

SUMMARY MINUTES OF THE JANUARY 22, 2003
BIG CANOE POA BOARD OF DIRECTORS MEETING

Following an Executive Session, Jim Deach, President brought the meeting to order in open session at the Canoe Lodge at 10:00 a.m. In attendance were Linda Greer, Jim Milton, Bill Byrne, Mickey Gallagher, Anita Michele, Secretary, Troy Ledbetter, General Manager and Debbie Pickett, Recording Secretary. There were four property owners attending the meeting.

Mr. Deach stated that during the Executive Session personnel topics such as base salaries, bonus awards and performance appraisals and issues under negotiation with the developer are discussed; the board approved that these topics will be reported in general or in detail, depending on appropriateness, in the open meeting. Jim Milton was welcomed as a member of the Board in the Executive Session.

The minutes of the November 20, 2002 meeting were reviewed. Ms. Michele noted that two items were moved from the November 20th Open Minutes to the Executive minutes: (1) Budget approval; (2) Developer waiver of allocation to the amenity reserve of the applicable portion of the \$4 road improvement assessment and the \$9 per home garbage assessment previously imposed. A motion to approve the November minutes as revised was made, seconded and passed.

The minutes of the December 7, 2002 Annual Meeting of Members were reviewed. Ms. Michele noted a correction in the average of eligible votes for property owners having been submitted from 54% to 44%. A motion to approve the December minutes as revised was made, seconded and passed.

Ms. Michele reported that minutes of the executive sessions (November 20, 2002 and December 9, 2002), the special meeting due to tornado damage (November 12, 2002) and Annual Board Meeting (December 7, 2002) were reviewed and approved in the morning executive session.

Mr. Deach reported that base salaries and bonuses were approved in December for management employees and noted that the General Manager's compensation was reviewed in today's Executive Session.

FINANCIAL REVIEW

The Financial Narrative produced prior to the January 22, 2003 meeting for the Board's review was attached to the minutes. Troy Ledbetter, General Manager, was asked to present the report to the Board. Mr. Deach reported that Mary Wilson had tendered her resignation. He stated that in her short tenure with the POA, she did create a financial model that will be used in future

planning. He said that Mr. Ledbetter and the Board would be moving ahead with the search to find a new Assistant General Manager/Chief Financial Officer.

Mr. Ledbetter stated that the POA operated \$94,000 better than budget for the month and \$658,000 better than budget year to date.

Property Sales Data: Dwelling Units started - 4;
Dwelling Units finished - 11; Property Transfers - 36

Most departments performed better than budget. Leaf season came late, in November, to the benefit of the amenities. The unreimbursed storm damage costs will not show up until December.

Golf Operations was \$1,600 worse than budget for the month, \$18,000 worse than budget year to date. Total rounds played in 2002 were 33,926; a loss of 154 compared to budget. Overall, Merchandise was \$2,500 better for the year due to saving of \$7,600 in payroll costs.

Golf Maintenance was \$4,800 better than budget for the month and on budget year to date. The savings in repair and maintenance costs generally related to timing issues were a factor. The most significant event was the disposal at greater than book value of some used equipment: \$5,750 in November and \$9,250 year to date.

Fitness Center was \$ 3,750 better for the month and on budget year to date. The Fitness Center massages, contractor rental and shirt sales added \$3,000 better than budget to revenues. Year to date savings were also generated from the elimination of the assistant manager position.

Tennis was \$ 1,100 better for the month and \$5,350 better year to date. Capital repair and replacement payments were budgeted as quarterly, but are now paid monthly. The savings year to date is a timing issue in building maintenance related to roof repairs.

Swim was on budget for the month and \$40,300 better year to date. Lakes and Marina was \$800 worse for the month and \$24,200 better year to date. There were unanticipated increases in the cost per pound for fish associated with the new fish distribution and delivery process.

Food and Beverage was \$28,200 better for the month and \$19,250 worse than budget year to date. Revenues at \$82,000 were about \$30,000 better than budget; Thanksgiving and New Year's were a huge success. It is probable that Food and Beverage will meet budget at year-end.

AECD was \$6,500 better for the month and \$82,300 better than budget year to date; submittals were better than budget by \$6,200. There are slightly more than 100 houses under construction.

Grounds Maintenance was \$34,000 better for the month and \$272,400 better than budget year to date. Road fees were \$5,700 better in tandem with increased AECD submittals Facilities Maintenance was \$3,500 better for the month and \$24,200 better than budget year to date. Outside revenues were up \$1,200 over budget and there were some savings in benefits due to employee turnover earlier in the year.

Security was on budget for the month and \$40,500 better than budget year to date.

General and Administrative was \$26,400 better than budget for the month and \$175,500 better than budget year to date. Recovery of bad debt, interest income and transfer fees were all better than budget.

GENERAL MANAGER'S REPORT

The General Manager's Report produced prior to the January 22, 2003 meeting for the Board's review was attached to the minutes. Mr. Ledbetter reported that since the tornado occurred on November 11, 2002, the POA has been involved with extensive clean up efforts and have been in the process of making repairs to the amenities, which experienced damage. The following repairs have been made or are in process:

- Fitness Center - Roof has been repaired.
- Swim Club - All repairs have been made to the deck, banisters, fans, carpet and diving tower deck. The pool fence has been ordered. The pool cover has not been replaced yet.
- Post Office - Roof, ceiling, and interior wall has been repaired.
- Tennis Center - Repairs have been made to the roof, decks, restroom ceiling, ground lighting, and tennis court fencing. There are still some repairs that will be made to the courts.
- Playfield - Damages were incurred to the restroom, filter building, basketball fence, ball field backstop, lighting at basketball court, and play area, and no repairs have been made. A decision will need to be made as to the best use of the area.
- Marina - Repairs have been made to the dock, canoe racks, electrical on dock and lighting.
- Firehouse #5 - Roof has been repaired.
- Squash Building - At this time, the roof has not been repaired.
- Miscellaneous - We are still in the process of repairing security light fixtures and street signs; the guardrails have been repaired.

Mr. Ledbetter provided a Statement of Loss on the tornado, which was prepared by Bill Atkinson, the adjustor for St. Paul. The net claim from the tornado totaled \$148,683.95.

Tornado debris has been cleared from the road right-of-ways on the following roads:
Cox Mountain Drive; Wilderness Parkway from Cox Mountain Drive to Popular Circle;
Dogwood Lane; Blackgum Drive; Cottonwood Circle; Willow Drive; Post Oak Lane; Crabapple Circle; Red Maple Lane; Holly Point; Sweetgum Drive; Disharoon Drive; Ridgeview Drive;
Summit Circle; Summit Drive West; Sconti Knoll Drive; Working on Wild Ginger Circle;
Working on Mayapple Lane; Working on Village Area

As was reported at the Town Hall Meeting, Mr. Ledbetter stated that he felt that the tornado clean up should be completed by the end of April and estimated the cost to be between \$350,000 and \$400,000. He relayed that he felt that we will have the clean up completed by then, and he does not feel the estimated costs will exceed that amount.

Mr. Ledbetter requested the Board's decision as to what kind of ground cover should be used in the village area when the clean up is completed. Mr. Ledbetter related that Mr. Byrne has been kind enough to offer the POA wood chips that he has available. Another suggestion was to seed the areas with grass. Mr. Ledbetter pointed out that the Forestry Service has advised that wood chips prohibit new growth. Following discussion, the Board agreed to hydro seed areas in the village where ground cover is needed as an interim measure to prevent erosion. Mr. Ledbetter also stated that the Forestry Service has seedlings available for purchase. The Board agreed that the POA should purchase some of these seedlings, which would be made available to property owners.

The Forestry Service has reviewed the property damage and Mr. Ledbetter informed the Board that he is expecting a report from them. Mr. Ledbetter also requested a decision from the Board regarding what lot owners will be required to do regarding clean up of their lots. As the Forestry Service's report is supposed to address this issue, the Board would like to receive the report prior to making a decision. The Board also asked Mr. Ledbetter to research how other communities such as Dunwoody handled the lot situation; in addition, Mr. Ledbetter will work with our attorneys in addressing the cleanup issue.

Property owner volunteers continue to have crews chipping debris from the tornado. Their hard work is greatly appreciated. John Thurman and Gary Cherry have done an outstanding job in coordinating and organizing this effort. Mr. Ledbetter and Mr. Deach commended them for their assistance.

Dawson County EMS responded to 13 calls, with 8 patients being transported and there were 5 refusals in November. During the month of December, Dawson County EMS responded to 4 calls, with 1 patient being transported and there were 3 refusals.

Mr. Ledbetter reported that Buckskull owners would be billed for the tornado storm damage clean up in the February billing cycle. The total expended in this area was \$72,000, which was authorized by the Board.

Mr. Ledbetter related that he has discussed the AEMC easement again with Richard Newton, the POA's legal counsel in this issue. According to Mr. Newton, Phil Landrum, AEMC's attorney, sent him one easement, which did agree with AEMC's claim that Big Canoe had to repair the roads. Mr. Newton plans to have someone search the deed records at the courthouse to see how many neighborhoods have this type of easement.

Mr. Ledbetter stated that he plans to install another compactor at the recycling center to handle the overflow. He reported that bids are being obtained.

The Board reviewed a copy of the Deer Management Report from the USDA. Mr. Ledbetter noted that 57 deer were collected; the average weight was 17 pounds less than it was last year and one ton of venison was donated to the needy at the Potter's House. The USDA recommended that the POA consider utilizing a different survey to measure deer abundance; they suggested that a long-term exclosure-browse study be initiated to measure abundance, diversity and potential loss of native flora. Linda Greer agreed to discuss this with the ecosystem group and

also discuss this study with Doug Hall from the USDA and Dr. Robert J. Warren, Professor Wildlife Ecology and Management, University of Georgia.

Golf Maintenance continues to clean up storm damage around the golf course. Mr. Ledbetter stated that per the United States Golf Association's study and recommendations, trees are being removed from Choctaw 1 around the green and from the fairway in order to get more sunlight to these areas. Trees are also being removed from Creek #6 in order to get more sunlight to the fairway and to improve wet areas.

OTHER BUSINESS

The Board next discussed the status of delinquent owners. Mr. Ledbetter provided the Board with a legal opinion from George Nowack regarding the Association's right to charge an admission fee to Owners who have failed to pay their assessments. Currently, we do prohibit use of the amenities by delinquent owners and pursue past due monies using liens and lawsuits. This would be another method to ensure that everyone pays his or her assessments. Following a lengthy discussion, a motion was made, seconded and passed with five votes for and one against to pursue collection through: (1) Send a letter to the owners putting them on notice that the POA plans to take action; (2) Failure to bring account current will result in removal of decal; delinquent owners will be required to pay a fee upon each entry into Big Canoe. Legal counsel will draft a letter, which will be sent to delinquent owners.

The POA Maintenance Department continues to work on the storm clean up along with maintaining their normal routine. Last Thursday, January 16, 2003 sleet and snow covered Big Canoe. Mr. Ledbetter related that the Maintenance Department, along with Security transported owners home from 3:00 p.m. until approximately 9:00 p.m. On Friday morning, January 17, 2003 the Maintenance Department began sanding streets - by 5:30 p.m. that afternoon, all streets were sanded. He reported that attempts were made to sand on Thursday afternoon, but had to discontinue because snow was covering the sand and was not helping. Streets were sanded according to the neighborhood schedule -- starting at Neighborhood #1 and going through Neighborhood #10.

Mr. Ledbetter reported that he has had no further response from Cranston, Robertson & Whitehurst regarding Disharoon Cove Dam.

The Board next discussed the Water Supply Study. Ms. Greer stated that the study group had met with GeoSyntec Consultants on December 17, 2002. Following discussions in this meeting, it was suggested that a revision be made to the scope of study and budget to include the Blackwell Creek watershed. Ms. Greer stated that with this addition the budget estimate for the work would be \$27,947. A motion was made, seconded and passed authorizing the study and costs for this project. Ms. Greer stated that she would inform Terry Cheek with GeoSyntec of the Board's authorization.

Mr. Ledbetter provided an update on the signage program. Mr. Donovan plans to be at Big Canoe at the end of January to install the "Lake Sconti" sign and will also be making some modifications to the sign on Sanderlin Mountain. Mr. Donovan has agreed to provide the POA

with specifications for signage so that Mr. Ledbetter can seek competitive bids. Mr. Donovan will also present a bid.

Mr. Deach reported that work continues on the community census project. Property Owners working on the project include Lee Arthurs, Burt Prater, Tom Rehg, Warren Culpepper and Gerry Sommers.

Ms. Greer stated that there are no new updates regarding the formation of the Buckskull Association.

The Board again addressed the AECC violations on the greenbelt surrounding Lake Petit. Due to inclement weather, previously scheduled dates to review the violations have been canceled. Mr. Ledbetter will schedule a time for this review.

Mr. Ledbetter relayed that there have been no further updates regarding Lake Petit Dam from the State of Georgia.

Mr. Deach informed the Board that a commemorative book is being prepared for Dr. Jimmy Allen who is retiring as Chaplain of the Big Canoe Chapel. A letter has been drafted from the Board of Directors to Dr. Allen and it will be made a part of this book.

The Board was provided with a schedule of all dates, which involve the Board during 2003.

Jim Deach brought the Board up to date on a committee that has been formed to study the clean up of tornado storm damage and the redesign of Big Canoe. This committee was formed to look at the village to consider what should be done with the area that was destroyed by the tornado. Those participating on the committee include: Chairman Bob Tippett, Jim Deach, Troy Ledbetter, Bill Byrne, Anita Michele, Frank Gagliardi, Lee Arthurs, Burt Prater, Frank Wright, Larry Ruff, Bennett Whipple, John Cutler, Ev Hughes, Lynn Knapp, Scott Aiken, Cynthia Hendry, George Porter and Larry Hubbard. Mr. Deach stated that the committee would study what the long-term needs are and the best use of this area.

Mr. Ledbetter updated the Board on measures that have been taken to secure the Blackwell Creek area. A cable has been placed across the entrance at Wilderness Parkway and Blackwell Creek.

A motion was made and seconded to adjourn the meeting. The motion passed and the meeting was adjourned at 11:45 a.m.

This report is an incomplete and unofficial summary of information provided to the Board and the Board's activities at this meeting, which is produced prior to approval of the official minutes for purpose of timely property owner communication