

**Lake Jeanette Association, Inc. (the “Association”)  
Board of Directors Meeting Minutes  
January 30, 2018**

**A special meeting of the Association’s board was duly called by the Association’s president for purposes stated in the meeting notice.**

**The meeting was held at 6:00 p.m. on Tuesday, January 30, 2018 at the offices of Association attorneys Black, Slaughter & Black, PA, in Greensboro.**

**Present:** Steve Black, Legal Counsel for the Association;  
Dixon Johnston, President;  
Kerrigan Smith, Vice President;  
Richard Conner, Treasurer  
Melanie Tuttle, Secretary; and  
Betty Smith, Member at Large (via cell).

A quorum of the board was present. The meeting was called to order. Dixon asked that attorney Steve Black serve to chair the meeting.

Steve pointed out that Roskelly Management Associates, Inc. (“RMA”) had submitted a 30 day notice of termination of its services on 1/22/18 as noted in those minutes. Thereafter, Steve, as the Association’s attorney, inquired of Deborah as to what if any conditions RMA would require in order to consider withdrawing its termination notice. Steve summarized the conditions proposed by Deborah, along with summarizing some of the terms of RMA’s proposed contract. The conditions that were proposed by RMA are listed in Exhibit 1 to these minutes. A copy of the proposed contract is attached as Exhibit 2.

**Consideration and discussion**

A discussion ensued among board members regarding the contract and compensation. The board recognizes the excellent job that Deborah Roskelly has done for the Association and its members and recognizes the long-standing relationship of 12 years between the Association and RMA; the conditions proposed by RMA appear reasonable and they help clarify board processes going forward; and the wording of the proposed service agreement appears acceptable.

There was discussion in particular regarding RMA’s request for an increase in its annual compensation under the new agreement. During the January 22, 2018 board meeting Melanie Tuttle questioned the reasonableness of RMA’s compensation as being excessive. In response Dixon said he had requested Deborah Roskelly to conduct a review of other property management companies who service the various villages in Lake Jeanette and provide this information to Dixon and the Association’s attorney to share with the board. This study, which had been shared with the Board prior to the meeting, showed the new compensation is still below the market and easily justified. In this conducting research Deborah spoke with CPA firms who audit HOAs, with attorneys that specialize in HOAs, and with other professionals knowledgeable in this area including local property management companies and various village board presidents

in the Lake Jeanette community to determine the management company's fee for their respective villages.

Dixon had previously pointed out that Property management fees are normally based on per unit (lot) rates per year. The total fee includes property management and accounting services. In addition, property management companies retain 100% of transfer fees collected at the closing of a home sale, usually retain 50% percent of late fees, and include add-ons in their contracts (charges for copying, mailing, mileage, postage, etc.). In comparison, RMA does not retain any transfer fees relating to home sales at Lake Jeanette, does not keep any percentage of late fees, and does not include add-ons in RMA's contract, all of which are projected to total in excess of \$13,000 for the Association in 2018. Since RMA does not retain these funds, they come directly to the Association as revenue and have for the past twelve years at the direction of RMA.

For Member Reference the data previously shared with the Board showed: Off-site Property Management Fees relating to six of the villages of Lake Jeanette ranged from \$68.81 to \$165.00 per unit per year with a median of \$104.00 per unit per year and a mean of \$102.26 per unit per year. The new compensation for RMA equates to \$87.98 per unit per year (\$78,500 RMA + \$24,000 CPA contract divided by 1,165 units per year). This amount is still \$15.00 per unit per year under the market rate.

In addition, Dixon noted that RMA has held the on-site management contract with the Association for 12 years and over this time has only received three increases. He expressed his view that the quality and service focused by on-site management provided by RMA in addition to the volume and level of responsibilities, including the number of hours that RMA provides (well over 40 hours per week plus 24 hour on call services) far exceeds the level of compensation provided by the Association in 2017. It was also pointed out that RMA also furnishes the HOA office and provides all office equipment and supplies (excluding stamps and LJ envelopes) necessary to run this office at RMA's expense.

Dixon assured the Board that the Association's budget would accommodate an increase to RMA, along with contributions to reserves and covering line of credit payments.

**The board unanimously approved RMA's conditions to withdraw her termination letter.**

Upon motion duly made, seconded and unanimously carried the board approved RMA's conditions, to withdraw its 30-day termination notice, that are listed in Exhibit 1.

**The board unanimously approved the wording of RMA's proposed contract for 2018**

**(subject to minor edits to the Agreement attached as Exhibit 2 and noted below).** Upon motion duly made, seconded and unanimously carried the board approved the wording of RMA's proposed contract, and the president was authorized, directed and empowered to proceed with signing the contract subject to revisions being made in the wording as follows:

1. Remove language regarding RMA's responsibility to obtain security property patrols since the Board changed this directive in 2018,
2. Add that the Treasurer also has check signing authority,

3. Change the hours regarding staffing the Association office at 5040 Bass Chapel Rd. to 10:00 am - 2:00 pm (in office hours). RMA provides at least 8 hours a day to LJA and non-office hours are spent on the property, lake, and marina.
4. The Association's president is the contact for RMA as the managing agent, and that the president submits items to the board.
5. Change the wording regarding providing quarterly property reports to wording that reflects monthly and as needed communications. RMA prepares a detailed annual property report as noted in the Agreement.
6. Add a signature page that requires notarization of signatures.

**A majority of board approved an increase in RMA's compensation for 2018 (with Ms. Tuttle dissenting).** Upon motion duly made, seconded and carried by the affirmative vote of a majority of board members, an increase in RMA's compensation to \$78,000.00 (from \$54,000.00 in 2017) was approved. Melanie Tuttle opposed the motion and asked that her dissent be recorded in the minutes.

Based on the action taken by the board as reflected in these minutes, Dixon and Steve Black indicated that they would contact Deborah Roskelly and discuss the Board's action and request that RMA consider withdrawing the termination letter and proceed with signing a new management contract for 2018.

After this meeting Deborah Roskelly withdrew her termination letter and the Contract was signed by both parties on February 2, 2018.

**The board unanimously elected Richard Conner as secretary of the Association.** Dixon summarized the board's existing operating procedures regarding how meeting agendas are developed and how the minutes of meetings are handled. He pointed out that the board has in the past (and continues to do so) delegated to RMA as Association manager the job of preparing meeting agendas, taking notes during meetings and drafting minutes. He noted also that the board has the authority to delegate this duty to the Association's management company as has been the case since the Association was turned over to the membership from the development company.

He indicated that RMA provides an action based agenda that (based upon action taken) easily translates into a draft of factual minutes. Once the draft minutes are reviewed, edited if needed, and approved by the board they are posted on the Association's website with a goal of providing transparency to the membership.

Melanie Tuttle resigned as Board secretary. Richard Conner, the Association's current treasurer, volunteered to serve as secretary.

Upon motion duly made, seconded and unanimously carried the board elected Richard Conner as the Association's secretary. Effective immediately Richard will serve as the Association's secretary/treasurer; and Melanie will be a board member at large.

There being no further business the meeting adjourned at 7:40 p.m.

Respectfully submitted by Richard Conner, Secretary/Treasurer

Minutes reviewed and approved by the full Board on March 6, 2018 for posting to the Association's website.

Dixon Johnston, Association President  
Kerrigan Smith, Vice President  
Richard Conner, Secretary/Treasurer  
Betty Smith, Member at Large  
Melanie Tuttle, Member at Large

**Exhibit 1**  
**Lake Jeanette Association, Inc.**  
**Board of Directors Meeting Minutes**  
**January 30, 2018**

The following list of procedures was requested by Roskelly Management Associates LLC (“RMA”) as conditions of continued services as the Association’s property and operations manager; and all items on the list are unanimously approved by the board and will be implemented immediately into the board’s operating procedures:

1. Board preserves the professional and collegial environment of the past 12 years.
2. Board understand and respect that RMA (Deborah Roskelly) is the Agent of Lake Jeanette Association, Inc. and will not be a party to attacks on others and that if called with that intent RMA has a duty to inform the Board President and, depending on the situation, the Association’s legal counsel.
3. Emails written by board members regarding Association matters will be limited to facts.
4. The law firm of Black, Slaughter and Black in Greensboro has been retained to represent the Association. RMA as agent requests that directors respect the recommendations of its legal counsel. Directors can raise questions for a better understanding and send items back to the attorney for further review and/or seek a second opinion if deemed appropriate by the vote of the board.
5. Board meetings will follow basic forms of Rules of Order.
6. Board meeting agendas and minutes will follow a consistent plan such as an action agenda format and that minutes remain factual and answer the question of Who brought the item before the Board, What the item involves, Why it was brought, and How it was resolved in order to provide full transparency to the Association membership.

## Exhibit 2

### **Roskelly Management Associates LLC Management Agreement for Lake Jeanette Association Inc.**

This Agreement now made and entered into on this date, **January 1, 2018** by and between, Lake Jeanette Association, Inc. 5040 Bass Chapel Road, Greensboro, NC 27455 (the "Association") and Roskelly Management Associates LLC, 5001 Angler Lane, Greensboro, NC 27455 (the "Agent").

**THEREFORE. It is agreed as follows:**

#### **TERM OF AGREEMENT**

The Association hereby contracts with the Agent to manage the property as set forth in the Agreement. The term of this agreement shall be for twelve months from the 1<sup>st</sup> day of January, 2018 to the 31<sup>st</sup> day of December 2018.

Following the initial term outlined above, this Agreement shall renew for twelve month terms annually until either party gives 30 days advance written notice to terminate the Agreement. For clarity, the date Notice must be given to terminate this Agreement is December 1<sup>st</sup>.

#### **TERMINATION OF AGREEMENT**

Either party may terminate this agreement by giving a 30-day written notice to the other party. In the event that such written notice is not given this agreement shall automatically renew on an annual basis upon the same terms and conditions contained herein and may thereafter be terminated by either party giving 30 days written notice to the other party. Upon any termination of the agreement by either the Association or the Agent, each shall take such steps as are necessary to settle all accounts between them including the following:

1. The Agent shall deliver to the Association all records and other instruments entered into on behalf of the Association;
2. The Association shall promptly reimburse the Agent for any expenditures made and any compensation outstanding at the time of termination; and
3. The Association shall promptly notify the current owners of the termination of the agency status. The Agent shall be provided the opportunity to review and approve the notification to membership.

#### **DUTIES OF AGENT**

The Agent agrees to perform the following services and the Association hereby authorizes the Agent to perform these services:

##### **A. Marina Accounts Receivable**

1. The Agent shall collect revenue relating to Marina space rentals.

2. The Agent agrees to maintain records showing all receipts collected by it on behalf of the Association and shall promptly submit receipts to the Accounting Company under contract with the Association to be processed and deposited in the Association's bank account.

**B. HOA Accounts Payable**

1. The Agent, and the President and Treasurer of the Association shall have check signing authority for the Association.
2. The Agent shall receive all Association invoices, code same for payment, maintain a record of invoices and submit to accounting contractor for processing and payment.
3. The Agent will reconcile monthly bank statements relating to bank issued automatic payments (i.e. Duke Energy, AT&T, City of Greensboro, Marina credit card purchases, and HOA credit card purchases) and submit to accounting contractor for processing and final reconciliation.
4. The Agent will submit monthly financials to Board President once received from accounting contractor.
5. The Agent will maintain a record spreadsheet of Marina accounts receivables and submit to Board President monthly.

**C. Buffer Zone Compliance**

1. The Agent will meet with Association members who wish to perform work in the Lake Jeanette buffer zones, review their requests, approve or deny based on the Buffer Zone Policy, and maintain records in this regard.
2. The Agent will receive buffer violation notifications from the Marina Contractor and issue a violation letter to the Association member for remedy.
3. Cutting violations that require additional hours to remedy through settlement, mediation, or lawsuit will be billed at \$85 per hour.

**D. Property & Operations**

1. The Agent shall solicit competitive bids on the basis of common specifications from qualified contractors and procure contracts on behalf of the Association to maintain the Association's common property. Contracts shall include services such as:
  - a. Accounting and Financial Management
  - b. Annual Audit and Tax Filing
  - c. Marina Management including Lake Patrol and Buffer Zone Compliance
  - d. HOA Communications including Constant Contact email and website administration
  - e. Security including Marina office alarms, Marina Security Gate System
  - f. Installation and Storage of Holiday Decorations
  - g. Grounds Maintenance Management including mowing, blowing, turf fertilization, shrub and bed maintenance, trail maintenance and trail trash collection
  - h. Irrigation Maintenance and Irrigation Back Flow Testing
  - i. Annual Flower Installation and Maintenance
  - j. Pine Needle Installation

- k. Low Voltage Lighting
- l. Pest Management Services
- m. Fire Equipment Inspections
- n. Garbage and Recycling Collection
- o. Member Events (i.e. food and entertainment for July 4<sup>th</sup> and Christmas Tree Lighting)
- p. The Agent shall negotiate and procure contractors/vendors/professionals for "other services" required to maintain Association common property and assets. "Other Services" as used in this subparagraph shall include items such as:
  - q. Electrical repairs
  - r. Plumbing repairs
  - s. Low Voltage Lighting Maintenance and Repairs
  - t. General Contractor repairs (i.e. fencing, docks, gazebos, trash containers)
  - u. Beaver Trapping
  - v. Pressure Washing
  - w. Tree Removal
  - x. Snow Removal
  - y. Pedestrian Bridge Maintenance
  - z. Play Ground Mulch Installation

2. The Agent shall also purchase on behalf of the Association such materials supplies and capital items as are necessary for the proper operation and maintenance of the property. All such purchases shall be properly inventoried and accounted for and shall be in the name of and at the expense of the Association. Such items include, but may not be limited to:

- a. Boats for Marina Rental Operations
- b. Fido Waste Receptacles and Baggies
- c. Toiletry and Cleaning Products for the Lake Jeanette Marina if not supplied under the Marina Management contract
- d. Association office supplies to conduct the business of the Association

3. The Agent shall maintain records/receipts showing all its expenditures relating to the property and shall submit to the Accounting Contractor for reconciliation.

4. The Agent shall arrange for an annual review of the Association's insurance policies. Such policies include Property and General Liability, D&O, Umbrella, and Watercraft. The Agent shall cooperate with the Association in reporting all accidents or claims for damage relating to the Association regarding operation and maintenance of the common areas or assets of the Association, including any damage or destruction thereto. The Agent shall maintain proper records of all insurance coverage carried by the Association.

5. The Agent will staff the Association office located at 5040 Bass Chapel Road during the hours of 10:00 am to 2:00 pm Monday through Friday. The Agent will furnish the Association office and provide office equipment such as computer and printer. The Agent's primary office is located at 5001 Angler Lane, Greensboro, NC 27455.

6. The Agent shall act in a support function in helping the Association enforce its governing documents, rules and regulations provided such are not contrary to governmental laws and ordinances.

7. The Agent shall receive and process all general requests including emails and phone calls and respond promptly and appropriately.
8. The Agent will provide a night and weekend number for coverage of emergency situations that fall outside of normal working hours.
9. The Agent will communicate solely with the Board President as the primary contact relating to all business of the Association.
10. The Agent shall provide the following to the Board President – communications from members as needed, and updates relating to the Board approved budget of the Association on a monthly basis when forwarding the financial reports.
11. The Agent shall email the Board President status reports submitted by Legal Counsel specific to lien and foreclosure authorization for submission to the Board of Directors.
12. The Agent shall email monthly financials including reconciled bank statements to the Board President and Treasurer each month for submission to the Board of Directors.
13. The Agent shall prepare and email the Marina Rental Summary report to the Board President and Treasurer for submission to the Board of Directors.
14. The Agent shall prepare an annual operating budget, capital fund plan, property report, notice of meeting, proxy, and ballot and email to the Board President each year prior to the Annual Meeting of the membership for the President's submission to the Board of Directors for review and approval.
15. The Agent shall attend all Board Meetings (unless otherwise instructed) and the Annual Meeting of the Association and take minutes of the same for Board of Directors review and approval.
16. The Agent shall not make any expenditure nor incur any contractual obligation not included in the approved operating and capital budgets exceeding two thousand dollars without the prior consent of the President. Notwithstanding the limitations imposed by the preceding sentence, the Agent may, on behalf of the Association, without prior consent, expend any amount or incur a contractual obligation in any amount required to deal with emergency conditions which may involve a danger to life or property or may threaten the safety of the Association and occupants or may threaten the suspension of any necessary service to the Association.
17. The Agent is authorized to pay from the Association's funds all expenses related to the operation and management of the Association's business including all documented out of pocket expenses and costs of operating the Association's business. The Agent is authorized to pay any amounts owed to the Agent by the Association from the Association's funds with the written approval of the Board President.

18. The Agent shall serve as contact for legal counsel on behalf of the Board of Directors and Association and the Agent may contact legal counsel to obtain legal advice on issues relative to the operation of the Association as needed.
19. The Agent shall serve as contact for the Owner of Lake Jeanette on behalf of the Board of Directors and Association and the Agent may contact the Owner of Lake Jeanette on issues relative to the Lake and the 50 foot buffer around the perimeter of Lake Jeanette.
20. The Agent will submit updates and revisions to the Association's Website Administrator as needed.
21. The Agent will prepare a monthly Email Newsletter and write and submit articles to the publisher of Life at Lake Jeanette magazine as appropriate.

### **COMPENSATION OF AGENT**

1. The Association shall pay the Agent Seventy-Eight Thousand Five Hundred Dollars (\$78,500) annually (\$6,541.66 monthly) for the regular duties listed under "Agent Duties" above.
2. The Association will pay the Agent \$85.00 per hour for after hour visits due to emergency calls. This charge only applies for physical site visits and does not apply if Agent is able to handle calls via cell phone.
3. The Association shall pay for Agent's appearance in court and any hours involved to prepare for court or any administrative hearing, settlement, mediation, or arbitration on behalf of or for the Association or in any way connected to the Agent's duties with the Association which will be billed to the Association at a rate of \$85.00 per hour.

### **ASSOCIATION AUTHORITY**

The Board of Directors of the Association shall be authorized to deal with the Agent on any matters relating to the management of the property. The President of the Association will be the primary contact for directives to the Agent unless the Board of Directors elects to add or designate another contact.

### **COMPLIANCE REQUIREMENTS**

The Agent is given no responsibility to maintain the Association's property (real or personal) in compliance with any state, federal, or local law or ordinance, or any lease agreement held by the Association except to notify the Association or forward to the Association promptly any complaints, warnings, notices or summons received by it relating to such matters. The Association represents that to the best of its knowledge the property (both real and personal) complies with such requirements.

### **AGENT ASSUMES NO LIABILITY**

Agent assumes no liability whatsoever for any acts or omissions of the Board of Directors or the Association, or any previous boards or current or previous owners of the Property, or any previous management or other agent of either. Agent assumes no liability for any failure of or default by any individual homeowner in the payment of any assessment or other charges due the Association or in the performance of any obligations owed by any individual homeowner to the Association, pursuant to any

lease, deed, policy, or otherwise. Agent assumes no liability for previously unknown violations of environmental, lease, deed, policy or other regulations which may become known during the period this Agreement is in effect. Any such regulatory violations or hazards discovered by Agent shall be brought to the attention of the Association in writing.

### **ASSOCIATION DUTIES**

1. The Association shall provide, at its own expense, the Association office located at 5040 Bass Chapel Road and Association Cell phone to Agent.
2. The Association shall name Agent as an additional insured on all Association insurance policies and pay additional premium to cover Agent if additional premium is required.
3. The Association agrees to indemnify, defend and save Agent and its employees harmless from and against any and all claims, demands, causes of action and actions of whatsoever nature, kind and description resulting from or arising out of the performance of services by Agent and its employees to the Association, not resulting from the negligent acts or omissions of Agent and its employees, including all costs expenses and reasonable attorney's fees incurred by Agent in the defense or settlement of any such claims.

### **ASSIGNMENT**

It is hereby understood and agreed that this agreement may not be transferred in the event Roskelly Management Associates LLC has a transfer of any or all shares of membership of its LLC without the express consent of the Association.

### **NOTICES**

Any notice required or permitted to be served hereunder shall be served by certified mail or in person as follows:

If to the Agent:                   Roskelly Management Associates LLC  
5001 Angler Lane  
Greensboro, NC 27455

Agent Federal Tax ID: 13-4309484  
336-382-3663 [Deborah@roskellymanagement.com](mailto:Deborah@roskellymanagement.com)

If to the Association:       President of Lake Jeanette Association, Inc.  
5040 Bass Chapel Rd.  
Greensboro, NC 27455

Association Federal Tax ID: 561617114

### **PARAGRAPH HEADINGS**

Paragraph headings are for convenience of reference and have no meaning.

### **EFFECT OF PARTIAL INVALIDITY – GOVERNING LAW**

Should any section or part of any section of this agreement be rendered void, invalid or unenforceable by any court of law for any reason, such determination shall not render void, invalid or unenforceable

the remaining sections of this agreement. This agreement shall be construed and enforced in accordance with the laws of the State of North Carolina.

**RELATIONSHIP OF PARTIES**

Nothing shall be deemed or construed to create a partnership or joint venture between the Association and the Agent or to cause the Agent to be responsible in any way for the debts or obligations of the Association or any other party, it being the intention of the parties that the only relationship hereunder is that of principal and Agent for the sole purposes expressed in this agreement.

**AGENT COMMUNICATION WITH LEGAL COUNSEL**

If the Association designates its property manager or any other individual as its agent to assist with communications between the Association and legal counsel, it is agreed and understood that such communications, when made related to matters in current or potential litigation or which would be protected by the attorney-client privilege, are meant to be protected by such privilege and the Association's utilization of a designated third party does not constitute a waiver of such privilege.

**ENTIRE AGREEMENT**

This document contains the entire agreement between the parties and supersedes and cancels any and all previous agreements and understandings, if any, between Association and Agent with respect to the subject matter of this agreement. No modifications, extensions or waiver of any provision hereof or any release of any rights hereunder shall be valid unless the same is in writing and is consented to by both parties hereto.

**IN WITNESS WHEREOF**, the parties hereto have caused this agreement to be executed by their duly authorized officer in two counterparts, each of which shall be deemed an original, as of the day and year previously written.

By: \_\_\_\_\_  
Member/Manager  
Roskelly Management Associates LLC

Date: \_\_\_\_\_

By: \_\_\_\_\_  
President  
Lake Jeanette Association, Inc.

Date: \_\_\_\_\_