



March Minutes – 2013

Minutes of Board of Directors Meeting
Taberna Master Homeowners Association, Inc.
March 26, 2013

Board Members Attending

James Dugan	President
Gene Sharer	Vice-President
Paul Tracewell	Treasurer
Craig Baader	Asst. Treasurer
Louise Vondran	Secretary
Nick D'Alessandro	Asst. Secretary
Joe Kelly	Member at Large

Committee Members Attending

Dick Turner
Joe Kelly
Sue McCarthy

CAS Attending

Brooke Baughn, Community Manager
John Stone, President

Call to Order

The meeting was called to order at 3:00 p.m. by James Dugan, President

Roll Call of Members Present

- A roll call conducted by Louise Vondran determined that a quorum was present

Minutes Review/Approval

- There were no objections or corrections to the February minutes. The following motion was approved by the Board:
MOTION to approve the February minutes as distributed
- It was determined that CAS no longer needs to provide copies of the minutes in their monthly package

Treasurer's Report

Paul Tracewell presented the following:

- 2/28/13 Operating Reports were submitted to the Finance Committee for review and approval
- Comments regarding Operating Reports included a discussion regarding the miscoding of account numbers with no definite conclusion as to how to prevent this from occurring in the future
- Inconsistent information regarding CD rates and early withdrawal penalties coming from CAS is causing confusion regarding investment strategy. John Stone requested that all correspondence regarding these issues be forwarded to him for further action. Paul Tracewell will forward the emails to John
- Bank accounts and bank reconciliations were reviewed in detail
- John Stone presented the following reasons for dealing with Alliance Bank:
 - They pay money market rates on their checking accounts

- Their embezzlement prevention is superior to the competition
- They have excellent electronic fraud protection
- Their bank rating ratio is considerably better than other banks
- They will match CD rates if a better rate is found elsewhere
- Their technology has been proven to be more accurate given their specialization in homeowners associations
- The Finance Committee developed a reimbursement form with associated guidelines for use. The following motion was approved by the Board:
 - MOTION to accept the expense reimbursement form and associated guidelines
- Paul Tracewell will email a PDF copy of the reimbursement form and guidelines to all Committee Chairs
- The following motion was approved by the Board:
 - MOTION to accept the Treasurer's Report

Manager's Report

John Stone took the floor to discuss two issues of importance to the THOA: Insurance and Contracts

- Three types of insurance are needed: Liability Coverage, Property Insurance and Directors and Officers Liability Insurance. Our current D&O coverage with Cincinnati appears to be inadequate. Brook Baughn is procuring quotes for us from CNA, Cincinnati and Philadelphia. Brooke will present quotes and options at the April meeting at which time the Board will address this issue for resolution
- A new contract resolving the issue of CAS vs. CAS Resort was signed and filed. All future contracts will be between the Taberna Master Homeowners Association and CAS, Inc.
- Paul Tracewell inquired as to whether account codes could be placed on checks. John Stone suggested we might want to participate in their Strong Room lockbox system as a possible solution
- Brook Baughn reported:
 - Activity on the two judgment issues is proceeding
 - There are currently 12 open covenant violations, six of which will be closed based on the latest site inspection
- A reminder addressing "common sense" courtesies regarding portable basketball courts and soccer nets could be mentioned as part of the President's Letter in the Taberna Tribune which would speak to the issues surrounding the discovery of these items during the most recent site inspection
- Missing shutters will begin to be recorded as part of routine site inspections

Architectural Control Committee Report

- Dick Turner reported that six new Miscellaneous Change Requests have been submitted
- Dick Turner will remind the builder of the house on Neuchatel Court to keep all their materials on the building property

Buildings & Grounds Committee Report

- Joe Kelly led a discussion of the proposals from Barnhill and S.J. Wooten for repaving the road leading into Taberna Landing. The following motion was approved by the Board:
MOTION to accept the bid from S.T. Wooten for \$29,310 which is approximately \$6,000 over budget. The HOA will cover the overrun and issue a special assessment to the affected property owners for the actual difference
- CAS will send a letter to the affected property owners communicating the upcoming paving activity and the need for the special assessment. Once the work is completed CAS will send these property owners an invoice reflecting the actual amount of the assessment to be paid within 90 days
- Joe Kelly brought the Board up-to-date regarding the Naturpark walkway. Two bids were discussed, one from NCSN Construction LLC for \$3475 and one from Joe DiBella for \$2750. The following motion was approved by the Board:
MOTION to accept the bid from NCSN Construction LLC and have Buildings & Grounds oversee this project
- Joe Kelly reported that the bushes that were installed to eliminate traffic between Sellhorn and Taberna were physically cut down to their bases and the "No Trespassing" sign was removed. Joe called in the police who reported that the people using this egress are indeed trespassing and could be cited if they are caught. Sue McCarthy reported that she has seen several of these trespassers and has alerted the police with descriptions. The Board decided to see what affect any police action will bring to bear. In the interim Joe Kelly will contact Fred Leonard to see if he can get permission to have Crime Watch personnel patrol the golf course on foot
- Joe Kelly presented a request from a homeowner on Ticino Court who wants to run a drain through a piece of landlocked THOA property in order to have water drained into a swale behind this property. The following motion was approved by the Board:
MOTION to allow the homeowner to install a drain through THOA property providing the contractor used provides adequate proof of insurance. Ongoing maintenance of this drain will be the responsibility of this homeowner
- Joe Kelly reported that pine bark will be used in all the common property islands instead of pine straw. Benefits include better drainage and fewer weeds and will not result in any additional costs
- Joe Kelly would like to do an initial cleanup of a piece of common property on Emmen Road not currently being maintained due to an oversight. This cleanup will be paid from the existing Buildings & Grounds budget this year and the property will be added to the ongoing maintenance contract next year
- The question was raised as to whether permission is needed to hold events in Todd Densen Park. There are currently no restrictions regarding the use of this park by Taberna residents. Joe Kelly also reported that a property owner called him to report that they were responsible for a broken swing in the park and were having it replaced at their own expense.

Crime Watch Committee

- Sue McCarthy reported that she was approached by Denny Bucher regarding having Taberna participate in the August 6th National Night Out. Sue has received permission from the owner of the property on the corner of Taberna Way and Teufen Road to use his property for this event. She will ascertain whether the property owner's insurance is sufficient to cover this event
- An article will be placed in the Taberna Tribune and a call put out on TabMail for help in planning this event
- The following motion was approved by the Board:
 MOTION to have the grass cut in preparation for this event and to support the Crime Watch committee in this endeavor

Website

Jim Dugan reported that Russ Packard is looking into what would be involved in having issues of the Taberna Tribune hosted on our existing website.

Unfinished Business

- The updated Management Agreement, Attorney Agreement and all past copies of approved Board meeting minutes were signed
- Craig Baader suggested that we publicize the issue of wetlands management via an article in the Taberna Tribune. He will draft a communication and circulate it to the Board members for comment
- The new City list of landscaping violations includes several THOA common properties. Joe Kelly will insure that these violations are addressed

New Business

- Paul Tracewell suggested that whenever Committee Chairs are present that the agenda be revised so that their presentations come first

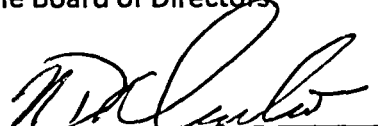
Announcements

The next meeting is scheduled for 3:00 p.m. Tuesday, April 23, 2013

Adjournment

The meeting was adjourned at 5:50 p.m.

Approved by the Board of Directors:

Submitted by: 
 Nick D'Alessandro, Asst. Secretary

Approved by: 
 James Dugan, President

Date: 4-23-13

Date: 23 APRIL 2013



Taberna Master Homeowners Association, Inc.

Monthly Board of Directors Meeting

Tuesday, March 26, 2013

Agenda

- Call to order (3:00 pm):** James Dugan, President
- Roll call of members present:** Louise Vondran, Secretary
- Establish a quorum
 - Introduction of others present
- Minutes of last meeting:** Louise Vondran, Secretary
- Officer and Community Manager reports:**
- Treasurer's Report Paul Tracewell, Treasurer
 - Manager's Report
 - CAS Presentation John Stone, President, CAS
 - Brooke Baughn, Community Manager
 - New contact information
 - Covenant enforcement activity
 - Status of liens, judgments, and payments
 - HOA Insurance Policies
- Committee reports:**
- Architectural Control Committee Richard Turner, Chair
 - Building and Grounds Committee Joe Kelly, Chair
 - Taberna Landing Roadwork
 - Naturpark Boardwalk Project
 - Resolution of Sellhorn Requests
 - Finance Committee Craig Baader, Chair
 - Naturpark Committee Ren Klawson, Chair
 - Crime Watch Committee Sue McCarthy, Chair
 - Proposed Crime Watch Event at Taberna
 - Website Russ Packard, Webmaster
- Special orders – (Important business previously designated for consideration at this meeting):**
- Unfinished business:**
- Signing of updated Management Agreement, Attorney Agreement, and Approved Minutes
 - Wetlands discussion
 - City's list of landscaping violations around electrical equipment
- New business:**
- TBD
- Announcements:**
- Confirm Next Meeting: 3:00 pm, Tuesday, April 23, 2013
- Adjournment:**



February Minutes – 2013

Minutes of Board of Directors Meeting
Taberna Master Homeowners Association, Inc.
February 26, 2013

Board Members Attending

James Dugan	President
Gene Sharer	Vice-President
Paul Tracewell	Treasurer
Craig Baader	Asst. Treasurer
Louise Vondran	Secretary
Nick D'Alessandro	Asst. Secretary
Joe Kelly	Member at Large

Committee Members Attending

Dick Turner
Ren Klawson
Joe Kelly

CAS Attending

Katie Patnode, Community Manager
Brooke Baughn

Guests Attending

Adam Beaudoin, Ward and Smith, PA
Alex Dale, Ward and Smith, PA
Erik Remington, Ward and Smith, PA

Presentation

Katie Patnode introduced the guests from the law firm Ward and Smith, PA. The three attorneys then introduced themselves and informed the Board of their firm's property management capabilities. Over the next 30 minutes a variety of questions were posed by members of the Board and a general discussion ensued

Call to Order

The meeting was called to order at 3:30 p.m. by James Dugan, President

Roll Call of Members Present

- A roll call conducted by Louise Vondran determined that a quorum was present

Minutes Review/Approval

There were no objections or corrections to the January minutes. The following motion was approved by the Board:

MOTION to approve the January minutes as distributed

Treasurer's Report

Paul Tracewell presented the following:

- 1/31/13 Operating Reports were submitted to the Finance Committee for review and approval
- Bank accounts and bank reconciliations were reviewed in detail

- CAS has obtained current insurance certificates for all landscape contractors, copies of which are on file in the HOA office
- The Finance Committee is reviewing and will recommend a form and authorization levels for reimbursement of expenses

Manager's Report

Katie Patnode reported:

- There are currently 18 active covenant violations
- There will be a \$200 fee to research assets of the property owner with the \$2900 outstanding receivables balance. The following motion was approved by the Board:
MOTION to research the assets of the property owner and activate the existing Judgment if warranted by the results of the search
- A discussion regarding attorney representation took place. The following motion was approved by the Board:
MOTION to complete all outstanding activity with current attorneys and then transfer all future business to Ward and Smith, PA
- Brooke Baughn will take over as Community Manager effective March 15th. She should be included in all emails beginning immediately

Architectural Control Committee Report

Dick Turner reported:

- A building application has been approved for a new property on Neuchatel Court. Work has commenced
- A prospective property owner for a property on St. Gallen Court inquired as to whether he could install an Invisible Fence on Association property. The following motion was approved by the Board:
MOTION to allow said buyer to install an Invisible Fence in the easement area of that lot provided that the fencing contractor provide a certificate of comprehensive insurance and workman's compensation insurance

Buildings & Grounds Committee Report

- Joe Kelly discussed proposals he received from Barnhill and S.J. Wooten for repaving the road leading into Taberna Landing. During the discussion it was reported that there was once the possibility for the City to take over responsibility for this private road. Action on these bids was postponed until Joe pursues whether this is indeed a possibility
- Upon his research with the City, Joe reported that the City agrees to fix the swale on Taberna Way west of Taberna Circle if the THOA will pay for the grass. Joe will find out what this would cost and present it to the Board for consideration
- A request was submitted from a property owner in Sellhorn whose property backs up to a landlocked piece of THOA property. He is clearing his backyard and wants to know if he can clear some THOA property as well. The following motion was approved by the Board:
MOTION to deny the request to clear any property belonging to the THOA

Finance Committee Report

- The following was motion approved by the Board:
MOTION to approve new Finance Committee members as follows: Bill Johnson, Tom Morton and Dan Walczak
- The committee met on February 14th at which time Paul Tracewell brought them up-to-date on all issues regarding the treasury
- The committee approved the December financials

Naturpark Committee

Ren Klawson presented the results of three bids for building the additional walkway along the Naturpark trail. The costs were \$2,700, \$4,475 and \$9,000. In order to take advantage of the lowest bid he presented the following three proposals regarding the hiring of contractors without Workman's Compensation insurance:

- Have our attorney confirm the Insurance Center commercial department interpretation that the THOA is not liable for damages as the NC statues only require comp insurance for businesses with 3 or more employees
- Consider an annual THOA purchase of comp & liability insurance for good contractors w/o insurance, etc.
- Consider working uninsured contractors through CAS as they already carry workman's comp and liability insurance

While the Board consensus is that all workers on THOA managed properties be properly insured it was determined that this issue be tabled until the March meeting in order to give Brooke Baughn and Joe Kelly time to pursue additional options for moving ahead with this construction

Special Orders

Jim Dugan presented an updated list of Board of Directors, Officers, & Committees which included the new members of the Finance Committee. The following motion was approved by the Board:

MOTION to approve the updated list of Board of Directors, Officers, & Committees as presented

Unfinished Business

- An order for additional keys to the filing cabinets in the THOA office is on hold until serial numbers are located. These numbers were located and the order will be placed
- CAS, Inc. has agreed to do business with THOA solely in the name of CAS, Inc. The following as approved by the Board:

MOTION to have all contracts with CAS in the name of CAS, Inc. and not CAS Resort

Announcements

The next meeting is scheduled for 3:00 p.m. Tuesday, March 26, 2013.

Adjournment

The meeting was adjourned at 5:35 p.m.

Approved by the Board of Directors:

Submitted by: _____
Louise Vondran, Secretary

Approved by: _____
James Dugan, President

Date: _____

Date: _____

TREASURER'S REPORT

BOARD MEETING – March 26, 2013

OPERATING REPORTS: 2/28/13 Operating reports were submitted by CAS to all board members for review. These reports have been submitted to the Finance Committee for their review and approval. Any identified corrections or areas requiring further analysis were communicated to CAS by the Treasurer. A recap of the Income Statement is attached for your review.

Comments regarding Operating reports:

Account Numbers:

We are again requesting that CAS change the account numbers for the sub-communities to match the GIS numbers. This was done for the Taberna Master accounts but not for the other communities.

Expenses:

Taberna Master: Expenses are being managed within the overall budget through February. A duplicate transfer of the \$8000 to the Emergency Fund was identified in February and communicated to CAS with the correcting entry not being completed until March 5th.

Taberna Landing – Landscaping expense exceeds budget due their December invoice being paid in January and the pine straw being completed a month prior to being budgeted.

All other communities are within budget.

Accounts Receivable:

- Taberna Master – 21,910.86 – Prior Year(s) - 5,325.86 (5 accts. at Attorney – 6,742.50)
- Abb. Woods - 2,130.50 - Prior Year(s) - 320.00 (1 account at Attorney - 560.00)
- Boleyn Creek - 1,335.00 - Prior Year(s) - 610.00
- O.T.W. - 4,085.00 - Prior Year(s) - 3105.00 (1 acct. at Attorney - \$3,595.00)
- Tab. Landing - -0- Prior Year(s) - -0-

Total	<u>29,461.36</u>	<u>9,360.86</u>
Last Month (1/31/13)	51,109.01	10,435.86
Last Year (2/28/12)	25,990.50	6,985.50

Collections to date in March: TM- 7544. AW – 1450. BC – 420. OTW. – 1840 T/L - 250.

BANK ACCOUNTS: See attached financial report for account balances as of 2/28/13. Alliance Financial Services (Bank of Nevada) is the primary operating account – We also have added an account with their Torrey Pines Bank for the Master Operating Fund so we don't exceed the \$250,000 FDIC amount at any one institution. Funds in this account will be transferred back to the Bank of Nevada operating account as needed to meet monthly obligations. North State Bank holds operating CD's for Taberna Master Operating and reserve accounts for the master and all sub communities except Taberna Landing. BB&T holds reserve CD's for OTW & Taberna Landing. Vantage South Bank also holds reserve CD's. Money market balances in Scott & Stringfellow accounts have been transferred to the Alliance Bank reserve accounts during March. The market CD's at S&S will be converted as they mature. Taberna Landing reserve balances will remain in money market funds due to the planned repaving this spring. All individual bank balances are under the \$250,000 FDIC insured amount. All of Taberna's investments are in FDIC insured CD's or money market accounts.

BANK RECONCILEMENT: See attached reconciliation of bank balances to ledger balances as of 2/25/13.

FUTURE CD PURCHASES: Issues with rates and early withdrawal penalties. Recommendations on the best way to proceed. See attached Investment spreadsheet and recap of maturity dates.

EMERGENCY FUND: With the 8,000 transfer to the emergency fund in January, the balance now stands at 42,064. The remaining 8,000 is scheduled for the 2014 budget. This will bring the fund back to the established goal of 50,000.

HOA INVOICES: As of 3/26/13, all received invoices have been submitted to CAS for processing.

PAYMENT AUTHORIZATION PROCEDURES: The payment authorization guidelines and form have been completed and are being presented at this meeting to the Board for approval.

INSURANCE CERTIFICATES – CAS has obtained current insurance certificates for all landscape contractors. Not all contain Workmen's Comp insurance. Copies are on file at the HOA office.

2012 TAX RETURN: The 2012 Tax Return was completed by the firm of Walker, Rodeniser & Welch LLP and a copy will be placed on file. No taxes were due.

THOA BANK ACCTS.	INSTITUTION	TYPE ACCT.	MASTER	EMERG.	AB. WOODS	B. CREEK	O.T.W.	T. LANDING	TOTAL
2/28/2013									
	ALLIANCE FINANCIAL(BANK OF NEVADA)	OPERATING	\$14,104.67	\$0.00	\$17,817.29	\$5,214.58	\$3,678.63	\$1,591.68	\$42,406.85
	ALLIANCE FINANCIAL (IN TRANSIT)		\$8,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,000.00
	LESS OUTSTANDING CHECKS	OPERATING	(\$619.37)	\$0.00	\$0.00	\$0.00	\$0.00	(\$265.00)	(\$884.37)
	LESS TRANSFER TO RESERVES		(\$18.77)	\$0.00	(\$0.07)	(\$0.03)	(\$0.73)	(\$0.91)	(\$20.51)
	ALLIANCE FINANCIAL (TORREY PINES BANK)	OPERATING	\$140,017.26	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$140,017.26
	NORTH STATE BANK	OPERATING	\$60,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$60,000.00
	SMARTSTREET	OPERATING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL OPERATING		\$221,483.79	\$0.00	\$17,817.22	\$5,214.55	\$3,677.90	\$1,325.77	\$249,519.23
	BB&T	RESERVE	\$0.00	\$0.00	\$0.00	\$0.00	\$8,836.50	\$5,163.33	\$13,999.83
	NORTH STATE BANK	RESERVE	\$60,000.00	\$15,000.00	\$10,000.00	\$1,500.00	\$20,000.00	\$0.00	\$106,500.00
	SCOTT & STRINGFELLOW	RESERVE	\$49,654.54	\$11,107.64	\$10,122.39	\$4,043.79	\$30,266.03	\$3,020.40	\$108,214.79
	LESS UNREALIZED GAIN	RESERVE	(\$86.90)	(\$16.72)	(\$22.70)	(\$7.10)	(\$78.45)	(\$10.30)	(\$222.17)
	VANTAGE SOUTH BANK	RESERVE	\$18,000.00	\$7,500.00	\$4,000.00	\$0.00	\$13,000.00	\$0.00	\$42,500.00
	ALLIANCE FINANCIAL(BANK OF NEVADA)	RESERVE	\$2,690.71	\$16,472.28	\$987.79	\$747.11	\$996.63	\$16,119.31	\$38,013.83
	TRANSFER FROM OPERATING TO RESERVES	RESERVE	\$18.32	\$0.45	\$0.07	\$0.03	\$0.73	\$0.91	\$20.51
	ALLIANCE FINANCIAL- IN TRANSIT	RESERVE	\$0.00	(\$8,000.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$8,000.00)
	TOTAL RESERVES		\$130,276.67	\$42,063.65	\$25,087.55	\$6,283.83	\$73,021.44	\$24,293.65	\$301,026.79
	TOTAL FUNDS		\$351,760.46	\$42,063.65	\$42,904.77	\$11,498.38	\$76,699.34	\$25,619.42	\$550,546.02
2013	LEDGER VS. BANK BAL								
2/28/2013		TABERNA	ABBINGTON	BOLEYN	ONE TABERNA	TABERNA		TOTALS	
		MASTER	WOODS	CREEK	WAY	LANDING			
	BEGINNING LEDGER BAL.	\$220,097.98	\$19,110.63	\$5,594.65	\$5,453.29	\$1,218.16		\$251,474.71	
	REVENUE	\$52,409.96	\$6,834.46	\$1,075.43	\$13,301.34	\$521.02		\$74,142.21	
	EXPENSES	(\$51,024.15)	(\$8,127.87)	(\$1,455.53)	(\$15,076.73)	(\$413.41)		(\$76,097.69)	
	ENDING LEDGER BALANCE	\$221,483.79	\$17,817.22	\$5,214.55	\$3,677.90	\$1,325.77		\$249,519.23	
	NORTH STATE BANK	\$60,000.00	\$0.00	\$0.00	\$0.00	\$0.00		\$60,000.00	
	ALLIANCE BANK (BANK OF NEVADA)	\$14,104.67	\$17,817.29	\$5,214.58	\$3,678.63	\$1,591.68		\$42,406.85	
	ALLIANCE BANK (TORREY PINES BANK)	\$140,017.26	\$0.00	\$0.00	\$0.00	\$0.00		\$140,017.26	
	DEPOSITS IN TRANSIT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
	LESS OUTSTANDING CKS.	(\$619.37)	\$0.00	\$0.00	\$0.00	(\$265.00)		(\$884.37)	
	TRANSFERS IN TRANSIT	\$7,981.23	(\$0.07)	(\$0.03)	(\$0.73)	(\$0.91)		\$7,979.49	
	ENDING BANK BALANCE	\$221,483.79	\$17,817.22	\$5,214.55	\$3,677.90	\$1,325.77		\$249,519.23	

INCOME STATEMENT YTD	2/28/2013	MASTER	EMERG.	AB.WOODS	B.CREEK	O.T.W.	T.LANDING	TOTAL
TOTAL REVENUE		\$215,378.77		\$12,892.86	\$4,700.81	\$7,281.05	\$1,500.24	\$241,753.73
BUDGETED REVENUE		\$211,698.32		\$12,400.00	\$4,600.00	\$7,200.00	\$1,500.00	\$237,398.32
TOTAL EXPENSES		\$47,015.26		\$8,017.79	\$2,896.89	\$4,186.47	\$1,362.98	\$63,479.39
BUDGETED EXPENSES		\$49,982.42		\$8,243.34	\$3,044.32	\$4,925.34	\$978.32	\$67,173.74
NET INCOME/(LOSS)		\$168,363.51		\$4,875.07	\$1,803.92	\$3,094.58	\$137.26	\$178,274.34
ACCTS. RECEIVABLE OUTSTANDING (INCLUDES LATE FEES)	2/28/2013	\$21,910.86		\$2,130.50	\$1,335.00	\$4,085.00	\$0.00	\$29,461.36
ACTUAL NET INCOME/(LOSS)		\$146,452.65		\$2,744.57	\$468.92	(\$990.42)	\$137.26	\$148,812.98

TREASURER'S REPORT - INVESTMENTS

INVESTMENT ACCOUNTS	AS OF	NUMBER	TERM	ISSUE DATE	MAT. DATE	INT. RATE	T. MASTER OPERATING	T. MASTER RESERVE	T. EMERG RESERVE	AB. WOODS RESERVE	B. CREEK RESERVE	O.T.W. RESERVE	T. LANDING RESERVE	TOTAL ALL	EARLY W/D PENALTY
CERTIFICATES OF DEPOSIT															
BB&T	2/28/2013	CD 7087	28 M	1/16/2012	5/16/2014	0.300%						\$8,836.50			
BB&T		CD 7095	28 M	1/16/2012	5/15/2014	0.300%							\$5,163.33		
LESS UNREALIZED GAIN												(\$17.64)	(\$10.30)		
TOTAL BB&T CD'S							\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,818.86	\$5,153.03	\$13,971.89	
NORTH STATE BANK		CD 7191	48 M	5/25/2012	5/25/2016	1.790%	\$20,000.00								90 DAYS
NORTH STATE BANK		CD 7192	48 M	5/25/2012	5/25/2016	1.790%	\$20,000.00								90 DAYS
NORTH STATE BANK		CD 7193	48 M	5/25/2012	5/25/2016	1.790%	\$20,000.00								90 DAYS
NORTH STATE BANK		CD 7501	48 M	10/18/2012	10/18/2016	1.090%		\$20,000.00							90 DAYS
NORTH STATE BANK		CD 7502	48 M	10/18/2012	10/18/2016	1.090%		\$20,000.00							90 DAYS
NORTH STATE BANK		CD 7503	48 M	10/18/2012	10/18/2016	1.090%		\$10,000.00							90 DAYS
NORTH STATE BANK		CD 7504	48 M	10/18/2012	10/18/2016	1.090%		\$10,000.00							90 DAYS
NORTH STATE BANK		CD 7505	48 M	10/18/2012	10/18/2016	1.090%			\$5,000.00						90 DAYS
NORTH STATE BANK		CD 7506	48 M	10/18/2012	10/18/2016	1.090%			\$5,000.00						90 DAYS
NORTH STATE BANK		CD 7507	48 M	10/18/2012	10/18/2016	1.090%			\$5,000.00						90 DAYS
NORTH STATE BANK		CD 7508	48 M	10/18/2012	10/18/2016	1.090%				\$10,000.00					90 DAYS
NORTH STATE BANK		CD 7509	48 M	10/18/2012	10/18/2016	1.090%					\$1,500.00				90 DAYS
NORTH STATE BANK		CD 7510	48 M	10/18/2012	10/18/2016	1.090%						\$10,000.00			90 DAYS
NORTH STATE BANK		CD 7511	48 M	10/18/2012	10/18/2016	1.090%						\$10,000.00			90 DAYS
TOTAL NORTH STATE CD'S							\$60,000.00	\$60,000.00	\$15,000.00	\$10,000.00	\$1,500.00	\$20,000.00	\$0.00	\$166,500.00	
SCOTT & STRINGFELLOW		02587DFTD	24 M	11/3/2011	11/4/2013	1.150%		\$15,068.10							N/A
SCOTT & STRINGFELLOW		02005QXQ1	24 M	11/16/2011	11/18/2013	1.150%		\$4,018.80							N/A
SCOTT & STRINGFELLOW		36159SYK1	24 M	5/6/2011	5/6/2013	0.950%			\$8,008.08						N/A
SCOTT & STRINGFELLOW		38143AHD0	24 M	1/18/2012	1/21/2014	1.050%			\$2,008.64						N/A
SCOTT & STRINGFELLOW		0258DFTD	24 M	11/3/2011	11/4/2013	1.150%				\$5,022.70					N/A
SCOTT & STRINGFELLOW		254670S45	24 M	8/31/2011	9/3/2013	0.900%					\$1,002.40				N/A
SCOTT & STRINGFELLOW		02005QXQ1	24 M	11/16/2011	11/18/2013	1.150%					\$1,004.70				N/A
SCOTT & STRINGFELLOW		254670P48	24 M	8/17/2011	8/19/2013	0.850%						\$2,003.84			N/A
SCOTT & STRINGFELLOW		254670S45	24 M	8/31/2011	9/3/2013	0.900%						\$5,012.00			N/A
SCOTT & STRINGFELLOW		02005QXQ1	24 M	11/16/2011	11/18/2013	1.150%						\$3,014.10			N/A
SCOTT & STRINGFELLOW		02587DHF8	24 M	11/23/2011	11/25/2013	1.100%						\$7,030.87			N/A
LESS UNREALIZED GAIN								(\$86.90)	(\$16.72)	(\$22.70)	(\$7.10)	(\$60.81)	\$0.00		
TOTAL S&S CD'S								\$19,000.00	\$10,000.00	\$5,000.00	\$2,000.00	\$17,000.00	\$0.00	\$53,000.00	
VANTAGE SOUTH BANK		*09-1	48M	2/15/2013	2/15/2017	1.050%		\$10,000.00							60-90-360 DAYS
VANTAGE SOUTH BANK		*89-1	48M	2/15/2013	2/15/2017	0.990%		\$8,000.00							60-90-360 DAYS
VANTAGE SOUTH BANK		*77-1	48M	2/15/2013	2/15/2017	0.990%			\$5,000.00						60-90-360 DAYS
VANTAGE SOUTH BANK		*72-1	48M	2/15/2013	2/15/2017	0.990%			\$2,500.00						60-90-360 DAYS
VANTAGE SOUTH BANK		*23-1	48M	2/15/2013	2/15/2017	0.990%				\$4,000.00					60-90-360 DAYS
VANTAGE SOUTH BANK		*27-1	48M	2/15/2013	2/15/2017	0.990%					\$5,000.00				60-90-360 DAYS
VANTAGE SOUTH BANK		*95-1	48M	2/15/2013	2/15/2017	0.990%					\$5,000.00				60-90-360 DAYS
VANTAGE SOUTH BANK		*17-1	48M	2/15/2013	2/15/2017	0.990%					\$3,000.00				60-90-360 DAYS
TOTAL VANTAGE SOUTH CD'S								\$18,000.00	\$7,500.00	\$4,000.00	\$0.00	\$13,000.00	\$0.00	\$42,500.00	
MONEY MARKET ACCTS.															
SCOTT & STRINGFELLOW		M/M					\$0.00	\$30,567.64	\$1,090.92	\$5,099.69	\$2,036.69	\$13,205.22	\$3,020.40	\$55,020.56	
ALLIANCE		M/M					\$0.00	\$2,690.71	\$16,472.28	\$987.79	\$747.11	\$996.63	\$16,119.31	\$38,013.83	
ALLIANCE - IN TRANSIT							\$0.00	\$18.32	(\$7,999.55)	\$0.07	\$0.03	\$0.73	\$0.91	(\$7,979.49)	
TOTAL RESERVE							\$0.00	\$130,276.67	\$42,063.65	\$25,087.55	\$6,283.83	\$73,021.44	\$24,293.65	\$301,026.79	
TOTAL OPERATING							\$60,000.00							\$60,000.00	
GRAND TOTAL														\$361,026.79	

CD'S BY MATURITY DATE	2013												2014	2015	2016	2017
	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC				
RESERVE ACCOUNTS:																
TABERNA MASTER		1,000									19,000				60,000	18,000
TAB. EMERGENCY FUND					8,000								2,000		15,000	7,500
ABBINGTON WOODS		3,000									5,000				10,000	4,000
BOLEYN CREEK		2,000							1,000		1,000				1,500	
ONE TABERNA WAY		10,000						2,000	5,000		10,000		8,836		20,000	13,000
TABERNA LANDING													5,163			
OPERATING ACCTS:																
TABERNA MASTER OPR.	2,000	1,000													60,000	
TOTAL	2,000	17,000	0	0	8,000	0	0	2,000	6,000	0	35,000	0	15,999	0	166,500	42,500

Violations Report - 3/21/13

Address	Owner Name	Summary	Create Date	CCR Code	Active
NEUCHATEL COURT					
211 NEUCHATEL COURT	LEE & DIANE DUNN	Property maintenance	1/15/2013	006	YES
NEUCHATEL ROAD					
427 NEUCHATEL ROAD	EARNEST & LUCILLE THOMAS	Signs	3/21/2013	008	YES
NYDEGG ROAD					
206 NYDEGG ROAD	QIAN TONG ZHONG	Basketball, Picnic Bench, Yard	1/16/2012		YES
206 NYDEGG ROAD	QIAN TONG ZHONG	Basketball Goal and Picnic Table	2/10/2012	003	YES
206 NYDEGG ROAD	QIAN TONG ZHONG	Yard Maintenance	4/3/2012	005	YES
206 NYDEGG ROAD	QIAN TONG ZHONG	Yard Maintenance	7/16/2012	005	YES
206 NYDEGG ROAD	QIAN TONG ZHONG	Yard Maintenance	8/1/2012	005	YES
206 NYDEGG ROAD	QIAN TONG ZHONG	Yard Maintenance	8/31/2012	005	YES
216 NYDEGG ROAD	SEAN P AND PAULA A MCELHENNON	Boats, Trailers, etc.	3/21/2013	001	YES
216 NYDEGG ROAD	SEAN P AND PAULA A MCELHENNON	Boats, Trailers, etc.	2/27/2013	001	YES
NYON ROAD					
118 NYON ROAD	JESSE & JUDY TEGTMEIER	Property maintenance	3/21/2013	006	YES
USTER COURT					
105 USTER COURT	FREDERICK & LISA MERCIER	Property maintenance	3/19/2013	006	YES

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT, made this March _____, 2013 by and between Taberna Master Homeowners Association, Inc., a North Carolina non-profit corporation, hereinafter called "ASSOCIATION", and Community Association Services, Inc., a North Carolina corporation, hereinafter called "MANAGER";

WITNESSETH

WHEREAS, ASSOCIATION is the incorporated association of owners of lots in the Taberna subdivision, located in New Bern, Craven County, North Carolina (hereinafter called the "Subdivision"), and is the owner of certain common areas, including, without limitation, green spaces, bicycle trails and buffer areas (hereinafter collectively called the "Property"); and

WHEREAS, ASSOCIATION, is authorized to appoint a manager or managing agent to manage the Property and to supervise the maintenance of the Property, and

WHEREAS, ASSOCIATION, on behalf of the Owners, desires to employ MANAGER to manage the Property, and MANAGER desires to be employed to manage the Property;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto do enter into this Management Agreement and do mutually agree as follows:

1. APPOINTMENT.

ASSOCIATION hereby appoints MANAGER as the exclusive managing agent of the Property at the Direction of the Board of the Association (the "Board") and MANAGER does hereby accept appointment on the terms and conditions hereinafter provided. All subsequent references to MANAGER shall include its officers, directors, shareholders, employees and agents. Everything done by MANAGER under the provisions of this Agreement shall be done as an agent for the ASSOCIATION, and all obligations or expenses incurred hereunder shall be for the account, on behalf, and at the expense of the ASSOCIATION. Any payments to be made by MANAGER hereunder shall be made out of such sums as are available in the accounts of ASSOCIATION. MANAGER shall not be obliged to make any advance to or for the account of the ASSOCIATION or to pay any sum, except out of funds held or provided as aforesaid, nor shall MANAGER be obliged to incur any liability or obligation for the account of the ASSOCIATION without assurance that the necessary funds for the discharge thereof will be provided.

2. TERM.

Unless sooner terminated, as elsewhere herein provided, this Agreement shall be in effect for two year beginning on January 1, 2013, and ending at twelve midnight on December 31, 2014, and shall automatically renew for successive annual periods unless sooner terminated by either party as provided for in this contract.

3. RESPONSIBILITY, POWER AND DUTIES OF MANAGER.

The role of the MANAGER is to implement the decisions and the policy established by the Board. The Board has control of and over all common areas and amenities and is responsible for the administration of the programs, services, and activities of the ASSOCIATION as established in the ASSOCIATION's legal documents, the restrictive covenants applicable to the Subdivision (the "Declaration"), and as amplified or clarified by resolution of the ASSOCIATION, and by the Planned Community Act in the General Statutes of North Carolina (the "Act").

MANAGER, at the direction of the Board, shall be authorized to perform all services necessary for the management of the Property as set down in the Association's legal documents and annual budget. MANAGER's objectives may include the following:

a. Confer. Confer freely and fully with ASSOCIATION officers, Board and its duly appointed committees, during normal business hours, in connection with the performance of its duties and at monthly Board meetings, or at other times as may be so agreed to by the parties.

b. Collect Charges. Take reasonable action to attempt to collect all regular and special charges and assessments and monies and debts of every nature and description which may become due ASSOCIATION and contract with legal counsel approved by ASSOCIATION to take any legal action which may be required to collect same, at the expense of ASSOCIATION, but shall initiate legal action only with

prior approval of ASSOCIATION'S Board. The separate dues for the communities within Taberna which maintain supplemental community budgets (Abbingtion Woods, Boleyn Creek Villas, One Taberna Way and Taberna Landing) will be billed quarterly. The Master Association dues will be billed annually.

MANAGER shall send late notices to individual owners as directed by the Board. Collection procedures for delinquent assessments shall proceed at the direction of the Board pursuant to the authorization in the ASSOCIATION'S documents and the Act. MANAGER is authorized to collect late fees and interest on dues as permitted by the restrictive covenants of the Property and the Act.

MANAGER shall deposit all receipts collected from the individual owners or other sources for ASSOCIATION in ASSOCIATION'S Bank of record in accounts in the name of ASSOCIATION. MANAGER shall maintain different depository accounts for each community within Taberna which maintains a supplemental community budget (Abbingtion Woods, Boleyn Creek Villas, One Taberna Way and Taberna Landing). MANAGER shall select the bank with approval of the ASSOCIATION. MANAGER may receive credit card payments in a common account, but shall promptly transfer ASSOCIATION payments to ASSOCIATION'S main depository account. MANAGER shall establish the number and type of accounts as is directed by ASSOCIATION, and shall allocate receipts of ASSOCIATION among those accounts as directed by ASSOCIATION. The accounts may include accounts for specific reserves which shall be kept separately from operating funds of the ASSOCIATION.

MANAGER shall reconcile ASSOCIATION'S bank accounts monthly. However, MANAGER shall not be held liable in the event of bankruptcy or failure of such depository, provided such depository is approved by ASSOCIATION.

c. Repairs and Maintenance. Use diligence in the management of the Property and (assuming adequate ASSOCIATION funds are available) perform the services set forth herein to promote the health, safety, and welfare of the owners and the Property, and ASSOCIATION hereby gives to MANAGER the following authority and powers and agrees to assume the expenses and responsibility in connection therewith:

MANAGER shall cause the Property, including any improvements thereon, to be maintained and repaired in accordance with the standards established by the Board, pursuant to the Declaration and By-Laws, at the expense of ASSOCIATION. The same shall include but not be limited to grounds maintenance, cleaning of common areas, and such other ordinary maintenance and repair work to common areas and facilities as may be necessary or found desirable by ASSOCIATION. For any one item of repair, replacement, or refurbishing, the aggregate expense incurred shall not exceed the sum of \$2000, unless authorized by the Annual Budget or the Board, excepting emergency repairs involving manifest danger to persons or property immediately necessary for the preservation and safety of the Property or the safety of persons, or required to avoid the suspension of any essential service to the Property. MANAGER has the authority, but not the obligation, to deal with emergencies within a reasonable time of becoming aware of the situation. MANAGER shall not, however, be responsible for taking any action unless directed to do so by the Board, and in all circumstances MANAGER must be given a reasonable time to do so.

In order to accomplish the foregoing, MANAGER shall have the right to use the easement or right of ASSOCIATION for unobstructed access over and upon each lot at all reasonable times, provided that MANAGER stays within the bounds of such easement(s) and within the terms or provisions of such easement(s). MANAGER and its Contractors, or the equivalent shall make a reasonable effort to provide advanced notice to homeowners whenever access to a common area via the homeowner's lot becomes necessary for a significant length of time.

MANAGER shall not be responsible for performing any maintenance or repairs on individual homes or townhomes, only on common areas.

d. Laws. At the direction of the BOARD, take such action as may be necessary to comply with all laws, statutes, ordinances, regulations, rules, and requirements of all governmental authorities applicable to the Property. MANAGER shall notify ASSOCIATION and its attorney promptly after receipt of any notice of any order or requirements placed upon the Property by such governmental authority.

e. Purchase. Unless contemplated by the Annual Budget, MANAGER shall make no major purchases of equipment, tools, supplies, and materials unless directed by the President or Board to do so. Purchases should be made in the name of the ASSOCIATION.

f. Services. At the direction of or as authorized by the Board, enter into contracts in the name of, and at the expense of, ASSOCIATION for items such as electricity, gas, water/sewer services, landscaping, telephone, pest control, janitorial, or other services as shall be necessary or desirable for the purposes of this Agreement. No such contract shall have a term of more than one year, without the approval of the Board, and any such contract requiring annual payments significantly in excess of amounts provided in the current operating budget for such services must be approved by the Board. Contractors shall be required to provide

confirmation they are insured and provide their own workman's compensation insurance, and, if applicable, are licensed by the appropriate governing body for their specialty. MANAGER is not entitled to any markup on employees, contracts, purchases and services unless agreed to in advance by BOARD.

MANAGER shall obtain bids at the request of Board for contracts, which ASSOCIATION desires to enter into for significant (> \$2000 per contract or in the aggregate for multiple contracts for the same project or task) labor and services. MANAGER shall not be required to obtain bids for routine maintenance or items of reasonable cost contemplated by the approved Annual Budget. Investigating, reporting, and following-up on payment of insurance claims as directed by the ASSOCIATION shall be subject to the \$45 per hour non-routine administrative charge as described hereinbelow, which shall be regarded as part of the loss and be included in the claim. ASSOCIATION will continue to be obligated upon any contract entered into in the event of termination of this Agreement with MANAGER.

MANAGER shall have no obligation to oversee employees of ASSOCIATION, unless specifically agreed upon between MANAGER and ASSOCIATION with such agreement being attached as an addendum to this agreement. Contractors shall provide their own supervision as deemed necessary during the performance of their duties.

g. **Manager's Records.** Set up and keep in good order a separate, accurate and full set of financial records sufficient in accordance with the prevailing accounting standards to identify the source of all funds collected by MANAGER and their disbursement, and maintain orderly files containing records of common charges and payment thereof, including assessment payment records of individual homeowners, insurance policies, correspondence, an up-to-date registry of homeowners, receipted bills and vouchers, and all documents, contracts, and papers pertaining to the operation of the Property, and the same shall be and shall at all times remain the property of the ASSOCIATION, and MANAGER shall upon request of Board, make same available to the ASSOCIATION, the ASSOCIATION'S officers, accountants, attorneys, or other representatives, upon reasonable notice and during normal office hours (9:00 a.m. to 4:00 p.m. Monday-Friday). Upon termination of this Agreement, such records shall be promptly delivered to ASSOCIATION. MANAGER may disclose records of the ASSOCIATION or related to the ASSOCIATION to members in response to requests for records from members as required by the Act, or the laws related to nonprofit corporations in North Carolina or other applicable laws, but shall not disclose non-required information without the prior approval of the Board or its designated contact with MANAGER.

h. **Bills - Payment.** Check all bills and invoices received for services, materials and supplies ordered in connection with maintaining and operating the Property, pay or cause to be paid from ASSOCIATION'S funds all such bills as and when they shall become due and payable.

Administrative expenses incurred by MANAGER on behalf of ASSOCIATION, including but not limited to items such as postage, copying, printing, bank checks, deposit tickets, or other items for the MANAGER'S use in conformity with provisions of this Agreement shall be an expense of ASSOCIATION. MANAGER will furnish ASSOCIATION with an accounting of such expenses at least quarterly. Non-routine administrative services requested by the ASSOCIATION and performed by MANAGER shall be billed to ASSOCIATION at the rate of \$45/hour provided that such services and their allocation as non-routine administrative expenses subject to this charge are approved in advance by ASSOCIATION. Any visits to the Property after normal business hours (8:30 a.m. to 5:00 p.m. Monday-Friday) required by the ASSOCIATION or necessitated by an emergency or non-routine, non-administrative services (including attendance at more than one ASSOCIATION meeting per calendar month) shall be billed ASSOCIATION at the rate of \$65/hour. Routine correspondence between the ASSOCIATION officers, ASSOCIATION Board of directors and the MANAGER shall be considered as specifically excluded from being considered billable administrative services, although the costs of copying and postage shall be reimbursable to MANAGER.

i. **Financial Reports.** Render to Board a financial accounting monthly, which shall include a balance sheet and an operating statement of receipts and disbursements year to date compared to the annual budget. The Board Treasurer shall additionally receive a copy of the general ledger monthly. MANAGER shall additionally provide the Board with a status report of owners who are delinquent in payment of assessments or other charges due monthly upon request.

j. **Lot Owner Requests and Complaints.** Maintain a system to receive any complaints, requests, or questions from ASSOCIATION members and, when necessary shall obtain approval to act on said complaint, request, or question from one designated member of the Board of ASSOCIATION. MANAGER will maintain a 24-hour answering service for emergencies after normal office hours.

k. **Rules and Regulations.** To the extent practical, assist Board, the Adjudicatory Panel and the Architectural Control Committee in enforcing published Rules and Regulations and other governing documents. As agreed upon, MANAGER shall assist ASSOCIATION in drafting and/or amending the association's Rules and Regulations and Restrictive Covenants.

l. **Audit Report.** MANAGER shall, at the direction and discretion of Board of Directors, cooperate with ASSOCIATION in regard to

any audit/review and annual report to lot owners, including without limitation allowing ASSOCIATION's auditors and/or accountants access to the records of the ASSOCIATION's accounts, collections and expenses for the purposes of same.

m. Budget. MANAGER shall participate in the preparation of an annual Operating Budget setting forth an itemized statement of the anticipated receipts and disbursements for the next ensuing fiscal year based upon the then current schedule of annual assessments and charges and taking into account the general condition of the Property, which budget shall comply with the requirements of the By-Laws, and shall be the basis for the schedule of annual assessments proposed for the coming year. The budget shall be submitted to ASSOCIATION's Board for final approval. MANAGER is authorized to act within the approved budget without the need for further approval. The budget shall constitute a control and directive under which MANAGER shall operate and there shall be no substantial variances allocated to the various classifications of expense in the approved budget unless as a result of services required due to an emergency or approved in advance by the Board. MANAGER shall cause the association's State and Federal tax returns to be prepared at the expense of the ASSOCIATION. The ASSOCIATION may select the tax preparer, if desired.

n. Meetings. When requested, send notice to members and lot owners at the expense of ASSOCIATION, assist in preparing agenda, and attend the annual meeting of the Association and up to eleven Board of Director meetings annually provided such meetings are held during CAS' normal business hours or Monday through Thursday evening, at a mutually agreed upon time and date. At such meetings, MANAGER shall be prepared to answer questions from ASSOCIATION regarding MANAGER'S areas of responsibility. ASSOCIATION'S Secretary shall take the minutes of all meetings and furnish a copy to MANAGER. Attendance at evening meetings other than the meetings listed above and the length of time that any particular meeting exceeds two hours shall be considered an after hours visit and subject to the additional fee set forth in subparagraph h above. Additionally, MANAGER shall have a representative attend the ASSOCIATION'S annual meeting in December.

o. Site Visits. MANAGER shall visit the Property twice each calendar month in order to assess the need for repairs or maintenance to the common areas as well as to review the performance of any contract work previously done. MANAGER shall also check for visible violations of the ASSOCIATION's Rules and Regulations from community streets. ASSOCIATION desires that yard violations be a top priority. ASSOCIATION acknowledges that MANAGER is not an engineering firm and shall have no actual or potential liability for failure to detect a needed repair or maintenance item or for failure to determine that work performed was not done properly. MANAGER does not provide any guaranty or warranty for the work of any contractor, and MANAGER shall have no liability for failure to detect needed repair or maintenance requirements, or for failure to determine that any work was not performed properly or at all.

p. Charges. It is specifically understood and agreed that ASSOCIATION shall impose any assessments against the lot owners as permitted by the Declaration, its By-Laws, and the Act, as are necessary to produce sufficient funds to pay all common expenses of Property and to accumulate adequate reserves. It is specifically understood that MANAGER does not and will not undertake to pay any ASSOCIATION expenses from its own funds and shall only be required to perform its services and make disbursements to the extent that, and so long as payments received from assessments or revenues, if any, of the ASSOCIATION shall be sufficient to pay the cost and expenses of such services and the amount of such disbursements, including the fee due to MANAGER.

q. Fidelity Bond. MANAGER has advised ASSOCIATION that it has a \$5,000,000 fidelity bond with Federal Insurance Company which will protect the ASSOCIATION in the event of acts of dishonesty, theft, misappropriation, embezzlement, and the like by MANAGER, and shall notify ASSOCIATION immediately if the fidelity bond is reduced to a lesser amount, cancelled, or upon change in provider. MANAGER shall be required to maintain such a fidelity bond continuously during the term of this Agreement. MANAGER shall notify ASSOCIATION immediately if any of MANAGER'S employees is convicted of or confesses to misappropriation of any funds of any of MANAGER'S clients.

4. COMPENSATION OF MANAGER.

As compensation for MANAGER'S services as set forth herein, ASSOCIATION shall pay MANAGER a management fee of Three Thousand Two Hundred Twenty Eight dollars (\$3,228.00) per month, said fee to be due and payable in advance at the prescribed rate on the 1st day of each month. The fee quoted above shall be in effect through December of 2013 and increased to Three Thousand Three Hundred Twenty Four Dollars and eighty four cents (\$3,324.84) per month for 2014. Thereafter, the amount of fee set out above shall be reviewed by the parties each calendar year and same shall be adjusted, as agreed between the parties by September 4th of each year and as reflected in the next year's budget. MANAGER is specifically authorized to pay its fees from the ASSOCIATION'S funds as and when due, regardless of any other payments then required to be made. A transfer fee of \$45 shall be charged directly to purchasers of private lots and paid to MANAGER by such purchasers in order to cover the administrative costs and time involved in handling the transfer of Subdivision lots in the records of the ASSOCIATION and providing information. In no event shall the ASSOCIATION be responsible to pay such transfer fee if the purchaser or potential purchaser fails to pay.

In addition, with the execution of this contract, ASSOCIATION agrees to pay MANAGER a one-time set up fee in the amount of - waived-. This fee covers contract start up costs such as computerizing accounting and owner records; review of ASSOCIATION'S contracts, minutes, and Property replacements or work projects; and such other work necessary to begin immediate management of ASSOCIATION.

5. MANAGER'S RESPONSIBILITY.

MANAGER, in the exercise of its powers and performance of its duties and obligations under this Agreement shall be solely responsible to the Board of the ASSOCIATION, who for all Purposes of this Agreement represent all lot owners in the ASSOCIATION. MANAGER has not been given control of the Common Areas and amenities and shall not be considered an owner for any purpose. It is the ASSOCIATION'S obligation to comply with all laws, regulations, ordinances, and other matters of a governmental nature. ASSOCIATION shall indemnify MANAGER to the full extent permitted by law for any violations or alleged violations of such matters by ASSOCIATION, unless such violations are due to the grossly negligent or intentionally wrongful acts of MANAGER in carrying out its duties hereunder. MANAGER shall not be responsible for determining if ASSOCIATION is in compliance with any and all local, state and federal laws, regulations, and codes. MANAGER shall not be held to a higher degree of care in regards to the performance of its tasks than a Director of the ASSOCIATION as provided in the applicable Non-Profit Corporation Act. MANAGER shall discharge its duties in good faith, with ordinary care, and in the manner which MANAGER believes to be in the reasonable interests of the ASSOCIATION.

MANAGER may from time to time have services provided or obtain bids from companies or other entities in which it, its officers, directors, or shareholders may have a financial interest. If, at any time, a bid involves a company or entity in which MANAGER, its officers, directors, or shareholders have an interest that fact will be disclosed to ASSOCIATION at the time the bid is presented to the ASSOCIATION'S Board.

6. LIABILITY OF ASSOCIATION.

The officers and members of the Board of the ASSOCIATION are, with respect to this Agreement, acting on behalf of the members of the ASSOCIATION and shall have no personal liability hereunder (except as members) and each member's liability hereunder shall be limited to his or her obligation for assessments of the ASSOCIATION as permitted by the Declaration and Act.

7. INDEMNIFICATION AND INSURANCE.

To the fullest extent permitted by applicable law, ASSOCIATION shall and does hereby agree to indemnify, protect, hold harmless and defend MANAGER, its officers, directors, shareholders and employees, hereinafter referred to as "Manager indemnitees" from and against all claims, demands, damages, injuries, losses, liens, causes of action, suits, judgments, penalties, liabilities, debts, costs and expenses, including court costs and attorney's fees (collectively, "Liabilities"), of any nature, kind or description, whether arising out of contract, tort, strict liability, misrepresentation, violation of applicable law and /or any cause whatsoever (including without limitation, claims for injuries to or death of any person, or damages to or loss of any property) of any person or entity directly or indirectly arising out of, caused by, in connection with, or resulting from any act or omission of ASSOCIATION, any of their respective employees, agents (excluding MANAGER to the extent of its indemnification obligations hereinbelow), servants, officers, directors, members, with regards to matters arising out to the subject matter of this Agreement or MANAGER'S performance hereunder. The obligations of this section shall not apply to the extent that such liabilities are caused in whole or in part by the sole, joint or concurrent gross negligence or intentional wrongful acts of any Manager Indemnitees, whether predating this agreement or not, and whether or not such sole or concurrent gross negligence or intentional wrongful act was active or passive.

To the fullest extent permitted by applicable law, MANAGER shall and does hereby agree to indemnify, protect, hold harmless and defend ASSOCIATION, its officers, directors, members and employees, hereinafter referred to as "Association Indemnitees" from and against all Liabilities, of any nature, kind or description, whether arising out of contract, tort, strict liability, misrepresentation, violation of applicable law and/or any cause whatsoever (including without limitation, claims for injuries to or death of any person, or damages to or loss of any property) of any person or entity directly or indirectly arising out of, caused by, in connection with, or resulting from any gross negligence or intentionally wrongful act or omission of MANAGER, ANY OF ITS RESPECTIVE EMPLOYEES, AGENTS, SERVANTS, OFFICERS, DIRECTORS, OR SHAREHOLDERS, IN THE PERFORMANCE OF ITS DUTIES HEREUNDER. The obligations of this section shall not apply to the extent that such liabilities are caused in whole or in part by the sole joint or concurrent gross negligence or intentional wrongful acts of any Association Indemnitees, whether predating this agreement or not, an whether or not such sole or concurrent gross negligence or intentional wrongful act was active or passive.

MANAGER and ASSOCIATION, whichever in the instant case is the indemnifying party hereunder, shall be referred to as the

INDEMNITOR. Further, Manager Indemnitees and Association Indemnitees shall be from time to time referred to herein as Indemnities whenever they are the respective indemnified party.

Each party shall promptly advise the other, in writing, of any action, administrative or legal proceeding or investigation as to which indemnity may apply, and INDEMNITOR, at INDEMNITOR'S expense, shall assume on behalf of Indemnitees and conduct with due diligence and in good faith the defense thereof, with counsel satisfactory to Indemnitees, provided, however, that Indemnitees shall have the right, at their own option, to be represented therein by advisory counsel of their own selection and at their own expense.

In the event of the failure by INDEMNITOR to fully perform its obligations in accordance with this Agreement, Indemnitees, at their option, and without relieving INDEMNITOR of its obligations hereunder, may so perform, but all reasonable and necessary costs and expenses so incurred by Indemnitees in that event shall be reimbursed by INDEMNITOR to Indemnitees, together with interest, on the same from the dates any such expense was paid by Indemnitees until reimbursed, at the rate of eighteen percent (18%) per annum (provided that such interest, if ASSOCIATION is the INDEMNITOR, shall not begin to accrue until the beginning of the fiscal year of ASSOCIATION immediately following the year when the indemnification obligation was incurred if there are insufficient funds in the budget of the ASSOCIATION in the year incurred to make the indemnification payment). The indemnification shall not be limited to damages, compensation or benefits payable under insurance policies, but shall be reduced by any amounts received by the Indemnitees under applicable insurance policies. It is agreed that with respect to any legal limitations now or hereafter in effect and affecting the validity or enforceability of the indemnification obligations under this Section, such legal limitations are made a part of the indemnification obligations and shall operate to amend the indemnification obligations to the minimum extent necessary to bring the provisions into conformity with the requirements of such limitations, and as so modified, the indemnification obligations shall continue in full force and effect.

ASSOCIATION further agrees that there shall be carried, at ASSOCIATION'S expense, general liability insurance and Directors and Officers liability insurance in such amounts and with such companies as the Board deems appropriate, and MANAGER shall be named as an additional insured on such policies. Such policies shall be maintained in full force and effect during the entire term of this agreement and for three years thereafter. ASSOCIATION'S insurance shall be considered primary coverage for the benefit of MANAGER with regards to MANAGER'S performance of its obligations hereunder.

ASSOCIATION hereby authorizes MANAGER to pay all Property and special assessments attributable to the Property as may be levied by government authorities and to place liability and other insurance coverage desired by ASSOCIATION in effect, if not already in effect, and MANAGER is hereby authorized to pay for same from ASSOCIATION'S funds. MANAGER shall handle all claims against insurance of ASSOCIATION, at the direction of the Board.

The provisions of these paragraphs shall survive termination of this Agreement and shall continue in full force and effect subsequent to the termination of this Agreement.

8. SECURITY

MANAGER SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY OR SAFETY WITHIN OR ON THE ASSOCIATION'S PROPERTY OR ELSEWHERE. NEITHER SHALL MANAGER BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. THE BOARD OF ASSOCIATION, ON BEHALF OF THE ASSOCIATION, ALL OWNERS AND OCCUPANTS OF ANY UNIT OR DWELLING, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT MANAGER DOES NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES, OR OTHER SECURITY SYSTEMS (IF ANY) WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES, OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED, NOR THAT SUCH SYSTEMS SHALL BE CONSTANTLY OR PROPERLY FUNCTIONING. THE BOARD ON BEHALF OF THE ASSOCIATION, EACH OWNER AND OCCUPANT OF ANY DWELLING OR UNIT AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT MANAGER IS NOT AN INSURER AND THAT EACH OWNER AND OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FURTHER ACKNOWLEDGES THAT MANAGER HAS MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS THE ASSOCIATION, ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATION OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY

OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURE UNDERTAKEN WITHIN OR ON THE PROPERTY. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

9. AUTHORIZATION FROM ASSOCIATION.

MANAGER shall receive direction from a designee of the Board, or the President if no other designation has been made.

10. EXTENSION AND TERMINATION OF CONTRACT.

This Management Agreement shall automatically extend itself for successive annual periods after the initial term has elapsed. However, if at any time either party wishes to terminate the Agreement, without cause and without penalty, it may do so by giving sixty days prior written notice to the other. However, no prior notice shall be required in the event of bankruptcy, fraud, misrepresentation or misappropriation of funds. Cancellation without notice for those reasons does not relieve MANAGER of its duty to preserve and transfer ASSOCIATION records.

11. NOTICES TO PARTIES.

Any notices now or hereafter required to be given pursuant to this Agreement shall be deemed to have been given upon deposit of same to the U.S. Mail with proper postage and addressed to the following address, or to such other address as may be from time to time provided in writing by one party to the other.

MANAGER:
Community Association Services, Inc.
P.O. Box 83
Pinehurst, NC 28370

ASSOCIATION:
Taberna Master Homeowners Association, Inc.
P.O. Box 3308
New Bern, NC 28564-3308

BY *[Signature]*
Date: 3/26/13

BY *[Signature]*
Date: 26 MAR 2013

EXPENSE REIMBURSEMENT REQUEST

This form is for expense reimbursement for all non-contracted expenses not exceeding \$200. All expenses in excess of \$200 or for any contracted work regardless of the amount must be submitted to the Board for approval prior to incurring expense or commencement of work. Submit this completed form to the Treasurer for approval and general ledger expense code. Upon approval treasurer will process for payment. Attach receipts for all expenses.

Date of Request _____ Name _____

Committee _____ General Ledger Code _____

Checking Account: Master _____ Abbington Woods _____ Boleyn Creek _____

One Taberna Way _____ Taberna Landing _____

Explanation for Expenditure:

Itemized Expenses:

Date	Description	Cost
	Total	

(attach receipts)

Signed: _____

Remit to: Name _____

Address _____

Approved by: _____ Date _____

TAB. LADDINGS



S.T. Wooten Corporation

P.O. Box 13097
New Bern, NC 28561
Contact: Tyler Watkins
Phone: 252-637-4294
Fax: 252-637-1834

Quote To: Taberna HOA - (Private Rd.)
Attn: Joe Kelly

Phone: 252-670-2750
Fax: 252-636-6231
Email: kelco@suddenlink.net

Job Name: Taberna-Private Dr.
Date: 2/25/13
Estimate#: 13014TW
Revision Date:

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
10	Mobilization	1.00	LS	1,050.00	1,050.00
	Asphalt Patching				
20	Asphalt Patching	300.00	SY	35.00	10,500.00
	Asphalt Patching				\$10,500.00
	This patching quote includes removing cracked and damaged asphalt, excavating to a depth of 3" and replacing with 3" of I19.0B (Binder) asphalt. Patching Areas Are: 1-In front of house #110 - 60' x 12.5' 2-Bottom or Valley Area of Rd.- 85' x 12.5' 3-Entrance Area of Private Rd.- 60 x 12.5'				
	1.5" Asphalt Overlay				
40	1.5" SF 9.5 A - Asphalt Overlay	1,480.00	SY	12.00	17,760.00
	1.5" Asphalt Overlay				\$17,760.00
GRAND TOTAL					\$29,310.00

NOTES:

- X S.T. Wooten will not be responsible for standing water in areas that are designed with less than 1% fall
- X Material and workmanship are warranted for one year under normal conditions.

DOES NOT INCLUDE:

- X Undercut or backfill of unsuitable material;
- X Landscaping or planting
- X Permanent or Temporary Seeding
- X Temporary Facilities or utilities
- X Relocation of new or existing utilities

This price is based on the NCDOT Monthly Terminal F.O.B. Asphalt Binder Price of \$546.56 per ton for the month of February 2013. If the asphalt cement price fluctuates from this stated price at any time during the performance of work under this contract, S. T. Wooten Corporation has the right to adjust prices in accordance with the NCDOT Monthly Terminal F.O.B. Asphalt Binder Prices.

Asphalt Paving shall be installed as required by the NCDOT Standard Specifications for Roads and Structures (Section 610-4), as it relates to seasonal limitations and/ or temperature restrictions. Any work performed not in compliance with these specifications will void S.T. Wooten's implied one year warranty. Any corrective work caused by such deviations to NCDOT specifications will be done at the owner's expense.



NCSN CONSTRUCTION LLC

Residential - Commercial
Hub Certified

March 02, 2013

To: Mr. Klawson
108 Jura Court
New Bern, NC 28562

RE: Taberna Association - Wetland

Brooke@casnc.com 910 777-8520

Subject: Proposed 70' Deck Extension

NCSN, LLC. will provide you the following proposal for your "Proposed 70' Wood Deck Extension as noted below" Taberna Association, Wetland Area, New Bern, NC 28562". Years of experience, NCSN, LLC. is a new leader in custom contracting and home construction. We offer the best products and services at the most competitive prices.

The following estimate includes the following features that NCSN, LLC. will provide for your "Proposed 70' Wood deck":

1. Proposal includes all Labor and Material.
2. Includes carrying all material to area of construction on the wetlands.
3. Includes all removal of excess material away from the wetlands.
4. All Material will be pressure treated lumber Material
5. All Deck posts will be 4"x4" Treated Lumber.
6. All floor Joist material will be 2"x6"
7. Deck will be built min 1' high from all wetland area.
8. All deck rails will not have the balusters installed or the bottom rail installed. (These will be installed by owner).
9. Deck will be built per North Carolina building code.
10. Wood Deck will not include any sealer or painting.
11. All posts will be anchored into the deck.
12. Deck will be 36" wide to match the existing walkway deck on site.
13. We will need to identify the area of beginning (with the Association representatives) on the wetland area before the start of the construction of the walkway deck..
14. We will use galvanized hardware and ring shank nails for treated lumber material.
15. We will add the hand rail on both sides to match existing handrail with cable wire to match existing walk way deck if necessary, otherwise it will be just a walkway deck.
16. 30% down required at the start of the project.

Total cost: \$3475.00

Thank you for the opportunity to bid this project, should you have any questions or require additional information, please do not hesitate to contact me at 252 364-0416, if there is anything that we can do to work within your budget please let us know.

FACEBOOK: NCSNCONSTRUCTION/ANGIE'S LIST/BBB

Acceptance by Owner:

Date:

26 MAR 2013

817 Airport Road New Bern, NC 28562

(800)-208-3510