish Herrmann
Property Manager's Report (August/September 2015)	Jim Crayton
Old Business:	
1. Positive Facts of BTL on the Web	Charles Atkinson
2. ARC Development	Charles Atkinson
3. Boat Lift Modifications	Jim Crayton
4. Clear Drainage Ditch on Horsepen	Charles Atkinson
5. Contracts/Lists Copies for Members	Charles Atkinson
6. Golf Carts and ATV's in Bay Tree Lakes	Bob Latham
7. Foreclosures/Liens of 6 Properties	Bob Latham
8. Delinquent Owners Using The Pool	Charles Atkinson

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| 9. | Clutter / Beautification
and Lot Maintenance Policy | Bob Latham
and Jim Crayton |
| 10. | Short Term Rentals | Bob Latham |
| 11. | Yard Waste Trash Pile Burning | Jim Crayton |
| 12. | Accrual Account for 80% of New Dues | John Ciccarelli |

New Business:

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 – August 2015**

	TOTAL
Income	(\$)
Non-Profit Income	
Dues	6,334.10
Gate Access	470.00
Key Deposit	25.00
Pool	2,208.00
Total Non-Profit Income	9,037.10
Total Income	9,037.10
Expenses	
Building Cleaning	750.00
Building Fire Protection	101.62
Cost of Labor	
Certified Pool Operator	400.00
Clerk	600.00
Prop. Mgr. Travel	200.00
Property Manager	800.00
Total Cost of Labor	2,000.00
Funds Transfer	
Interest Paid Pool	1,507.07
Principal Paid Pool	3,789.97
Total Funds Transfer	5,297.04
Grounds	
Mowing & cleaning	100.00
Trash removal	120.00
Total Grounds	220.00
Interest Expense	9.87
Meals and Entertainment	266.76

Office Expenses	
Bank Charges	9.95
Equipment	64.05
Postage	152.95
Quick Books Online	26.95
Stationery & Printing	80.77
Telephone	357.97
Total Office Expenses	692.64
Repair & Maintenance	
Cabana	18.18
Clubhouse	39.49
Total Repair & Maintenance	57.67
Utilities	
Electricity	1,372.94
Sewer	151.16
Water	309.73
Total Utilities	1,833.83
Total Expenses	11,229.43
Net Operating Income	-2,192.33
Other Income	
Interest Earned	15.24
Total Other Income	15.24
Net Other Income	15.24
Net Income	-2,177.09

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Exhibit C: Clerk's Report

From the Clerk

September 17, 2015

August 31, 2015	Outstanding Dues	\$39,033.13
August 31, 2015	Credit Balance	\$ 3,807.17

Lots reported sold August 2015

Buyer	Lot	Home	Seller
John & Phoebe McGavock	84	Elizabethtown, NC	Andrew Malaro
Redbird Land Co. LLC	PHIV-41&42.5	Wilmington, NC	Steve Tatum
Cathy Ross	155	Harrells, NC	Albert Wise

Billable Lots 457.5

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Exhibit D Property Mgrs Report Aug/Sept. 2015

As you are aware the gate is back to functioning normally. I have had two issues with cards “disappearing” from the system. Don’t know if this is a residual from the lightning strike or what but it does not appear to be a major issue. We still do not have a bill. I talked to Southern Time today and they are working on it. I have attached a quote for spare parts for us to keep on hand. We need to do this because a lot of the delay was due to waiting for parts to be shipped in. One of these proved to be bad and we had to wait longer for a replacement for the replacement. I’m not ready to recommend anything specific until we get the final bill. We have two of the items in our possession at this time.

I have attached an email from the attorney handling the Grace Britt estate stating that there are currently no funds available for cleaning up the property. As stated previously we have an estimate of \$200 to do the work. The place really looks bad and really needs attention. My recommendation is that we do that and place a lien on the property for that amount and any other back fees or dues owed.

We have sent a letter to Henry Cashwell about his dog running loose. I have several incidents documented with photos and videos. Animal Control will not pick the dog up unless they can catch it off Henry’s property. Tish has sent him a warning letter and is ready to begin with additional letters and the fine process with the next reported incident. I have been informed that a new electronic collar has been put on the dog but have had more undocumented reports that it is not working. I have requested that complaints be put in writing and sent to the board.

I have done the PM on the generator at the gate. All is well and appears to work as designed.

All fire extinguishers have been checked and validated for another year. Annual fire inspection has also been performed with no issues reported.

Unless otherwise directed, I plan to close the pool after the 3rd week-end in October. This corresponds roughly to the same time we closed last year. We have enough supplies for this on hand. This will be a complete shutdown and winterization. I will probably winterize the cabana shortly after that but in any case before the first freeze.

I had scheduled a meeting with Greg Bagley about the main lift but it did not take place. I’m not sure if he forgot or if there was some confusion. I tried once to contact him but was not successful. Advise if you want me to continue pursuing this.

As far as the Horsepen lift is concerned it is still a work in progress. Mr Smith has made several trips here and has taken several parts back to his shop for disassembly and repair but so far has not been able to pinpoint the problem. We are waiting for schematics and specs. from the manufacturer in Massachusetts at this time. I anticipate results shortly. The fascia on the clubhouse was repaired by George Woodruff for us.

The grass man comes tomorrow and will weed-eat around the canal across the street for the last time this season. He will remove the limbs from the storm damage. I will have him cut the area around the Horsepen lift also. This will be his first cut there. He is currently on a two week schedule and will probably do one or two more depending on the weather. After that, it will be on an "as needs" basis. I have been cutting the area at the main lift in order to save us some money.

I am working with Red Mote on getting the trash pile burned. He said he would try to give us a better price.

I have begun the process on getting bids for sealing the cracks in the street. I have a man coming tomorrow from Diamond Const. They are the ones who did the work for us the last time. Since they were the previous low bidder I thought I would get their bid first to help guide us on deciding on doing the project.

Labor day week-end was a huge success. We served over 200 plates and everyone seemed to have a great time. That was one of the largest turnouts I can recall for any event. I took care of several owners card issues that afternoon.

We have two new permanent resident families. The Talbert's are living across from Byron Massey. They are currently renting but have decided they really like it here. The McGavocks bought Cathy Ross's house. They moved from Etown. He is the VP of Operations for 4 County.

The light pole out front is property of Duke/Progress and will be repaired when the new poles come in. Both lights will be replaced with new units.

I had an issue reported on a weight machine that I am working on getting repaired.

I urge you to consider the revision on the grass policy that presented earlier. We need a much larger fine and a clearer definition of the "neat and attractive" wording in the covenants.

Finally, the fire department is working to lower insurance rates for the entire district. When we are successful, rates should be 10%-20% lower depending on how successful we are. You will likely see increased activity within the community between now and March as we train for our inspection. The other thing is, we need more volunteers.

I have a couple more things for an executive session.

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