

Firefly Property Owners Association, Inc.

Board Meeting

May 31, 2016

Location:

- Firefly Cove Lake Lure, North Carolina – The Lodge

Roll Call/Call to Order:

- The meeting was called to order by President Joe Pritchett at 6:58pm
- Directors present: President Joe Pritchett, Vice President Bob Cameron, Treasurer Rick Stockdale, Secretary Mike Kirkman, and Director Jonathan Hinkle
- Directors Absent: None
- Property Owners present: None

Quorum:

- There being a sufficient number of Board members present a quorum was established.

Approval of Minutes:

- The minutes from the Firefly Cove Board meeting of May 5, 2016 and the minutes from the Firefly Cove Board meeting of May 10, 2016 were approved by motion, second, and a unanimous vote 5-0.

Updates:

- Secretary Kirkman reported that 16 property owners have submitted information for the Public Community Contact Directory. This information is posted on the Firefly Cove Property Owners website for the use of all property owners.
- Vice-President Cameron reported that the “soft closing” hardware had been installed on the front door and the door to the pool in the Lodge.

Discussion Items:

- President Pritchett started a discussion on replacing the damaged wood floor in the Billiard Room of the Lodge caused by a water leak. The insurance adjuster estimated that the cost for the repairs would be \$13,549.94. The association has a \$2,500.00 deductible and the insurance company issued a check in the amount of \$11,049.94. Vice-President Cameron recommended that the Board

accept the bid from Marathon Builders in the amount of \$12,362.79 to replace the damaged wood flooring with stone flooring similar to the existing flooring from the front door to the pool door in the Lodge. After a brief discussion, the recommendation was approved by motion, second, and a unanimous vote 4-0. Director Hinkle did not vote.

- Vice-President Cameron recommended that the Board seal the new stone flooring and the stone flooring leading from the front door to the pool door with a commercial sealant. This would protect the slate flooring as well as the grout. The cost is not to exceed \$500. After a brief discussion, the recommendation was approved by motion, second, and a unanimous vote 5-0.
- Secretary Kirkman started a discussion on hiring a Certified Public Account. Secretary Kirkman recommended that the Association hire Carl E. Shaw, CPA at an annual cost of \$1,975.00. (See Appendix A). After a brief discussion, the recommendation was approved by motion, second, and a unanimous vote 5-0.
- Secretary Kirkman started a discussion on a request by several property owners to purchase an additional large patio umbrella and an additional dining table and 6 matching chairs. President Pritchett recommended that the Board purchase these items at a cost not to exceed \$750.00. After a brief discussion, the recommendation was approved by motion, second, and a unanimous vote 5-0.
- Secretary Kirkman started a discussion on completing the lighting on the bridge to the lakefront lots. Secretary Kirkman recommended that the Board proceed with providing electricity to make the current lights on the columns operational. The cost would not exceed \$1000.00 and would be completed by the end of 2016. After a brief discussion, the recommendation was approved by motion, second, and a unanimous vote 4-0. Vice-President Cameron did not vote.
- Secretary Kirkman started a discussion on approving the Landscaper Contract. (See Appendix B) Secretary Kirkman recommended that the Board approve the Landscaper Contract which details the expectations of the independent contractor and the Association. After a brief discussion, the recommendation was approved by motion, second, and a unanimous vote 5-0.
- Treasurer Stockdale stated that he would begin working on the proposed 2017 budget and would bring his recommendation to the Board at the next Board meeting.
- Secretary Kirkman started a discussion on topics for the Annual Property Owners meeting scheduled for October 22, 2016 at 10am in the Lodge. Board members should be prepared to discuss which topics will be discussed at the next Board meeting.
- The date of the next Board meeting will be between June 29, 2016 and July 6, 2016.

Adjournment:

- The meeting was adjourned at 8:52pm.

Appendix A



Carl E. Shaw, CPA, PLLC
220-C Third Avenue West 828.698.7725 fax:828.698.7720
Hendersonville, North Carolina 28739 www.cshawcpa.com

May 23, 2016

Mr. Mike Kirkman, Secretary
Firefly Cove Property Owners Association
PO Box 303
Lake Lure, NC 28746

Dear Mike:

Thank you for the opportunity to meet with you and Mr. Pritchett on May 5, 2016. I appreciate the opportunity to submit this proposal to provide tax and advisory services to your Association. Thanks also for providing copies of prior years' tax returns and QuickBooks reports.

Here is my understanding of the tasks that you wish for me to perform:

1. Preparation of the annual federal tax return, Form 1120-H for the year ended December 31, 2015.
2. Compilation of the Association's financial statements for the year ended December 31, 2015. This financial statement will include my accountant's compilation report which will indicate that the statements were not subject to an audit or a review. I do not anticipate that these statements will include a cash flow statement.
3. Be available throughout 2016 to answer your questions regarding accounting and internal control procedures.
4. Establish a working relationship with Rhonda Cook, whose company currently provides bookkeeping services to the Association.
5. Be available to perform additional projects as requested at a fee to be determined as the projects are approved.

My fee for this engagement will be \$1,975. A \$1,000 retainer is requested upon acceptance of this engagement. The remaining \$975 will be billed at the completion of this engagement.

Please indicate your approval of this agreement by signing and dating a copy of this letter below and returning it to me.

Mr. Mike Kirkman, Treasurer
Firefly Cove Property Owners Association
May 23, 2016
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I look forward to the opportunity of serving your Association with this engagement. Please call me with any questions that you may have.

Sincerely,

Carl E. Shaw, CPA, CFE

Carl E. Shaw, CPA, CFE

Agreed:

For:
Firefly Cove Property Owners Association

Date

Appendix B

Firefly Cove Property Owners Association, Inc.

PO Box 303 Lake Lure, NC 28746

Contract for Services

_____, will provide Firefly Cove Property Owners Association Inc. (POA) with landscaping services. (See Attachment A)

Landscaping Services include:

- Mowing of Grass Areas
- Mowing of Road Sides
- Pruning Shrubs
- Shrub Maintenance
- Fall Leaf Services
- Irrigation System Services
- Mulching
- Pruning of Trees
- Weed Control in Planting Area and Tree Base
- Off Season Visits
- Turf Maintenance

The above listed services will be made available to Firefly Cove POA Inc at a monthly cost of \$_____ per month.

Payment for service will be due and payable by the 5th of the month following services. A late charge may be added to delinquent accounts at 1.5% per month. All sums not paid in a timely manner by the owner to the contractor shall, beginning on the second of the month, bear an interest rate of 15% per month, or maximum rate permitted by law, whichever is less. Payment will be applied first to previously bill finance charges, and then in chronological order of oldest to newest invoices. No Services will be done the week of Christmas.

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The contract documents contain the entire agreement between parties. No prior agreements, representation, warranties, or other matter, oral or written shall be deemed valid.

This agreement will begin on _____.
(Date)

Either _____ or Firefly Cove Property Owners Association
(Name of Vendor)
may cancel this agreement, without penalty, by a 30 day written notice.

President, Firefly Cove POA Inc.

Date

Name of Vendor

Date

Address of Vendor

Phone Number of Vendor

Email of Vendor



Firefly Cove Property Owners Association,
Inc.

PO Box 303 Lake Lure, NC 28746

ATTACHMENT A

Firefly Cove POA Landscaping Maintenance

Mowing of Grass Areas:

Grounds are to be mowed on an as needed basis beginning in March or early April and ending in November. The frequency may depend on the weather conditions. Grass will be cut at a height of 3.5 inches or higher. The height can be adjusted by the authorized agent.

Grass clippings will be removed blown from all roads, curbs, and mulched areas.

All debris (limbs, paper, etc.) will be removed from the grass areas or side road areas during mowing only. (Any storm damage will only be cleaned up or removed upon authorization of the authorized agent or property owner at an additional charge)

All grass areas adjoining the hard surfaces, planting beds and obstructions shall be kept neat by edging and trimming.

Design issues concerning above work. The Vendor will not be responsible for damage to decks, signs, air conditioning units, lamp post, etc. The placement of cable, such as telephone wires not buried to specifications will not be the responsibility of Vendor.

Mowing of Side Roads

All roadsides will be cut approximately 5 - 7 inches from edge of pavement. Additional area will be cut where permitted.



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Pruning Shrubs

All shrubs will be pruned and trimmed for appearance and proper growth.

All debris generated from pruning/trimming will be removed on the day of the pruning/trimming.

All "dead" or brown appearance will be pruned; major cutting back of any shrub will be done at an additional charge, if not noted on this agreement.

Shrub Program

Shrubs will be fertilized by broadcast. The shrub will be inspected for disease/insects, if found we will apply an insecticide or a dormant oil. Also, any indication of fungus growth will be treated with an appropriate fungicide by foliar means.

Fall Leaf Services

Leaf Services will be performed in the fall. This will include blowing leaves out of beds off turf areas, parking areas and be removed from the site.

Fall leaf service will begin no sooner than when deciduous leaves begin their fall and will cease when the majority of the same leaves have fallen. Leaves will be mulched on turf areas in the fall while performing weekly mowing of turf area between leaf removals.

Additional leaf services will be performed on a time and material basis upon request.

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Irrigation

Start Up will be in the Spring after the last projected freeze.

During the process of restarting the system all assemblies will be checked for functionality and the needed maintenance repair adjustments will be noted and submitted for approval.

Shut Down will be in the Fall prior to the first projected freeze.

This process the remaining water will be flushed from the system and all controls turned to the off position. Any pipe wrap or insulation to ensure pipe or backflow from freezing will be an additional charge. Usually, if the system permits we disconnect the backflow preventer.

Mulching

Mulching will be performed upon request and approval from the authorized agent. Normally, the cost will be mulch plus labor (\$25) per hour. Currently, our mulch price is \$_____ per yard. The mulching is not included in the maintenance contract agreement. Generally, mulching will be performed in early spring and/or fall of the year.

Pruning Trees - 10 feet in height or smaller (1 time annually)

Trees shall be pruned to eliminate the dead, diseased, or damaged wood and remove suckers, water shoots, and low hanging branches.

Planting Areas and Tree Bases

Post-emergent weed control and spot hand seeding of planting areas and tree bases shall be done on an as needed basis.

Weeds in the cracks of hard surfaces shall be weed-eated and sprayed with a non-selective herbicide on a regular basis.

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Off Season Visits

Bi-weekly visits to keep hard surfaces free of debris and to continue regular plant area bed maintenance will be performed once regular mowing has ceased for the season continuing through commencement of regular visits in Spring. During this time any "hard pruning" what was unable to be completed for horticultural or weather constraints will be completed. Trash and other debris will be policed in regards to sidewalks, parking areas, or other noted amenity areas.

Pruning back of butterfly bushes, ornamental grasses, evergreen ground covers, and any other plant material requiring dormant pruning will be performed during these visits and prior to the growing season.

Turf Program

Early Spring

An appropriate rate of complete fertilizer will be applied to promote turf health and deep consistent color. Pre-emergent weed controls will be applied to control both crab grass and broadleaf weeds. Fungicides, lawn insecticides will be applied as needed at an additional charge once approved by the authorized agent. Whenever possible, liquid products will be used in order to ensure consistent blanket coverage. These costs will be provided for approval on the amount of chemical products needed by an authorized agent.

Fall

The above spring application will apply unless the contractor and the authorized agent agree to modify the work due to unknown circumstances.

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Maintenance Service Calendar

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Total
Base Maintenance													
Policing				4	4	4	4	4	4	2	2	2	30
Pruning					1	1	1	1	1	1	1	2	9
Planted Beds				4	4	4	4	4	4	2	2	2	30
Tree Pruning	1												1
Off Season Visits	2	2	1									2	7
Mulching													0
Weed Control	1	1	1	2	2	3	3	3	2	1	1	1	21
Grass/Shrub Program													
Mowing Grass	2	2	2	4	4	4	4	4	4	2	2	2	36
Leaf Maintenance	1	1									2	2	6
Tree & Shrub	1												1
Irrigation Services													
Startup			1										1
Inspection			1								1		2
Shut Down											1		1

Note: The frequency listed in the chart above represent the approximate number of visits each month. Weather may affect the actual timing for delivery of each task. Actual frequencies may vary. The services listed above represent Basic Maintenance services and could change based on the property's individual needs or requirements.



Firefly Cove Property Owners Association, Inc.

PO Box 303 Lake Lure, NC 28746

Lot 36 Landscaping Maintenance Map



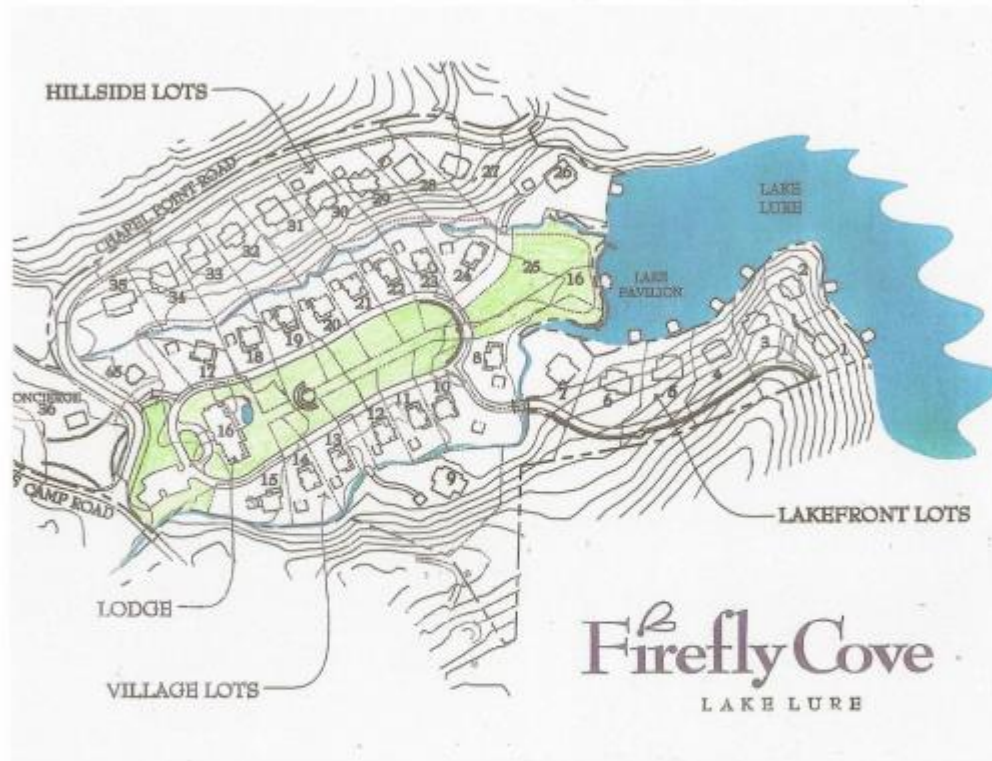
Note: Shaded Area highlighted in green is to be maintained and shaded area highlighted in brown is to be mulched as per agreement between the Firefly POA and the Owners of Lot 36

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Lot 16 and Lot 25 Landscaping Maintenance Map



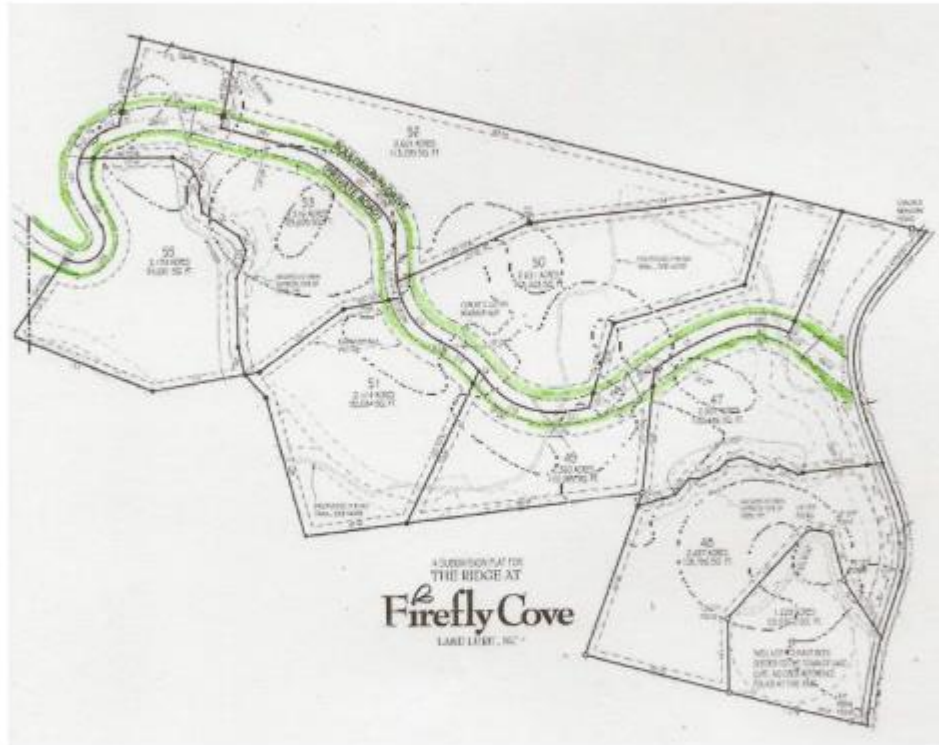
Note: Area Shaded in Green is area to be maintained as per agreement

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The Ridges Landscaping Maintenance Map



Note: Area Shaded in Green consisting of the entrance to The Ridges and 4 feet on both sides of the roadway is to be maintained as per agreement

Note: Area to be maintained in The Pinnacle will be on an as requested basis until a home is constructed.

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