

SUMMARY MINUTES OF THE MAY 21, 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 9:30 a.m. In attendance were Linda Greer, Jim Milton, Bill Byrne, Mickey Gallagher, Anita Michele, Secretary, Troy Ledbetter, General Manager, Cary Smith, Assistant GM/CFO and Debbie Pickett, Assistant GM/CAO and Recording Secretary. There were four property owners attending the meeting.

Ms. Michele, Secretary, reported that in the Executive Session, Minutes of the previous meeting were approved. Other topics, which were discussed, included the Managers' 2003 objectives, goals, measurements and the management organization structure.

The minutes of the April 23, 2003 Open Board Meeting were reviewed. Following the review, an addition was made as follows to the minutes: "The Board discussed an item in the financial report showing \$1.2 million for Choctaw renovation. Mr. Smith was instructed to remove that item, since the Board has not considered or approved that expense. It was noted that the Board would be establishing priorities for capital expenditures." Following this addition, a motion to approve the minutes was made, seconded and passed.

FINANCIAL REVIEW

The Financial Narrative produced prior to the meeting for the Board's review was attached to the minutes. Cary Smith presented the report to the Board.

Mr. Smith reported that net income for April 2003 dropped \$45,276 as compared to April 2002. While total revenues were only \$1,866 off from 2002, cost of goods sold climbed \$5,919, payroll \$23,850, other expenses \$42,710 and fixed charges fell \$6,993. Amenity Income fell \$18,481 as compared to 2002, with Golf dropping \$36,953 and Lakes and Marina \$8,982. Fitness continued its improvement with a saving of \$18,446 from 2002. It was noted that Golf revenue dropped primarily due to the rain during April. Total assets grew \$484,000 from 2002 to 2003. Amenity card sales were as follows: Total packages (Silver, Gold & Platinum) sold fell by 17 from 108 in 2002 to 91 in 2003. Fitness Card sales grew 26% to 510 versus 419 in 2002. Family golf grew 7% to 332 versus 311 in 2002. Tennis card sales fell 17% to 111 in 2003 from 134 in 2002. Mr. Smith stated that Tennis continues to struggle with card sales, but reported that Management will be working with Mr. Hunt to improve in this area.

Mr. Smith further advised the Board that the ADP conversion is progressing. He stated that the health insurance is being transferred and will be effective June 1, 2003. The POA will remain with Blue Cross, Blue Shield, but with substantial savings. The 401K plan is also being converted. Mr. Smith requested the Board to give some thought as to the options for worker's compensation. Mr. Smith related that one reasonable quote has been received, and the State Board of Workman Compensation has also accepted the POA for the Self Insured Trust. The

POA's experience of loss for the last four years has been 1991 - \$4,943; 2000 - \$12,792; 2001 - \$12,408; 2002 - \$94,945 and in 2003 there have been no claims. Mr. Deach asked if there was a minimum amount that must be set aside each year, and Mr. Smith replied that most companies set aside for loss. He also stated that the Self-Insured Trust would require a \$750,000 Excess Insurance Policy. Ms. Greer requested Mr. Smith to put this information in writing to the Board. Mr. Smith related that we do have a worker's compensation policy in place to take effect June 1, 2003. Ms. Michele requested an analysis of the Amenity Reserve Fund for 2002 showing the expenditures and ending balance for the Board's approval. Mr. Smith stated that he would prepare the analysis for the next Board meeting.

GENERAL MANAGER'S REPORT

The General Manager's Report produced prior to the May 21, 2003 meeting for the Board's review was attached to the minutes. Mr. Ledbetter reported that the tornado storm damage clean up continues and due to the heavy rains that we have been receiving, the clean up is progressing slower than anticipated. The crews are currently working on Wilderness Parkway and are moving toward Petit Dam. There is still some debris remaining on the playfield area that must be cleaned up. Mr. Ledbetter requested the Board's direction as to what extent the Nature Valley should be cleaned up. He reported that the Trails Committee recommended that heavy equipment not be taken into the Nature Valley to clean up the storm damage; and they also recommended leaving the root balls as they are. Mr. Ledbetter stated that he is not sure the neighbors in this area would agree with the Committee's recommendations. He further requested the Board tour this area to determine what should be done in regard to clean up efforts. Ms. Greer stated that she felt we should get an assessment of what heavy equipment will do to the natural environment. The Board requested Mr. Ledbetter to set a date to review this area.

Mr. Ledbetter relayed that The Meadows were seeded by the end of April. A path approximately 20 feet from the walking path was sown with fescue; beyond the fescue, areas were seeded with wildflowers and native grasses to the wood line. Mr. Ledbetter reported that most of the storm debris has been cleaned up in the Meadows and what remains will be sawed to lie on the ground.

During the month of April, Dawson County EMS responded to 10 calls, with eight patients being transported and there were two refusals.

Mr. Ledbetter informed the Board that he has been working with Cranston, Robertson & Whitehurst to obtain bids to repair the rockslide at Lake Disharoon. Hopefully, this week the recommended contractor will provide an estimate for the cost of the repairs. Mr. Ledbetter advised the Board that the cost for these repairs could run anywhere from \$30-\$50 per square foot; the area, which will have to be resurfaced, is approximately 2,200 square feet. Additionally, grout will be pumped in to fill the voids under the slide surface. The costs for repairs could run as much as \$150,000. Mr. Ledbetter stated that plans are to try to make temporary repairs in order to open the slide on May 24th for Memorial Day Weekend. If temporary repairs hold and the slide is safe, it will remain open. If not, it will be closed and repaired. Mr. Ledbetter presented plans for the proposed parking area near the playfield area to the Board. Mr. Ledbetter stated that as soon as the plans are approved, the drawings would be sent to Cranston, Robertson & Whitehurst for an engineering design to be prepared. When the drawing is complete, bids will

be obtained for the parking area. The Board discussed several options regarding the parking area and agreed to have the plan shifted so that parking area is only on POA property and does not utilize any Chapel property. Mr. Ledbetter informed the Board that as soon as weather permits, the playfield will be leveled, seeded with Bermuda and the walking paths re-established. Pine straw will be placed on the bank from the walking path to Wilderness Parkway nearest the Treetop Section.

Mr. Ledbetter further related that bids have been obtained for playground equipment and requested the Board's recommendations as to what direction we want to move. In order to have this equipment available this summer, Mr. Ledbetter advised that Board that we must place an order immediately. The cost to grade, prepare the area, purchase and install the playground equipment is approximately \$55,000. Following discussion, a motion was made authorizing Mr. Ledbetter to proceed. Mr. Smith raised the question of funding for this project, but further discussion of this matter was tabled until later in the meeting. The Board reiterated that they were committed to this project. Mr. Ledbetter advised the Board that in the next few weeks, all the lots which were damaged by the tornado will be inspected to see if the clean up guidelines that were outlined in the letter of March 7, 2003 have been accomplished. The POA sent out 174 letters to owners who experienced damaged. The Board agreed that property owners who have not complied with the first request would be given a 60-day extension to clean up their property. A follow-up letter will be sent to owners who have not complied.

On May 7, 2003 another letter was mailed to Rod Worth, President of the Treetop Association regarding the clean up of their common area. Mr. Ledbetter related that in the letter, he granted the Treetop Association a 45-day extension. If the clean up has not been accomplished in this timeframe, Mr. Ledbetter stated that he would request the Board for authorization to clean up the common areas of the Treetop Association and assess their owners for that amount.

The Swim Club will again be under the direction of Linda Gelarden with Opening Day scheduled for May 24, 2003. If weather permits, sand will be added to the beach this week. Mr. Ledbetter stated that two new paddleboats have been ordered and are scheduled to arrive by the middle of June.

Mr. Ledbetter requested the Board's approval to replace one of the pontoon boats, which the POA has in the rental fleet. The replacement cost is \$12,000. Following discussion, a motion was made, seconded and passed to replace the pontoon boat with the funds coming out of the amenity reserve fund.

Mr. Ledbetter informed that Board that he would like to reinstate the Swim Club Committee. He requested the Board's approval to appoint Pamela Ruff as Chairperson of the Swim Club Committee. A motion was made, seconded and passed appointing Pamela Ruff to Chair the Swim Club Committee. Jim Milton was appointed Board Liaison to this Committee.

Following the recent earthquake that took place near the Georgia/Alabama border, the State of Georgia required the POA to make a visual inspection of Petit Dam. Mr. Ledbetter advised the Board that he requested Cranston, Robertson, & Whitehurst to inspect the dam for any

deficiencies. A copy of their reported was provided to the Board. The State of Georgia also received a copy of this report. The report noted that no deficiencies were found.

Mr. Ledbetter relayed that with weather permitting; 84,000 square feet of sod will be laid on the tee areas and aprons around various greens beginning Monday, May 19, 2003

Mr. Ledbetter advised the Board that the SCBA units, which were authorized for purchase at the last Board Meeting, have been ordered.

UNFINISHED BUSINESS

Mr. Deach stated that there were no updates at this time from the Big Canoe Organizational and Management Study Group. Their final report will be presented to the members at the August 23, 2003 Town Hall Meeting.

Linda Greer provided the Board with an update on the water quantity study. She reported that members of the Board and the Water Committee met with GeoSyntec, and they are finalizing their written report. Ms. Greer stated that essentially what the report says is that there is enough water. The study revealed that there would be a drop in the water level of Lake Petit at build-out with drought conditions if only the Lake Petit watershed was used. GeoSyntec's model incorporated the planned Blackwell Creek facility and reported that it would service all of Big Canoe without drawing down Lake Petit at build-out even with another record drought. Ms. Greer noted that when GeoSyntec calibrated its model using historical data and compared the model's projections with actuals that the model's projections were very close to actuals. Mr. Byrne stated that he had reviewed the preliminary report and saw a few items that engineer Tom Robertson would discuss with GeoSyntec such as the percentage of loss in distribution. It was pointed out that there would be less loss in the new areas that are being developed using new infrastructure. Ms. Greer related that overall it was a good report.

Mr. Deach updated the Board on the census project. He reported that 67.5% homeowners have now responded to the survey. A second letter has been mailed to those homeowners who have not responded. Volunteers will be calling people who do not respond to the survey.

Mr. Deach commented that he has received a number of responses from property owners who want to remind the Board that they want the ¼ mile walking track around the playfield restored and have emphasized that they do not want paved paths. Mr. Ledbetter assured the Board that this is what is planned.

The Board again discussed the request for a "Dog Park" in Big Canoe. The group seeking a dog park has expressed that they feel the potential area, which was identified on the greenbelt corridor off of Wilderness Parkway across from the Meadows, would require some clean up and perhaps leveling. The group requested an area in the Meadows. The Board expressed that this area would probably have visibility to some owners in that area. The Board requested Mr. Ledbetter to communicate with Fred Shaw to see what would be involved in making the area across from the Meadows acceptable. Mr. Ledbetter is also to check with Ken Rice to see what impact this type of amenity would have on the Waterford property adjoining this location.

Mr. Milton updated the Board on his search for a method to hang banners/announcements at both gates. He reported that he is having difficulty getting the companies to provide any information. An update will be provided at the next meeting.

Ms. Greer provided the Board with a report showing the Big Canoe Deer Survey results, along with an article prepared by Kent Kammermeyer, Senior Wildlife Biologist, with DNR, Wildlife Resources Division regarding the "Big Canoe Spotlight Counts Completed in April 2003." Ms. Greer pointed out that the article would be in the upcoming issue of Smoke Signals. The deer counts showed a significant two-year decline in the deer population compared to previous years. Ms. Greer stated that the report concludes that 50-75 deer should be removed annually. Without further control, Mr. Kammermeyer's report indicates that the deer herd will regain its former numbers in one to two years. Ms. Greer stated that the reduction of the deer herd should occur at the same time in January or February each year per the biologist.

NEW BUSINESS

The Board next discussed the recent controversy regarding assignment of a lease with the sale of a boat. Ms. Greer recommended that a Resolution be adopted in regard to "Marina Rental Space". It was reported that the Marina Committee was in agreement with the Resolution. Ms. Greer stated that this was a method to communicate the proper procedure regarding termination of a lease. Ms. Greer stated that she felt it was important to have something on record to go by. Mr. Byrne requested that legal counsel review the Resolution and clarify the varying legal opinions. Following discussion of this recommendation, a motion was made and seconded. The vote failed with the three Elected Directors voting in favor and three abstentions from the Developer Directors.

The next discussion was in regarding to a special assessment to fund the clean up, restoration and improvements from the November 11, 2002 tornado. Many property owners have recommended that a special assessment be considered. In discussing this proposal, it was suggested that somewhere between \$700,000-\$750,000 would be necessary for this recovery effort. Mr. Deach stated that he has also received suggestions that this should be set-aside in a special fund. The Board is still studying the special assessment, and it will be discussed at the June Community Council meeting.

The next meeting of the POA Board of Directors will be June 18, 2003 at 9:30 a.m. in the Canoe Lodge. The next Community Council Meeting is scheduled for June 9, 2003 at 9:00 a.m. in the Broyles Center. A motion was made and seconded to adjourn the meeting. The motion passed and the meeting was adjourned at 12:05 p.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.