

**TABERNA HOMEOWNERS' ASSOCIATION
MINUTES OF THE ANNUAL MEETING
December 8, 2010**

The meeting was called to order by Rick Layton at 7:05 pm. It was determined that a quorum was reached with those present and by submitted proxies. Board members present were: Rick Layton, President, George McNulty, Vice President, Linda Pickens, Secretary, Jim Dugan, Treasurer and At-Large Members John Serumgard, Russ Packard and Willis Vincent.

Guests: Steve Tyson, County Commissioner
Denny Bucher, City Alderman
Mike Epperson, New Bern City Manager
Bobby Aster, New Bern Fire Chief and the Acting Head of the City's Public Works Department for the past year
Jon Rhen, Head of the City's Electric Department
Jordan Hughes, City Engineer.

The Pledge of Allegiance was led by Linda Pickens.

Annual Meeting Minutes:

On a Motion made by Ron McCausland, which was seconded by Phil Buffa, the Minutes of the 2009 annual meeting were unanimously approved.

Opening Remarks of the President:

Rick Layton presented a review of the Board's activities and accomplishments for 2010:

Todd Denson Park: A major accomplishment in 2010 were the improvements to Todd Denson Park accomplished by the Todd Denson Park Committee. Rick acknowledged the Chairman Bo Wernersbach and David Pickens for their efforts in accomplishing the improvements. The Committee was created to implement the improvements most desired by residents in the 2009 Survey. Park improvements included the addition of new benches, a new picnic area, a fenced dog play area, and bocce and horseshoe courts. Rick commented that the Park's improvements have resulted in the highest use of the Park in many years. The new bocce and horseshoe courts resulted in the formation of 10 teams utilizing the courts on an almost daily basis this summer and fall. He thanked the Committee for their good work.

Canoe Dock: Rick also noted that a similar Committee has been formed to work on the Canoe Dock area next year to similarly improve this key recreational amenity in Taberna.

"Tabearna" Bear: Rick announced that the Taberna Bear will, shortly after the beginning of 2011, be placed on the right side of the entrance to Taberna along the magnolia trees.

Community: Rick reported on real estate issues in Taberna and noted that foreclosures in Taberna have been few in the last year despite the recession and housing downturn. Some of the properties foreclosed upon have already been sold. Construction of three new homes in Taberna has also begun. Homes for sale are moving more rapidly, and Rick noted that one home sale took place in three days.

Annual Dues owed by Taberna residents were paid at about a 99% rate in 2010. Some homeowners have been placed on payment schedules and, in some cases; liens have been placed against homes where dues were substantially in arrears. In those cases when Taberna has sought a judgment for unpaid dues, the court has ruled in the HOA's favor. Therefore it continues to be wise to pay HOA dues promptly.

Turning to other efforts of the HOA, Rick outlined the Board's intent to continue its efforts to build procedural audits that ensure the best plans exist in moving forward for the community.

Utilities: Rick reported that the HOA has worked with the City to reduce our water and electricity costs. Rick noted that David Pickens has been very helpful with these plans, and this year we have cut off our irrigation water meters for five months, during the winter, which will result in significant savings. As part of an additional review of utilities we are working with the City to assist with an electrical audit to similarly reduce Taberna electrical costs.

Rules and Covenants: Rick stated that we continue to enforce Taberna's Covenants and Rules. During the past year, we have responded to 60 issues pertaining to Covenants and Rules violations. The Covenants and Rules are posted on the website, and we will continue to impose fines to keep the violations at a minimum. We have also posted the general types of Covenant and Rules violations in the Taberna Tribune and believe that will help in keeping people informed as to the enforcement and scope of violations.

Overall Rick reported that we have continued our goals of maintaining and improving Taberna as a community. The Board continues to make sound decisions and living within our budget. We will be leaving the 2011 Board in good shape.

Rick thanked the Committee volunteers and Sub-Association representatives that support the community. He noted that the Building and Grounds Committee, headed by Ron McCausland and the Architectural Control Committee, headed by Dick Turner, continue to do a great job at maintaining community standards and concurrence with our guidelines.

The Finance Committee headed by Bob Costanzo has done an excellent job at making sure the Board stays within its financial means. The Crime Watch Committee, headed by Sue McCarthy, and Tom Tucker as co chairs, are important elements within our community. Rick reminded people to report crimes directly to the police when discovered and not just post them on TabMail. Rick also mentioned that it is critical during the holiday season that residents lock their car doors to ensure that the problem that occurred three years ago not be repeated, where teens entered vehicles and took things just because the cars were unlocked as sport.

Lastly Rick thanked Alva Windham for his assistance during the past years with the HOA website. Alva is now moving to Williamsburg and will no longer be our web liaison. Wayne Maruna who operates Tab Mail helps so much in supporting communications in the Community. In addition Rick mentioned the editors of the Taberna Tribune, and Tom Watson at the Tribune, who help the Board to keep in touch with the community and receive feedback on Board activities. Glen Killian, was also acknowledged for keeping the flags flying in Taberna especially the large flag at our main entrance.

Rick expressed his pleasure serving as Taberna's HOA President and the honor it provided. He then called upon Jim Dugan, the Treasurer to provide the financial report.

Treasurer's Report:

In his opening remarks, Jim Dugan stated there are currently 779 residential lots and 4 commercial lots. There are 63 vacant residential lots and 3 lots with homes under construction and nearing completion. The accountant for Taberna continues to be Mona Kay Sadler, CPA, of Alliance.

Operating and Reserve Accounts: The Homeowners Association maintains separate operating and reserve accounts for the master HOA and the four active sub-associations, Abbington Woods, Boleyn Creek, One Taberna Way, and Taberna Landing. These funds are numerically consolidated for a single HOA tax return. The Board of Directors maintains a policy of investing reserve funds only in FDIC insured Certificates of Deposit.

Notable Financial Activities: The Finance Committee has reviewed the Master and Sub-Association Financial Reports, bank accounts, and investment accounts for the last half of 2009 and the first half of 2010. No discrepancies were found.

The reserve deposits have been made for the Master and two Sub-Associations in accordance with the 2010 Budget. The deposits for the other two Sub-Associations will be made later this month. As previously mentioned, reserve funds are invested only in FDIC insured CDs in order to protect the principal amounts. The board maintains a detailed reserve analysis for the Master and each Sub-Association and our reserves are sufficient to cover projected expenditures.

While the majority of property owners pay their accounts in a timely manner, there are a few that fall behind. Therefore, the Board authorized that invoices are due upon receipt and those accounts unpaid after 30 days be charged a late fee of \$20 per month until the account is paid. The Board also authorized placement of fourteen liens on accounts that were six months late and all except six have been resolved.

Financial Reports: A review of the third quarter financial reports indicates that the majority of line items in the Master and Sub-Association budgets will be within budget at the end of the year and that all operating accounts will have an ending cash balance.

The present and past Boards believe it is prudent to carry a certain amount of cash over from one year to the next to allow for any need for early disbursements and any delay in dues collection. Therefore the Board has voted "to have any monies remaining at the end of the year in the Taberna Master Homeowners Association bank accounts and the

bank accounts of the Abbington Woods, Boleyn Creek, One Taberna Way, and Taberna Landing Sub-Associations be used for forward operating expenses and deficits of these accounts."

Reserves: The Master Reserves now total \$110,484 for the Asset Replacement Fund and \$51,940 for the Operations Contingency Fund. The Contingency Fund has accumulated the set goal of \$50,000 principal and has accumulated \$1,940 more in interest. Therefore, no further additions will be needed in this account except to replenish any expenditures.

Annual Budgets: The Annual Budgets for the Master Homeowners Association and the four sub-associations have been approved by the Board of Directors and were included in your Notice of Annual Meeting.

2011 Dues: The Annual Master dues for 2011 will remain the same as in 2010. The dues will be \$220 for most residential lots in Taberna; \$249 for the Lake Lehman lots; and \$243 for commercial lots.

The Sub-Association dues for 2011 will be as follows:

Abbington Woods	\$750 a year \$187.50 per quarter	no increase from 2010
Boleyn Creek Villas	\$750 a year \$187.50 per quarter	a 7.1% increase
One Taberna Way:	\$1,500 a year \$375 per quarter	no increase from 2010
Taberna Landings	\$1,000 a year \$250 per quarter	a 11.1% increase

Dues were increased for two of the sub-associations in order to bring their operating funds at the end of each quarter to a level required to cover a minimum of one month's operating expenses.

Guest Speakers:

Rick introduced Steve Tyson, Chairman of the County Board of Commissioners, who spoke briefly on the ongoing economic challenges which the County will continue to face during the current economic downturn.

Rick then introduced Denny Bucher, as a resident of Taberna and City Alderman for most of Taberna. Mr. Bucher explained the division of Ward 2 and Ward 3 within Taberna and the efforts currently underway to correct this anomaly. However, any change in these ward boundaries must have Federal Justice Department approval and, therefore, will require some time to correct. The City is awaiting the 2010 Census results which will undoubtedly alter the current political sub-divisions. Mr. Bucher reported that his number one goal when he was elected was that we hire a qualified City Manager, who could lead the City in the way it should be lead. The appointment of our new City

Manager, Mike Epperson, has clearly met that number one goal. Mr. Bucher asked that if residents need help with a City issue you contact him directly. He is currently looking at electrical rates that seem far too high for the area. He has been participating in a Electric Cities Commission to look at what actions could be taken to lower electrical rates. Mr. Bucher, also thanked the volunteers on the HOA Board for working so hard to make Taberna the great place that it is.

Rick then asked Mike Epperson, the City Manager, to make some remarks. Mr. Epperson outlined his background and experience which led to his new position in New Bern. To date, Mr. Epperson reported on his efforts to first meet and assess the current City organization by talking with people in government, business and civic leaders. Mr. Epperson outlined three broad goals he has formulated to date:

1. Improve the financial health of the City as the General Fund Reserve is too low;
2. Continue to develop and improve smart government and efficiency with a customer oriented organization;
3. Play a leadership role in the transformation of the Five Points commercial corridor and Duffyfield neighborhood.

A number of questions from the floor were addressed by Mr. Epperson.

Q: *Anything new about natural gas to Taberna?*

A: Mr. Epperson asked his staff if there was any information, his staff indicated there was a need to gauge the necessary interest in the community to off-set the cost of running lines into Taberna. Therefore, no plans for further natural gas lines are currently known according to staff.

Q: *Will you continue to live in Taberna?*

A: Taberna is a place we would consider – we are awaiting the sale of our house in Ohio.

Q: *Any opportunity for volunteering to serve the City?*

A: We had a vigorous volunteer effort where I came from. I know there is a large volunteer program with the New Bern Police Dept; we will be looking into that in the future.

Q: *Are there any major expenditure plans for New Bern over the next 3 years?*

A: There are no significant expenditures planned other than replacing of the radio communications capacity of the Police. This project has gone out to bid as a 4-5 million dollar project. The City clearly needs to improve on its capital improvement planning. We are currently looking at our deferred maintenance and replacement planning for sewer, electrical and storm water drainage etc. However looking at that in the future, there are no major capital improvement initiatives scheduled.

Q: *What is the status of the recouping of the investment the City has made in the building purchased from the Dept. of Agriculture on Kale Road?*

A: We are looking for a sale or lease for the building, however there is nothing in place at this time. We are confident that we will be able to recover the city's investment upon leasing or sale of the building.

Q: *Have the new bridge maintenance cost issues been resolved?*

A: They are being sorted out. We are working with DOT and have been assured we will all feel good about resolving the matter prior to the City taking ownership of the bridge.

Rick stated that he had received numerous questions concerning the flooding that occurred in October on some of the Taberna streets. Rick then introduced Jordan Hughes, the New Bern City Engineer to discuss the issues and concerns the community has on flooding.

Mr. Hughes opened it to questions from the floor.

Q: *There are drains in Taberna streets: where do they drain to? Is there a storm water system that carries water away or do they merely drain into wetlands throughout Taberna?*

A: In Taberna it varies. The storm drains on the streets go to either catch basins and through open channels or open drainage ditches which eventually drain into Brices and Boleyn Creek. Luckily Taberna is new enough that its system design is far better than other systems that were placed 20 to 30 years ago.

Q: *I live at 125 Walden Road. All the storm water runs through a culvert from all of Walden Road and eventually drains through my backyard.*

A: The natural water course in your location may have been a bank of a stream at one time which is now a drainage area. What we experienced that week was a record rainfall which was 600% more than what we would normally average in a month. It is unlikely that that would occur very often.

Q: *There is a ditch at the end of Neuchatel, debris flows down the ditch and blocks drainage causing flooding in the area?*

A: That is a major problem for the City with storm drains – keeping them free of debris is one of the largest challenges for the City. What the community can do, for example, is during leaf collection season keep leaves out of the street and behind the curb for pick up will help prevent blockage of the drainage lines. We have increased maintenance in keeping major drainage points clear. A way residents can help out is keeping things out of the street and out of drainage lines.

Q: *Ticino and Walden have low area drainage areas that are filling up from silt.*

A: HOA needs to keep up with those structures, and is best handled with a community approach. We can help you with the limited resources we have. We can have an engineers have a look at the area and see if it needs to be brought back to proper grade.

Q: *I live in the Abbington Woods area on Neuchatel Road. There is a ditch area I've noticed the City weed wacked 3 to 4 times per year. This year I noticed that the area had only been done once.*

A: This goes back to funding and resources. Things this year are very tight and areas which may have been cleared 3 or 4 times may only be cleared once or twice. These issues are a problem. We appreciate the help residents provide in clearing these areas.

Q: *If there is significant road flooding which happened in October, cars cannot go through the flooded area. Can ambulances and fire trucks get through the flooded streets in cases of emergency?*

A: Fire Chief Aster responded to this question. He stated that the Fire Dept. will do everything it can to get through flooded areas. If we can't get our equipment through, we will send firemen in boats or on foot to rescue people.

Election of the 2011 Board:

There are three current Board members whose terms expire on December 31, 2010. They are: Linda Pickens, Willis Vincent and George McNulty.

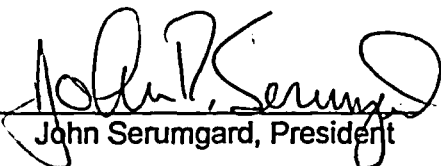
George McNulty introduced the slate of candidates for the 2011 Board which was included in the ballots distributed to all residents: They are: Chip Rice, Chris McCausland and Al Lefebvre. There were no nominations from the floor. By acclamation, the slate of candidates presented for the 2011 Board was approved.

Rick Layton thanked the members of the outgoing Board for their efforts in making the 2010 HOA Board a success. The newly elected members and the remaining Board members will meet directly after the adjournment of the Annual Meeting to elect officers for the coming year.

Phil Buffa provided an FYI update of the appeal process on home assessments, which required six months. The new tax bills are being sent out. Phil stated that due to the large number of residents in Taberna appealing their assessments, the County may be reassessing all properties in Taberna.

Rick then entertained a motion to adjourn the meeting; the motion was made and seconded the meeting adjourned at 8:10 pm.

Approved by the Board of Directors:

By: 
John Serumgard, President

1/5/2011
Date

**TABERNA HOMEOWNERS' ASSOCIATION
MINUTES OF THE BOARD MEETING
December 8, 2010**

A short meeting of the new Board was held after the Annual Meeting to elect Board officers for the 2011 term. Board members present were: Rick Layton, Jim Dugan, John Serumgard, Russ Packard, Chip Rice, Chris McCausland, and Al Lefebvre.

Election Results:

- President: John Serumgard
- Vice President: Russ Packard
- Treasurer: Jim Dugan
- Secretary: Chip Rice

By-law and Covenant Violations

Rick Layton agreed to handle these for the Board.

Meeting Schedule

It was agreed that the Board would continue to meet on the 1st Wednesday of the month at 5:30 at the HOA office.

Approved by the Board of Directors:

By: John Serumgard 1/5/2011
John Serumgard, President Date