

**Lake Jeanette Association, Inc.  
Annual Meeting Minutes  
November 20, 2017**

**Board Members:**

Dixon Johnston, President; Scott Fleming, Vice President; Richard Conner, Treasurer; Kerrigan Smith, Secretary; Betty Smith, Member at Large

Deborah Roskelly, Roskelly Management Associates LLC

**Members Present:**

Signed Member Rosters and Proxies are on file. Attendance is counted by lots not by people present (ex. husband/wife count as 1 in attendance - not 2). Village Representation follows:

	<u>Present</u>		<u>Proxy</u>	
Northern Shores:	10	(6LV & 4NLV)	44	10 LV & 34 NLV
Northern Shores Estates:	0	0	2	LV
DayBreak Square:	6	NLV	13	NLV
Southern Shores:	14	(6LV & 8NLV)	28	4 LV & 24 NLV
Waters Edge:	4	LV	5	3 LV & 2 NLV
The Grande:	1	LV	1	NLV
Bearberry	3	NLV	2	NLV
Checkerberry	4	(1LV & 3 NLV)	11	3 LV & 8 NLV
Dutchman's Pipe	3	NLV	2	NLV
Rosebay	2	NLV	0	
Laurel Cove	2	(1LV & 1NLV)	2	1 LV & 1 NLV
Indigo at the Lake	1	NLV	5	NLV
Eastern Shores Estates	2	LV	2	LV
Turnstone Village	7	(3LV & 4NLV)	6	3 LV & 3 NLV
Kinglet Commons	2	NLV	8	4 LV & 4 NLV
Cape May	4	LV	11	6 LV & 5 NLV
Dunlin Square	2	NLV	4	NLV

Total Present Who Signed In = 67

Total arriving late and did not sign in = 27

**Total Present at Meeting is 94**

**Total Proxies Received in Advance to establish a quorum = 146**

**Quorum Established**

93 Non Lakeview & 24 Lakeview lots establish a quorum (in person or by proxy). As noted in the numbers above, a quorum was established for this meeting.

**Mailings and Handouts:**

In accordance with the Association's Bylaws, Article IV Meetings of Members, Section 3. Notice of Meeting, the Annual Meeting Notice Packet was mailed to each member at least 15 days prior to the Meeting and included the meeting notice, agenda, 2017 property report and proxy.

**Call to Order:** Registration began at 6:30 pm and Dixon Johnston, Board President called the meeting to order at 7:00 p.m.

**Introductions:** Dixon introduced the current Board members and thanked them for their service to the community. Deborah Roskelly, Property and Operations Manager was also introduced and thanked for her dedication and work on behalf of Lake Jeanette.

**Election to Board:** In accordance with the Association’s Bylaws, Article VI, Nomination and Election of Directors, Section 2. The Nominating Committee consisting of Dixon Johnston as Chairman announced that Scott Fleming’s term on the Board expires at this 2017 Annual Meeting. Scott received thanks for his many years of service to his community.

Dixon introduced Melanie Tuttle from the Point as a candidate for election to the Board and opened the floor for additional nominations. There were no nominations from the floor. A motion was made and seconded to elect Melanie Tuttle to the Board of Directors. Since Melanie was the only candidate for election, the vote was taken by a show of hands and the motion was passed. Melanie’s two year term will expire December 2019.

**President’s Report:**

**1. State of the Lake:** Dixon reported that Lenoir Warehouse Group LLC (Will Dellinger and Jess Washburn) purchased Lake Jeanette and Buffalo Lake and other related properties in July 2017. At the time of purchase they accepted an *Assignment and Assumption of the Lease* Agreement between Cone Mills/ITG and Lake Jeanette Association, Inc. This *Assignment and Assumption of the Lease* has been recorded. As the new owners of Lake Jeanette, they have advised that...

- The Lease Agreement will be followed,
- They do not have plans to build docks on Lake Jeanette at this time even though the lease allows for such, and
- They expect full compliance of the Buffer Zone Policy by all Lake Jeanette homeowners.

**2. Association Dues:** In accordance with the Association’s Declaration of Covenants, Conditions and Restrictions, Article IV, Covenant for Maintenance and Assessments, Section 3a. Maximum Annual Assessment, Dixon announced that the Board of Directors may increase the annual assessment up to ten percent (10%) without approval of the membership. Effective January 1, 2018, there will a 10% increase in HOA dues as noted in the Annual Meeting packet.

Lake View Lots	\$726 annually (\$363 due by Jan. 1 <sup>st</sup> and \$363 due by July 1 <sup>st</sup> )
Non-Lake View	\$363 annually (\$181.50 due by Jan. 1 <sup>st</sup> and \$181.50 due by July 1 <sup>st</sup> )

**3. Operating Budget:** Dixon referred members to the Operating Budget handout showing the 2017 Budget, 2017 Year End Forecast and the 2018 Budget and accepted questions from the floor pertaining to this handout. Detailed notes per line item are noted on the handout.

**Q. There are two entries in the expense columns for 2017 and 2018 showing the payment of a Line of Credit (LOC) in the amount of \$49,500. Is this correct for both years.**

A. Deborah responded that the 2017 entry for the LOC line item should be zero and the \$49,500 entry for the year 2018 is correct. The LOC was obtained in October 2017 to provide cash at year end since cash on hand was not sufficient to cover Nov. and Dec. operating expenses. The LOC is scheduled on the 2018 operating budget to be repaid prior to yearend 2018.

**Q. Why does a capital transfer appear on the operating budget and why does the LOC (Line of Credit) show as revenue and an expense on the operating budget? The LOC is not revenue or an expense and therefore should not appear on the operating budget.**

A. Deborah responded that the Excel Spreadsheet is not a financial statement. It is created as a one page document for presentation at the annual meeting in order to show members how the current year transpired against a Board approved budget for the current year (2017) and a board approved budget for the upcoming year (2018). The LOC was noted on the spreadsheet as money coming in to pay operating expenses in 2017 and then as money going out in 2018 to repay the LOC.

On the CPA financial statements that are prepared by LBA Haynes Strand, the LOC will appear as a current liability in 2017 and will be noted on the Income and Expense Statement as “Other income – LOC.” When paid off in 2018, it will no longer be shown on the Balance Sheet – it will zero out.

The entry showing a transfer from the operating budget to the capital reserve fund plan is to show members that money is reserved for capital needs. The line item entry is linked to a capital fund plan Excel spreadsheet which lists all the Master HOA assets (millions in dollar amounts) and projects their maintenance and/or replacement costs over a twenty year period. This spreadsheet is too large to print.

**Q. Are there any funds currently in reserve?**

A. Dixon responded that there are currently no reserve funds explaining that unexpected expenses had depleted cash which included reserve funding.

Deborah asked members to refer to the Annual Meeting Notice which notes that \$84,992 was spent in 2016 to replace low voltage lighting fixtures, lamps, transformers, electrical wiring, and timers with LED fixtures and lamps at all village entrances. This expense in addition to the 2017 unexpected expenses of \$68,300 total \$153,292 resulting in the depletion of cash and reserves.

The Capital Fund Plan is a schedule of the Association’s assets and the amount of funding that is required to conduct major repairs and/or replacement over a 20 year period. The funding schedule is reviewed annually by the Board and a provision of \$30,000 has been determined in the past to be a reasonable and conservative amount for annual funding. The 2017 Fund Plan beginning balance totaled \$86,448. In 2017, \$34,540 was spent on capital projects leaving a fund plan balance of \$51,948. As noted above in 2017, there were \$68,300 in unexpected expenses which entirely depleted the fund plan balance. Funds are not available to fund the reserve plan in 2017. For 2018, a \$25,000 transfer from operating to the fund plan is scheduled and this is the start of rebuilding reserves.

**Q. Does the Association have a Balance Sheet and can it be posted on the Association’s website?**

A. Dixon responded that the Annual Audit includes a balance sheet. Councilman, Farlow, Marlowe and Co. PLLC (CFM) prepares the annual tax return and audit and the 2016 Audit was just completed 11/20/17. Once the Board has the opportunity to review the audit, it will be shared through the appropriate method in accordance with the governing documents.

The CPA firm LBA Haynes Strand PLLC performs the “bookkeeping” for the Association and prepares the monthly financial statements for the Master Association and they are reviewed by the Board of Directors each month. They include a Balance Sheet, Income and Expense Statement, General Ledger, and the reconciled bank statement.

While it was promised by Dixon that the Audited Financials would be posted on our website, upon review the Board of Directors must comply with the Association’s Bylaws, Article XI, Books and Records, and require members who wish to review the books or records of the Association including financials and the Annual Audit to email the Property and Operations Manager and schedule an appointment for the same during regular business hours. The Audit and Financials of Lake Jeanette Association, Inc. will not be posted on the Association’s website as such posting does not comply with the Association’s Bylaws and this website is open to public viewing.

If you wish to schedule a meeting in this regard, please contact Deborah Roskelly [deborah@roskellymanagement.com](mailto:deborah@roskellymanagement.com)

**Q. Why wasn’t the audit performed earlier in the year?**

A. Dixon expressed that the Board of Directors and Operations was also concerned about the lateness of these items and has already spoken to the CPA firm who conducts the audit indicating that it must be completed in a timely manner and presented early in the year going forward. Councilman Farlow and Marlow PLLC (CFM) has expressed a commitment to the same.

Deborah and Tom Styers, a member of the Point who was a past Treasurer for the Master HOA shared that it is hard to find a CPA firm who will conduct the annual audit and not charge up to \$10,000 for an Association of this size. CFM receives tax filings and audit requests from many property management companies in bulk and they are able to reduce their fee for LJHOA to approximately \$1,500.

**Q. *What is the ROI (return on investment) for the low voltage lights that were upgraded in 2016?***

A. Deborah replied that a specific ROI has not been calculated. The replacement was based on need while costs savings would be recognized over time. The Association was spending approximately \$6,000 per year in maintaining the old, out dated, and constantly malfunctioning low voltage lighting, wiring, timers and transformers at all Village entrances, the Marina, and the Villages of Lake Jeanette sign at the corner of N. Elm and Old Lake Jeanette Rd. Costs included electrician service and labor charges, replacement of fixtures and lamps using non-LED lighting, constant repair of original wiring, and constant monitoring of timers that would quit working due to faulty wiring and transformers.

In 2016 all the Master HOA common area low voltage lighting was replaced and additional lighting installed to update and enhance the village entranceways and the overall appearance of the Lake Jeanette properties, and to help deter vandalism of Master HOA common area property and assets at these entrances. Three hundred and ninety nine (399) fixtures were installed as well as 399 LED lamps. All fixtures have a lifetime warranty. Each LED lamp has a five year warranty and should reach approximately 50,000 hours of life (about 5 years). All locations were rewired and new transformers and timers were also installed saving annual maintenance dollars in this regard. Low voltage lighting also uses less electricity so there is a savings in Duke Energy bills specific to this type lighting. There has been no vandalism of the low voltage lighting, irrigation systems, clocks or timers since the new lights were installed so dollars have also been saved in this regard.

**Q. *A member questioned if a savings is noted in the Duke Energy Bills due to the low voltage lighting, then why does the Duke Energy line item on the 2018 operating budget show an increase over 2017?***

A. Deborah answered that Duke Energy increased their rates and more than the low voltage lighting comprises charges on the 25 monthly bills received from Duke Energy. The savings were realized vs. prior years as both 2017 and 2018 include the lower electricity need and 2017 benefitted from savings in repairs and consumption vs. 2016.

**Q. *Why wasn't a special assessment requested for the low voltage light capital project?***

A. Dixon answered that a special assessment was not needed. There were more than adequate funds in 2016 in the reserve fund plan to cover this capital improvement project.

Deborah added that it is not good for home sales when HOAs invoke special assessments. This information has to be released to the prospective buyer prior to closing and buyers are oftentimes reluctant to purchase a home in an HOA that assesses its membership in addition to the annual dues. Reserve Funding is established to help avoid special assessments.

In addition, member approval of a special assessment in an Association of our size would be difficult to obtain and costly to try to obtain. It requires the assenting vote of 2/3 of the membership, in person or by proxy, at a duly called meeting where a quorum is established. There are 1,165 lots (234 Lake View and 931 Non-Lake View). Two thirds assenting vote would require 78 lake view lots (2 votes per lot) and 699 non-lake view lots (1 vote per lot) for a total number of assenting votes at 699 member lots to approve a special assessment. A quorum is also required for the called meeting (60% of each class of membership in person or by proxy) and if not obtained at the first meeting, a second meeting notice has to be mailed with a reduced quorum at 50%. Mailings are costly at approx. \$1,200 per mailing. Many members have informed operations over the years that they do not open their mail or read their email.

**Q. *Have you had any "push back" from raising the Dry Dock Storage dues from \$300 to \$500 a year?***

A. Deborah shared that no one has commented in this regard and explained that the \$500 storage fee is reasonable for this type lot. For example, to rent a small storage room at local storage facilities runs approximately

\$120 a month or \$1,440 a year. Having a secured lot to store your RV, Boat and Trailer, extra cars, outdoor storage shed, tractor trailer beds for storage, etc. that is accessible 24/7 is more than reasonable at \$500 a year.

In addition, Guilford County re-valued the land at 803 Roberson Comer Road and the real and taxable value increased to \$477,200.00 in 2017 from \$192,700.00 in previous years. Thus taxes on this property increased to \$6,456.63 in 2017 from \$2,654.26 in previous years. When the real estate appraisal office was questioned about this increase it was explained that the land went from one flat price to a per acre price of \$115,000 per acre. Since there is only one access point, this value was decreased to \$58,000 per acre. The land also changed from single family to garden apartments.

The increased tax value of this property did help the Association obtain a higher sales price from the DOT relating to its purchase of a right of way easement at the back of this property in the wooded area.

**Q. A member questioned if the 10% increase noted in the 2018 budget is enough and asked Deborah if she feels comfortable with the proposed budget.**

A. Deborah answered that she feels comfortable managing the 2018 budget with only a 10% increase, but shared that while a greater increase would provide a faster opportunity to rebuild reserve funding and provide a better cushion for the general maintenance line item, it would have been difficult to obtain the 2/3 assenting vote of the membership required for any increase above 10% as previously explained.

Deborah referred members to their Annual Meeting notice packet which highlights the millions of dollars in assets that are maintained by the Master HOA dues. Lake view lots are being increased by \$5.50 a month and non-lake view lots by \$2.75 a month. The monthly calculation equates to lake view lots paying \$60.50 a month and non-lake view lots paying \$30.25 a month to manage and maintain millions in assets and an annual operating budget reaching almost \$600,000 which includes

- o \$53,000 plus in utilities,
- o \$80,000 plus in general maintenance
- o \$31,000 plus in liability insurance coverage,
- o \$312,000 plus in annual fixed contracts,
- o \$74,000 plus in office and administrative costs, and
- o \$25,000 - \$30,000 transfer to capital reserves

Dixon added that Association dues have not been increased in five years and moving forward the Board will consider smaller percentage increases to cover cost of living increases when needed. In addition, many contractors have held their fees at the same rate for many years and it is anticipated that contracts will increase in the next few years.

**Q. A member questioned why there are no funds budgeted in 2018 for security patrols?**

A. Deborah answered that the Board of Directors unanimously voted to stop the security patrols effective December 31, 2017. This decision was based on the following:

- The Master Association's governing documents do not allow it to expend funds on Non-Master HOA common area property. Any village that wants to have security patrols of its common area property, will need to budget for such as is allowed under their village governing documents.
- Home Security starts at home – The Greensboro Police Department recommends that members call 911 when they see anything suspicious. Security officers cannot detain or arrest anyone, so time is wasted when calling them for anything that may appear suspicious or that may be an actual crime.
- The Master Association has implemented security measures for its common area property...
  - o Security Gate at the Marina
  - o Security camera system at the Marina
  - o Alarm monitoring system at the Marina
  - o No Soliciting signs at each village entrance

**Q. A member of the Point requested Security cameras be installed on the Pedestrian Bridges over Lake Jeanette sharing that his wife was verbally accosted by a member jogging on the bridge while she was walking her dog.**

A. Deborah responded that she spoke with the member's wife the day of the incident and recommended that she call the police and make a report if she felt the incident put her at risk of harm. Signs are posted at each end of each bridge with a list of safety rules. It is up to individuals crossing these bridges to comply with the posted rules for their safety and the safety of others. One of the rules indicates that the bridges are for walking only. The HOA has no way to police the bridges to make sure the posted rules are followed without posting a person at the bridges and all agree that this would not be reasonable. Installing a camera system to monitor both ends and the middle of the two pedestrian bridges over water would be costly, labor intensive, theft would be probable and identifying people difficult. However, in order to provide the Board of Directors with sufficient information to make an informed decision, Heritage Technologies (HTi) was contacted following the Annual Meeting and provided the following opinion relating to the placement of cameras on the bridges. Heritage Technologies is the company that installed cameras at the Lake Jeanette Marina.

They assessed and quoted two options - providing CCTV/Video support for the Walking Bridge adjoining the Marina (only) and the use of Deer Cams. The bridge crossing next to the Marina is approximately 212 yards in length and is 72 yards from any technology currently owned by LHOA. The center of the lake crossing is 111 yards from the Marina Gazebo/Dock.

Deer Cam:

- Could provide a snap-shot or short video based on movement in front of the Deer Cam,
- Cam would have to be installed in a tree as close as possible to eye level in order to be in the best position to capture a person walking the bridge. A simple billed hat, with someone walking from 70 feet, brow down, will eliminate any identity.
- Any movement beyond 60 feet has less chance of tripping the sensors plus glare/refraction from the water will cause an issue. The Marina bridge is approximately 636 feet long. Assuming one camera at each end of the bridge with 120 feet of reference total for Deer Cams, 516 feet of the walkway would not be covered by the cameras.
- Would require housing to ward off theft; however theft is highly likely,
- \$150 per each Deer Cam purchased (\$80.00 cam, \$40.00 anti-theft housing, \$30.00 SD storage cards)
- Add labor to install – would be quoted when placement is determined
- Add continued labor costs to monitor cameras and purchase and change batteries - TBD
- Add costs to pull SD cards and review if an event occurs - TBD
- \$600 costs of video recording signage and disclaimer language that removes an “assumption of security.” Four signs would be needed at approximately \$150 per installed sign
- Add future maintenance of signage as needed.
- Identifying people by name would be difficult at best.

Connection to existing Marina Security System:

- A connection to the Marina Network would be costly (in tens of thousands).
- This option would give coverage to the Marina side of the Bridge and could give some story line of the entire bridge with a more expensive camera.
- There would be substantial cost at the Gazebo to install cameras and send that video wireless to the Marina Office for storage of video for activity on the bridge. This option would not provide identity at each end of the walkway.
- HTi could provide an engineered estimate to place two cameras on the Gazebo to view the walkway.
- Lighting will become an issue
- There is not an inexpensive option to this application and identifying people by name would be difficult at best.

At its January 2018 meeting, the board will consider the members request in conjunction with the information provided by Heritage Technologies and report back to the membership via email.

Q. ***Deborah asked a question of the members present explaining that the social events at the Marina (July 4<sup>th</sup> and Christmas) have become very popular over the years resulting in increased expenses to fund the events. By a***

***show of hands, please indicate if you agree that the Association charge a fee to the members who attend these events.***

A. By show of hands, the majority of members agreed that a fee should be charged to members who wish to attend these events and the ticket price to attend should be based on an average cost per family. One member voiced this would be a fair way to approach funding the events since only a portion of the membership attends and those who do attend should pay to enjoy the event.

The costs for each event is noted in the 2018 budget handout. July 4<sup>th</sup> is budgeted at \$6,150 and historically has approximately 400 people in attendance = \$15 a person.

Christmas Santa Claus Visit, Horse & Carriage Rides and Tree Lighting is budgeted at \$2,375 and historically has approximately 400 people in attendance = \$6.00 a person rounded.

At its January 2018 meeting, the Board will consider implementing a member ticket price for the two Social Events at the Lake Jeanette Marina and report back to the membership via email.

### **General Questions and Answers**

***Q. A member of the Point - The Pedestrian Walking Bridges look old and not in good shape – is anything being done about this?***

A. Deborah Roskelly referred members to the line item in the budget handout showing that walking bridges are routinely inspected for general maintenance such as warped or rotting boards, protruding nails, hazardous conditions. The bridges were inspected in October 2017 and \$625 in general repairs is scheduled for 2018. The screws and bolts under the bridges are also assessed and tightened as needed – this was last completed in 2016 and the 2017 inspection did not reveal any need in this regard.

Specific to the aesthetics of the bridges, the bridges are constructed of pressure treated lumber and Trex and the exposed wood ages and takes on a weathered appearance.

***Q. A member from the Point suggested that Officer Pinson from the Greensboro Police Department speak with the Board of Directors regarding security.***

A. Deborah shared that she is frequently in contact with Officer Fred Pinson who is Lake Jeanette's Community Resource Officer. The Board is aware of these communications and appreciates the advice received from Officer Pinson and the GPD. Officer Pinson has also worked closely with the Master HOA and The Swim and Tennis Club in regard to apprehending people who have vandalized and destroyed HOA and Club property. We also forward members' emails to Officer Pinson re suspicious activity in all areas of Lake Jeanette. Many of the Association's email alerts to the membership note recommendations given to LJ Operations by Officer Pinson. In 2016, the Master HOA also invited Officer Pinson to speak with homeowners regarding security issues and only 4 members attended.

***Q. Why didn't the Board tell the homeowners that the lake was being purchased sooner so the homeowners could have considered purchasing the lake?***

A. Deborah answered that she was notified by ITG in November 2016 that they had plans to sell Lake Jeanette, Buffalo Lake and other properties near Buffalo Lake as a package and they wanted us to know as a courtesy since LJA holds a Lease with their company. ITG would not share any more information or the names of the buyer(s). They did inform Deborah and Dixon that they believed the buyers would be good partners for the future of Lake Jeanette and we should not expect any changes.

The full Board was immediately notified and legal counsel was retained to advise the Board. In addition a letter was prepared to notify the membership of what we knew at the time – that someone (unknown) had approached ITG to purchase Lake Jeanette, Buffalo Lake and other properties as a package, that we had been advised by ITG that the new owners would probably not make any changes, and as we learned more it would be shared with the membership. ITG

advised that this letter not be mailed because it might compromise or stop the sale. Legal counsel also advised the Board not mail the letter based on ITG's request as owners of the property and the possibility of a lawsuit if their sale was compromised or stopped. According to the Lease Agreement, ITG had full rights to sell their property without any notification to Lake Jeanette Association, Inc. Also, Lake Jeanette was included in a package which included other property that Lake Jeanette Association, Inc. could not purchase even if 2/3 assenting vote could be obtained from Lake Jeanette's membership to fund the purchase of the Lake at a price that was unknown at the time.

In late March 2017, we learned the names of the buyers from a Page High School student. The buyers were immediately contacted by Dixon and the Association's attorney to discuss their plans for Lake Jeanette and request a meeting with them. While we were waiting to hear back from the buyers regarding a meeting date, a second letter was prepared to be mailed to the membership. This letter was not mailed because in early April, the buyers contacted Dixon and told him that the "sale was off," they were not going to purchase the Lakes or other properties.

In late May, we learned from ITG that the sale was "back on." Dixon and Deborah met with the buyers on June 2, 2017 and learned of their many ideas regarding changes re the Use of Lake Jeanette. A letter was mailed to the membership on June 8<sup>th</sup> for a called meeting of the membership. The majority of LJ's membership requested "no changes" specific to the Lease Agreement and the future use of Lake Jeanette. This was confirmed by a survey mailed to all members.

Following this The Association's Board worked diligently to insure the Lease would stand and be honored by the new owners and no changes regarding the use of Lake Jeanette would take place. The sale closed in July 2017.

As Dixon reported at the opening of this Annual meeting the new owners have no plans for changes at Lake Jeanette, they accepted assignment and assumption of the Lease Agreement which has been recorded by LJA, and they expect full compliance by Lake Jeanette members specific to the Buffer Zone Policy.

**Q. *A new community is being developed just beyond Northern Shores named Bethany. Can this new development be added to the Master Association to share in the costs of running the Master HOA?***

A. Betty Smith answered that she was one of the Developers for Lake Jeanette and the recorded documents do not allow Lake Jeanette Association to annex more property in to the HOA.

**Q. *Do all the Villages of Lake Jeanette have their own HOA?***

A. Betty Smith answered that Cornwallis Development Company made the decision to not have a section association in these two neighborhoods as they developed them like the Irving Park community which do not have any detention/retention ponds.

Deborah added that Northern (266 member lots) and Southern Shores (346 member lots) are somewhat unrestricted neighborhoods and that homeowners govern other homeowners in these two villages in accordance with the Deeds and Restrictive Covenants for the various phases of development of these properties. Members living in these two villages do not have a separate Board of Directors, separate budget, or separate Architectural control guidelines. They also do not have the protections that all other villages enjoy. For example there is no architectural control other than what is noted in the respective Deeds and there is currently no protection for short term rentals of these properties.

These two villages comprise over half (53%) of the lots who pay dues to fund the Master HOA budget and capital fund plan. The Master HOA has common area property that runs throughout these two villages as well as common area property for each of the other thirteen village entrances in the Master development, the Marina, Dry Dock Facility, and leased common area property – Lake Jeanette and the 50 foot buffer zone around the perimeter of the lake.

**Q. *Point and Turnstone Village members asked - Why do the dues we pay go to plowing streets in Northern Shores when our village streets are not plowed?***

A. Deborah indicated that both Northern Shores Lane and Eastern Shores drive border Master HOA common area property and fall under the Master HOA budget for consideration of snow removal. The Master HOA Board made a decision to plow these two winding and hilly streets so members could reach Bass Chapel Rd. and Old Lake Jeanette Rd.

without getting stuck. It is up to each Village Board of Directors to determine whether streets will be plowed within their respective villages and funded via their respective operating budgets. The Master HOA cannot expend funds for areas outside its owned common area property.

All villages at Lake Jeanette (excluding Northern and Southern Shores) have a separate HOA, Operating and Capital Budgets, and Board of Directors to maintain, repair & replace their interior village assets and address safety issues. Likewise, the Master HOA is responsible for its common area property that falls within Northern and Southern Shores and these two villages, based on number of lots, fund over half (53%) of the Master budget.

Subsequent to the Annual Meeting Deborah prepared the below table showing the percentage of dues from each village and each geographical area (based on number of lots) that fund the Master HOA budget and the Master's responsibilities specific to its owned and leased common area property.

**Total Lots Per Village and the Percent of the Master HOA budget they fund based on number of Lots**

Prepared by Roskelly Management Associates LLC 11/30/17

Villages of Lake Jeanette Master Development	Number of Lots Per Village	% of dues paid to fund the Master HOA budget based on Village # of Lots	% of dues paid to fund the Master HOA budget based on # of Lots Per Geographical area of the Master Development	Master HOA dues cover the following specific to Village entranceways and its Owned & Leased Common Area Property.
Northern Shores	266	22.8%	Northern Shores =	Entrance Decorative Monument Walls Maintenance, Repair & Replacement Entrance Decorative Signage Maintenance, Repair & Replacement Irrigation - time clocks - transformers Maintenance, Repair & Replacement Low Volt lighting - fixtures, lamps, timers, transformers, wiring Maint. Repair & Replace Mowing - Preemergents - bed maintenance Decorative Landscape Maintenance and Replacement Turf Aeration, Feeding and Seeding Leaf Removal Pine Needles Installation Removal of dead or hazardous trees & clearing of limbs and debris Insurance Coverage for assets and liability, umbrella Duke Energy Bills & City Water Bills for irrigation Pest Management at monuments for ants that bed in time clocks and transformers Docks and Gazebos Maintenance Repair & Replacement Docks and Gazebos Trash Collection and Disposal - dumpster fees Holiday Decoration Placement - unpacking, installing, take down, repacking, storage Contractual services for property management and accounting management Electrical Repairs Safety related expenses Contracts for On site Property Management & Accounting Services <i>Approximately 30% of all dues paid by all LJ homeowners are directly expensed to the Marina to maintain /repair those facilities assets and grounds and also include expenses to monitor the Lake and Buffer in accordance to the Lease Agreement.</i>
DayBreak Square	83	7.1%	<b>32%</b>	
Northern Sh. Estates	28	2.4%		
Southern Shores	346	29.7%	Southern Shores =	
Waters Edge	30	2.6%	<b>33%</b>	
Grande Villa Homes	12	1.0%		
The Point Villages			The Point =	
Dutchmans Pipe	28	2.4%	<b>19%</b>	
Indigo	48	4.1%		
Laurel Cove	21	1.8%		
Rosebay	36	3.1%		
Checkerberry	85	7.3%		
Eastern Shores			Eastern Shores =	
Turnstone	60	5.2%	<b>16%</b>	
Dunlin Square	22	1.9%		
Kinglet Commons	40	3.4%		
Cape May	51	4.4%		
Eastern Sh. Estates	9	0.8%		
Totals	1165	100%	100%	

At its January 2018 meeting, the Board will review the snow removal/plowing line item of \$4,000 to plow Northern Shores Lane and Eastern Shores Drive that fall within the Master Board's responsibility. If a change is made from the current position the board has taken to salt and plow these streets, the budget line item will be adjusted and membership will be notified by email.

**Q. Why is NC State testing the waters of Lake Jeanette?**

A. Deborah answered that the new owners of Lake Jeanette, Will Dellinger and Jess Washburn have partnered with North Carolina State University to evaluate the water system of Lake Jeanette over the next year. Sensors have been placed in the Lake to measure temperature changes at various depths as the lake cools over the winter and also as the water warms moving into spring. Measuring the change in temperature (known as yearly evolution of thermal stratification) over time will provide insight into the dynamics of the lake and the health of its eco system.

**Q. Do we know how the new owners of Lake Jeanette are going to monetize their investment?**

A. Dixon answered that the new owners have not shared how they plan to monetize their investment even though they have been asked. Any discussion in this regard would be based on speculations.

**Q. Waterford Apartments has placed a large banner on their Gazebo advertising apartments for rent. Do we have any authority to ask them to place this sign in a different location since it is hanging out over the lake?**

A. While we have no authority, Deborah contacted Waterford Apartment's management and requested that the sign advertising apartments for lease be removed from their Gazebo that sits over the water explaining: Signage installed over the waters of Lake Jeanette is not consistent with the natural wildlife and protected habitat of the lake. Even though it is our understanding that Waterford Apartments owns the gazebo and dock over Lake Jeanette, we would request that they be good partners for the care of Lake Jeanette and its surrounding environment and appearance. There is a fifty foot buffer zone around the perimeter of the Lake and it is to remain natural and unimproved. City, County, State and Federal ordinances and laws govern the Riparian Buffer and marketing signage is also not consistent with these ordinances and laws.

Deborah also contacted Jess Washburn for his assistance in this regard and Jess agreed that the sign needs to be removed and also contacted Waterford Apartments. As of the writing of these minutes, the sign has been removed.

There being no further questions or business, the meeting was adjourned at 9:30 pm

Respectfully submitted,

*Kerrigan Smith*

Kerrigan Smith, Secretary  
11/30/17

**Subsequent to the Annual Meeting and in accordance with the Association's Bylaws, Article IX, Officers and Their Duties, Section 2. Election of Officers: board members elected officers for the 2018 year as listed below.**

Dixon Johnston, President	<a href="mailto:dixon.johnston@gmail.com">dixon.johnston@gmail.com</a>	828-308-2888
Kerrigan Smith, Vice President	<a href="mailto:ksmith@virnow.com">ksmith@virnow.com</a>	804-539-1222
Richard Conner, Treasurer	<a href="mailto:rconner@cgspllc.com">rconner@cgspllc.com</a>	336-324-1216
Melanie Tuttle, Secretary	<a href="mailto:mstuttle54@gmail.com">mstuttle54@gmail.com</a>	336-210-1280
Betty Smith, Member at Large	<a href="mailto:betty.smith@allentate.com">betty.smith@allentate.com</a>	336-451-4923