

**Firefly Property Owners Association, Inc.**  
**Special Board Meeting**  
**February 21, 2016**

**Location:**

- Conference Call

**Roll Call/Call to Order:**

- The meeting was called to order by President Joe Pritchett at 7:02pm
- Directors present: President Joe Pritchett, Vice President Bob Cameron, Secretary Mike Kirkman, and Director Jonathan Hinkle
- Directors Absent: Treasurer Doug Newton
- Property Owners present: None
- Others 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 December 30, 2015 were approved by motion, second, and a unanimous vote 4-0.

**Discussion Items:**

- Secretary Kirkman started a discussion of the concerns of the legality of spending funds not in the budget to construct the new boat docks. The Board sought advice from the association's attorney, who advised the Board to adopt the following Resolution as a solution. Secretary Kirkman recommended that the Board adopt the Resolution (See Attachment "A") as prepared by the Association's Attorney. After discussion the recommendation was approved by motion, second, and a unanimous vote 4-0.

**Adjournment:**

- The meeting was adjourned at 7:34pm.

Attachment "A"

RESOLUTION OF THE BOARD OF FIREFLY COVE  
PROPERTY OWNERS ASSOCIATION INC.

February 21, 2016

Board Resolution:

Be it resolved that the Association through its Board of Directors engage an accountant or an accounting firm at the Board's discretion to amend and/or revise the Association's Balance Sheets and, if necessary, Income and Expense Statements (Profit & Loss) for the years 2012, 2013, 2014, 2015 to handle in a uniform manner the so-called "Board Designated Boat Dock/Boat Slip Funds", in order to show amounts of funds and how expended.

Background:

The membership of the Association has over the past several years considered expansion of the boat dock to add more boat slips. The Board beginning in 2012 held aside all boat slip rental income as designated funds to be used to pay for the contemplated future expansion. This continued to be the Board policy in 2013. In 2014, the membership by an overwhelming majority (41 for; 2 against) voted formally to expand the boat dock and specifically to fund such expansion with boat slip rental income. With this mandate, the Board has pursued the expansion project which has been a complicated process, particularly in obtaining the permission of the Town of Lake Lure. In 2015, the membership again ratified the expansion project. With all regulatory requirements having been met, the Board has proceeded with construction of the additional boat slips, which construction will be completed in the spring of 2016.

A summary of boat slip fees collected (or projected) is as follows:

2012	- \$2,175.00
2013	- \$2,400.00
2014	- \$2,800.00
2015	- \$4,200.00
2016	- \$9,600.00 (projected)
	\$21,175.00 (total)

The Board has now received questions as to how it could spend money on the boat dock expansion when such expenditures were not in the budget nor are the funds for the project shown as restricted on all balance sheets. The Board and the membership have always understood and agreed that the project would be funded out of boat slip income. In other words, these were not ever to be "budget expenses" that would determine common expense assessments. To make all of this clear, the Board wants to amend the financial statements to reflect the will of the membership in accomplishing this complex project. Once the total cost of the project has been determined, including the costs involved in getting permission from the Town of Lake Lure, the Board will issue a summary of the costs. Once all costs of the construction have been paid from boat slip rental fees, future fees will be used for maintenance and any extra will be used for general operations of the Association.

This resolution is approved this 21<sup>st</sup> day of February 2016 by the Firefly Cove Board of Directors.

President Joe Pritchett  
Vice President Bob Cameron  
Secretary Mike Kirkman  
Director Jonathan Hinkle