

Minutes of Board of Directors Meeting
Taberna Homeowners' Association
September 1, 2010

Board Members Attending:

Rick Layton	President
George McNulty	Vice President
Linda Pickens	Secretary
James Dugan	Treasurer
Willis Vincent	Member at Large
Russell Packard	Member at Large
John Serumgard	Member at Large

Also Present: Dick Turner, Architectural Control Committee Chairman; Ron McCausland, Acting Chairman of Building & Grounds Committee; Pat Donnelly and Louise Vondran, Taberna Bear Committee

Rick Layton called the meeting to order at 5:30pm, there being a quorum present.

Covenant Violations:

Willis Vincent reported there were 2 Covenant violations cited in August: one for a violation of the sign policy, and one for property maintenance.

Taberna Bear:

Pat Donnelly made a presentation to the Board on behalf of the Bear Committee. In January 2011, the Taberna Bear will be moved from downtown to a location in Taberna. A pedestal for the Bear will be constructed by the Committee at no cost to the HOA. The Bear Committee has identified a permanent location for the Bear, on the right of the flag pole island at the entrance to Taberna, near the magnolia trees, and requested Board approval of the location. Ron McCausland suggested that the Committee may need to get City approval for this location as there may be a right-of-way issue. The Committee agreed to investigate this issue with the City and obtain approval, if necessary. Linda Pickens made a Motion to approve the location of the Bear pending City approval, if required. George McNulty seconded the Motion, which was unanimously passed.

Building & Grounds Committee:

Ron McCausland presented the Board with the Committee's proposal to add additional landscaping in front of Taberna Townes. B&G scaled back the original scope of the landscaping plan (which the 2009 Board and the current Board had not approved) to approximately one-half of the width of the area in front of Taberna Townes. The Board debated the merits of installing additional landscaping at this time, as well as the responsibility of the developer to landscape common areas within the Townes development. The cost of the landscaping proposal is \$4,174; to date, B&G has spent to date \$473.89 in Beautification, with \$3,526.11 remaining in beautification funds. Jim Dugan stated that the cost overrun could be

paid out of funds not used in other line items in the Budget. John Serumgard made a Motion to approve the landscaping proposal, which was seconded by Russ Packard. The Motion passed with Willis Vincent voting against the Motion.

Russ asked Ron about B&G's plans for future beautification in 2011 because the 2011 Budget is being developed. Ron indicated about \$5,000 in beautification in 2011 would be sufficient.

Architectural Control Committee:

Dick Turner advised the Board regarding a request from a resident to remove five trees. The request was supported by a written opinion of a certified arborist that the five Loblolly Pines in such close proximity to the house posed a threat to the house. The arborist stated the trees weight over 5,500 pounds each and typically break off at the lower limb level. Should that happen, the trees will most likely fall on the house. The ACC approved the removal of two trees, but the ACC asked for Board input given that the homeowner will most likely appeal their decision. After discussion, the Board concluded that the removal of all five trees should be permitted citing the potential liability to the HOA should a tree fall on the house, and on the basis of the arborist's report. Dick will take the Board's position back to the ACC for further action.

(Willis Vincent left the meeting at 6:30 due to a prior commitment.)

Minutes:

George McNulty made a Motion to approve the August minutes, which was seconded by Rick Layton. The Motion passed unanimously and the Minutes were approved.

Rick reported on several open items:

- Rick spoke with the HOA attorney and Chief Palombo of the Police Department concerning solicitation in Taberna. As long as a solicitor has a Peddler's Permit, they are legally permitted to solicit within Taberna. Solicitations by religious organizations do not require a permit and are legally permitted to solicit within Taberna.
- There are two homeowners in Taberna who have declared bankruptcy. The two homeowners are delinquent in the Annual Dues and have liens on their respective properties. Because of the Bankruptcy proceedings, the HOA will not be able to collect on the past due amounts this year. The liens on the properties remain in full force and effect. Linda Pickens requested that we receive a written report from the HOA attorney on bankruptcy proceedings and its effect on the ability of the HOA to collect delinquent Dues and late fees. Rick agreed to get a report from the HOA attorney.

Website:

Linda Pickens reported that it will cost \$180 to post the Summary of Covenants and Rules on the HOA website. Russ Packard made a Motion to approve the cost of adding the Summary to the website, which was seconded by John Serumgard. The Motion was unanimously approved.

Treasurer's Report:

Jim Dugan provided his report which is attached.

2011 Budget:

The Board discussed the draft of the 2011 Master Budget, as prepared by Jim Dugan. The line items at issue are the Landscaping Maintenance and Beautification funding which Jim continued to fund at prior year's levels. The proposed budget included \$11,550 for Landscape Maintenance and \$8,000 for Beautification. Linda Pickens noted that the B&G Committee feels they are over funded – B&G feels that \$5,000 for maintenance and \$5,000 for Beautification is appropriate funding for 2011. With reduced funding in these line items, a reduction of dues in the amount of \$7.50 per household would be achieved. Jim argued that funds were needed in Landscape Maintenance in the event of an emergency, while other Board members noted that there was a reserve fund for just such events. Jim noted that there was a historical history of B&G expending the \$12,500 in maintenance. Linda Pickens noted that a lot of those expenditures have been incorporated into the 2010-11 maintenance contracts (as evidenced by the 2009 Actual expenditures) so the current level of funding was no longer necessary. After lengthy discussion, various line items in the proposed 2011 Budget were increased and some decreased so that there would be no change (and no reduction) in the annual dues. George McNulty made a Motion to approve the 2011 Budget as revised, which was seconded by John Serumgard. Rick Layton, George McNulty, Russ Packard, John Serumgard and Jim Dugan voted to approve the Budget. Linda Pickens voted against the Budget on the grounds that it contained excessive funding not required to maintain the community in order to avoid lowering the annual Dues. Willis Vincent was not present for the vote.

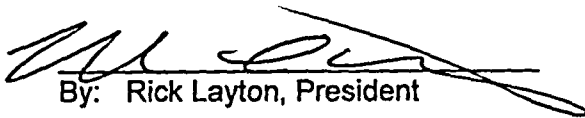
HOA Accountant:

John Serumgard discussed the questions posed by the Chairman of the Finance Committee regarding the form transmittal cover letter issued by the HOA Accountant which contained language being questioned by the Committee. It was discovered that this was the first time anyone on the Board had seen the cover letter. The questionable language stated: "Management has elected to omit substantially all of the statements of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in these financial statements, they might influence the user's conclusions about the Taberna Master Homeowners Association, Inc.'s financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters." Given the level of concern by the Finance Committee, the Board wants to know what that statement means and when the accountant was

directed not to include certain information, as it's possible that directive was given by Weyerhaeuser and may not be in the best interest of current Boards. The Treasurer agreed to obtain answers to the questions raised by the Board.

There being no further business before the Board, George McNulty made a Motion to adjourn, which was seconded by John Serumgard. The Motion passed and the meeting was adjourned at 7:40 pm. The next meeting of the Board of Directors will be **October 6, 2010**.

Approved by the Board of Directors:


By: Rick Layton, President

6 Oct 2010
Date:

Treasurer's Report (draft)
James Dugan, Treasurer
Wednesday, September 1, 2010

The status of 2009 aged receivables is as follows:

Taberna Master HOA had three court cases in the fall of 2009:

1. The first payment plan is with an owner who agreed to the plan before the court date. The owner is paying in accordance with the plan. Balance owed is now \$170.00.
2. The second payment plan is for one of the two judgments. The owner is paying in accordance with the plan. Balance owed is now \$261.00.
3. The second judgment property owner contacted me after we placed the lien for 2010 dues. He said it has been a rough two or three years and that he will pay the lien first and then the judgment. Balance owed is now \$1,505.50, of which \$340 is for 2010.

Late fees "accrue" during the payment plans in the event of a default, but are "forgiven" if the payment plan is completed.

The remaining 2009 Taberna Master and Sub-Association dues assessments have been paid or otherwise resolved.

The 2010 Taberna Master HOA dues were 99.1% collected as of August 31st.

Total Aged Receivables were \$7,429.50 as of August 31st. Of these, \$3,926.50 are over 90 days due. Late fees are being assessed to the eight properties not on payment plans or in bankruptcy for dues not paid by August 31st. The remainder of the receivables are for lawn mowing and bush hogging services invoiced in August and not yet past due.

2010 Sub-Association dues status:

Abbingdon Woods: 3 accounts are being assessed late fees for quarterly dues not paid by August 31st. One owes for 2nd & 3rd quarters. The other two owe for the 3rd quarter.

Boleyn Creek Villas: All of the sub-assn dues have been paid and two have paid one quarter in advance.

One Taberna Way: 3 accounts are being assessed late fees for quarterly dues not paid by August 31st. A lien was placed on the one that owes for all three quarters. The remaining two owe for the 3rd quarter.

Taberna Landing: All of the sub-assn dues have been paid.

HOA Invoices: All invoices received by August 31st have been forwarded to the Accountant for payment.

Lien Status: Fourteen liens were placed on twelve properties on July 13th. Two of these properties have since gone into bankruptcy. Five have paid their balance, including one with two liens. Of the remaining five, one has two liens.

Accountant: Our Accountant, Mona Sadler, has sent proposed contracts for the year 2011. These were emailed to all board members and are up for discussion tonight.

Branch Banking and Trust Accounts:	Beginning of Year End of Year	June 30th End of 2nd Quarter	August 25th (Online)
Taberna Master Deposit Account (IDA)	\$15,805.08	\$114,429.15	\$97,061.66
Taberna Master Operating Account	15,540.49	14,870.39	4,354.88
Abbington Woods Operating Account	1,990.14	7,722.98	11,838.98
Boleyn Creek Villas Operating Account	1,543.43	2,392.37	3,462.68
One Taberna Way Operating Account	15,858.85	15,980.89	16,459.89
One Taberna CD	8,616.30	8,616.30	8,616.30
Taberna Landings Operating Account	1,510.72	2,548.76	3,144.70
Taberna Landings CD	5,034.67	5,034.67	5,034.67

Scott & Stringfellow:	Beginning of Year End of Year	June 30th End of 2nd Quarter	August 25th (Online)
Taberna Master Reserve	\$96,453.69	\$97,920.04	99,334.74
Taberna Emergency Reserve	50,693.54	51,516.98	51,642.96
Abbington Woods	12,529.11	12,704.61	12,772.32
Boleyn Creek Villas	3,994.58	4,026.91	4,035.15
One Taberna Way	38,316.52	42,195.09	44,481.46
Taberna Landings	12,598.88	12,640.90	12,644.38

“Online” bank balances do not reflect checks and deposits that have not cleared the bank.
“Online” S&S balances include unrealized gain/loss amounts. *Taberna Master Reserve and One Taberna Way totals are adjusted to show CD purchases that have not settled.
All of Taberna’s investments with Scott & Stringfellow are in FDIC insured CDs or money market accounts. As CDs mature and as cash accounts reach over \$1,000, they are being reinvested in new CDs in \$1000 increments. The advantage over every other type of investment is that the principal is guaranteed through FDIC for up to \$250,000.

Second Quarter Financial Reports:

The Second Quarter Financial Reports were received August 2nd, have been reviewed, and have been forwarded to the Financial Committee and HOA Board of Directors.

2011 Budgets:

The Reserve for Analyses for the HOA and sub-associations and Drafts of Proposed 2011 Budgets have been approved by the Finance Committee. Only Boleyn Creek and Taberna Landings have a proposed increase in dues. A revised set of Proposed 2011 Budgets as approved by the Finance Committee was emailed to board members last week.
To date, the Abington Woods, One Taberna Way, and Taberna Landings sub-associations have reviewed and agreed to the proposed sub-association reserves and budgets.

Landscape contracts for 2011 were made last year and the 2011 contract figures were used for the budget. The accounting contract for 2011 has been proposed by the accountant. The proposed contract figures have been used for the budget. Other budget figures have been revised/estimated as accurately as possible.

To date, the Finance, Building & Grounds, and Denson Park Committees have commented on the budgets.

To date, the One Taberna Way and Taberna Landings sub-associations have commented on the sub-association reserves and budgets.



Taberna Home Owners Association

Agenda

Board of Directors

September 1, 2010

President's Remarks

Rick Layton

Adoption of Minutes

Linda Pickens

Treasurer's Report

Jim Dugan

Old Business

2011 Budget

Jim Dugan

New Business

Taberna Bear Location

Pat Donnelly and
Louise Vondran

Violations

Good of the Order

Confirm Next Meeting

October 6th

Adjournment

**BACKGROUND
MATERIAL
FOR
MATTERS
DISCUSSED
AT
BOARD
MEETING**

TABERNA BUDGET COMPARATIVES

2011 drafts as of 08/25/2010 MASTER HOA	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Budget Final	2011 Budget Draft
Annual Dues					220/243/249	220/243/249
Cash Receipts						
Dues	\$ 153,829	\$ 179,100	\$ 183,105	\$ 183,371	\$ 171,699	\$ 172,185
Misc/ Gifts (not budgeted)	\$ -	\$ 1,256	\$ -	\$ 1,015	\$ -	\$ -
Fines/Late fees (not budgeted)	\$ 300	\$ 3,180	\$ 3,580	\$ 3,726	\$ -	\$ -
Interest Income-Reserves	\$ 2,044	\$ 2,928	\$ 2,228	\$ 4,409	\$ 2,500	\$ 1,000
Interest Income-Operating	\$ -	\$ 562	\$ 2,802	\$ 791	\$ 1,000	\$ 700
Prior Year's \$ Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,172
TOTAL RECEIPTS	\$ 156,173	\$ 187,026	\$ 191,715	\$ 193,311	\$ 175,199	\$ 176,057
Cash Disbursements						
Landscaping-Contracts	\$ 80,900	\$ 84,247	\$ 89,670	\$ 92,435	\$ 103,302	\$ 104,722
Bldg/Grounds Mtnc-Misc Projects / Beautification	\$ 14,424	\$ 13,757	\$ 14,990	\$ 10,553	\$ 12,500	\$ 11,550
Other Improvements	\$ 1,378	\$ 25,258	\$ 20,171	\$ 25,971	\$ 10,000	\$ 8,000
Lake Aquatic Mgmt.	\$ -	\$ -	\$ -	\$ 5,352	\$ -	\$ -
Water Drainage Upkeep	\$ 592	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities - water	\$ -	\$ 2,375	\$ -	\$ -	\$ -	\$ -
Utilities - electricity	\$ 3,218	\$ 4,852	\$ 6,110	\$ 5,066	\$ 6,400	\$ 7,000
Crime Watch / EMT	\$ 1,760	\$ 2,030	\$ 2,526	\$ 2,805	\$ 3,200	\$ 3,200
Admin. Expenses	\$ -	\$ 233	\$ 220	\$ -	\$ 300	\$ 300
Misc/ Web/ Mktg/Functions	\$ 3,308	\$ 2,283	\$ 2,358	\$ 2,579	\$ 2,500	\$ 2,800
Accounting	\$ 1,076	\$ 2,478	\$ 686	\$ 649	\$ 1,522	\$ 1,500
Legal	\$ 5,419	\$ 3,663	\$ 7,443	\$ 6,521	\$ 7,500	\$ 8,600
Insurance	\$ 3,291	\$ 7,710	\$ 4,200	\$ 6,301	\$ 4,000	\$ 5,000
Rent of HOA Office space	\$ 4,749	\$ 4,620	\$ 4,155	\$ 4,861	\$ 4,850	\$ 4,850
Annual Meeting expenses	\$ 3,000	\$ 3,225	\$ 3,700	\$ 3,900	\$ 4,200	\$ 4,200
Taxes	\$ 858	\$ 808	\$ 645	\$ 853	\$ 800	\$ 1,450
Mailboxes & Posts	\$ 73	\$ 941	\$ 727	\$ 987	\$ 1,200	\$ 1,017
Lot Front Mowings	\$ 431	\$ 249	\$ 6	\$ 248	\$ -	\$ -
Bushhogging	\$ (58)	\$ 127	\$ (26)	\$ (255)	\$ -	\$ -
Replacement Reserves	\$ 46	\$ -	\$ 185	\$ 256	\$ -	\$ -
Operations Contingency Fnd	\$ 7,000	\$ 14,000	\$ 14,424	\$ 10,000	\$ 10,425	\$ 10,868
Oper. Fund Usage	\$ 10,000	\$ 11,000	\$ 13,000	\$ -	\$ -	\$ -
Repl. Reserve Usage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DISBURSEMENTS	\$ 141,465	\$ 183,856	\$ 185,190	\$ 179,080	\$ 172,699	\$ 175,057
Excess (Deficiency) (budget will show Res. Int)	\$ 14,708	\$ 3,170	\$ 6,525	\$ 14,231	\$ 2,500	\$ 1,000

- 7,500

2,750
9,000
7,500

TABERNA BUDGET COMPARISONS

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	Final 2010 Budget	Draft 2011 Budget
ABBINGTON WOODS						
ANNUAL DUES	\$650 (62)	\$650 (62)	\$725 (62)	\$786 (62)	\$750 (62)	\$750 (62)
Cash Receipts						
Dues	\$ 40,302	\$ 40,174	\$ 44,950	\$ 48,732	\$ 46,500	\$ 46,500
Misc. Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ 13	\$ 9	\$ 113	\$ 294	\$ 250	\$ 250
Prior Years' \$ Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL RECEIPTS	\$ 40,315	\$ 40,183	\$ 45,063	\$ 49,026	\$ 46,750	\$ 46,750
Cash Disbursements						
Landscaping - Mtnce	\$ 37,789	\$ 37,200	\$ 40,920	\$ 44,640	\$ 38,880	\$ 38,880
Accounting	\$ 659	\$ 834	\$ 780	\$ 860	\$ 860	\$ 1,000
Admin/ Inc. Tax expense	\$ 216	\$ 123	\$ 218	\$ 214	\$ 150	\$ 450
Fence Repl. Reserves	\$ 1,700	\$ 1,800	\$ 3,100	\$ 3,100	\$ 3,100	\$ 4,647
TOTAL DISBURSEMENTS	\$ 40,364	\$ 39,957	\$ 45,018	\$ 48,814	\$ 42,990	\$ 44,977
Excess (Deficiency) (Resrv Int. & NonEscrow funds)	\$ (49)	\$ 226	\$ 45	\$ 213	\$ 3,760	\$ 1,773

TABERNA BUDGET COMPARISON

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	Final 2010 Budget	Draft 2011 Budget
BOLEYN CREEK VILLAS						
ANNUAL DUES	\$615 (23)	\$625 (23)	\$683 (23)	\$718 (23)	\$700 (23)	\$750 (23)
Cash Receipts						
Dues	\$ 14,145	\$ 14,375	\$ 15,709	\$ 16,514	\$ 16,100	\$ 17,250
Interest Income-Reserves	\$ 20	\$ 10	\$ 81	\$ 77	\$ 75	\$ 75
Interest Income - Other	\$ 33	\$ 19	\$ 9	\$ 5	\$ 5	\$ 5
Prior Years' \$ Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL RECEIPTS	\$ 14,198	\$ 14,404	\$ 15,799	\$ 16,596	\$ 16,180	\$ 17,330
Cash Disbursements						
Landscaping - Mtnce	\$ 13,680	\$ 13,680	\$ 14,340	\$ 14,345	\$ 14,400	\$ 15,000
Accounting	\$ 393	\$ 475	\$ 500	\$ 560	\$ 600	\$ 680
Admin & Inc. Tax Expenses	\$ 39	\$ 54	\$ 84	\$ 48	\$ 110	\$ 152
Road Replacement Reserve	\$ -	\$ 250	\$ 805	\$ 828	\$ 851	\$ 874
Use of Reserves	\$ -	\$ -	\$ 2,165	\$ -	\$ -	\$ -
TOTAL DISBURSEMENTS	\$ 14,112	\$ 14,459	\$ 17,894	\$ 15,781	\$ 15,961	\$ 16,706
Excess (Deficiency) (ResrvInt & NonEscrow funds)	\$ 86	\$ (55)	\$ (2,095)	\$ 816	\$ 219	\$ 624

TABERNA BUDGET COMPARISONS

ONE TABERNA WAY	2006 Actual	2007 Actual	2008 Actual	2009 Actual	Final 2010 Budget	Draft 2011 Budget
ANNUAL DUES	\$1844 (16)	\$2000 (16)	\$2000 (16)	\$2000 (16)	\$1500 (16)	\$1500 (16)
Cash Receipts						
Dues	\$ 28,424	\$ 32,000	\$ 32,000	\$ 32,000	\$ 24,000	\$ 24,000
Interest Income - Reserves	\$ 622	\$ 739	\$ 788	\$ 1,443	\$ 700	\$ 500
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior Years' \$ Appropriation	\$ -	\$ -	\$ -	\$ -	\$ 5,361	\$ 7,621
TOTAL RECEIPTS	\$ 29,046	\$ 32,739	\$ 32,788	\$ 33,443	\$ 30,061	\$ 32,121
Cash Disbursements						
Landscaping	\$ 24,571	\$ 18,366	\$ 22,498	\$ 23,784	\$ 21,825	\$ 21,825
Accounting	\$ 489	\$ 605	\$ 520	\$ 580	\$ 580	\$ 880
Admin & Inc Tax expenses	\$ 37	\$ 93	\$ 237	\$ 202	\$ 300	\$ 916
Reserves for:	\$ 5,490	\$ 5,760	\$ 5,760	\$ 6,320	\$ 6,656	\$ 8,000
Ext. Painting & Roof Repl.	\$ 990	\$ -	\$ 3,800	\$ -	\$ -	\$ -
Use of Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DISBURSEMENTS	\$ 31,577	\$ 24,824	\$ 32,815	\$ 30,886	\$ 29,361	\$ 31,621
Excess (Deficiency) (Reserve Interest)	\$ (2,531)	\$ 7,915	\$ (27)	\$ 2,558	\$ 700	\$ 500

TABERNA BUDGET COMPARISON

TABERNA LANDINGS	2006 Actual	2007 Actual	2008 Budget	2009 Actual	Final 2010 Budget	Draft 2011 Budget
ANNUAL DUES	\$1000 (6)	\$1000 (6)	\$1355 (6)	\$1355 (6)	\$900 (6)	\$1000 (6)
Cash Receipts						
Dues	\$ 6,000	\$ 6,000	\$ 8,130	\$ 8,130	\$ 5,400	\$ 6,000
Interest Income-Reserves	\$ 114	\$ 133	\$ 192	\$ 298	\$ 50	\$ 50
Prior Years' \$ Appropriation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60
TOTAL RECEIPTS	\$ 6,114	\$ 6,133	\$ 8,322	\$ 8,428	\$ 5,450	\$ 6,110
Cash Disbursements						
Landscaping - Mtnc	\$ 3,700	\$ 3,320	\$ 3,316	\$ 3,300	\$ 3,250	\$ 3,350
Accounting	\$ 340	\$ 425	\$ 380	\$ 460	\$ 460	\$ 560
Admin & Inc Tax Expenses	\$ 13	\$ 8	\$ 35	\$ 47	\$ 70	\$ 150
Road Replacement Reserve	\$ 1,580	\$ 2,190	\$ 4,320	\$ 4,320	\$ 1,620	\$ 2,000
TOTAL DISBURSEMENTS	\$ 5,633	\$ 5,943	\$ 8,051	\$ 8,127	\$ 5,400	\$ 6,060
Excess (Deficiency) (Reserve Interest)	\$ 481	\$ 190	\$ 271	\$ 301	\$ 50	\$ 50

**TABERNA HOMEOWNERS ASSOCIATION
RESERVE COMPARISONS
YEAR-END BALANCES**

	Actual Balance 12/31/2007	Actual Balance 12/31/2008	Actual Balance 12/31/2009	Est. Balance 12/31/2010	Est. Balance 12/31/2011	2010 usage
Taberna Mstr: Replacement	\$ 66,733	\$ 83,156	\$ 96,454	\$ 107,518	\$ 118,693	none
Abbington Woods - Fences	\$ 5,923	\$ 9,135	\$ 12,529	\$ 15,785	\$ 19,074	none
Boleyn Creek Villas - Alley	\$ 4,383	\$ 3,089	\$ 5,538	\$ 6,453	\$ 7,400	none
One Taberna Way: Ext. painting/roof replacemnt	\$ 36,454	\$ 39,169	\$ 46,933	\$ 54,125	\$ 62,746	none
Tab. Landings - Road	\$ 8,503	\$ 13,015	\$ 17,634	\$ 19,446	\$ 21,325	none
TOTAL REPLACEMENT RES.	\$ 121,996	\$ 147,564	\$ 179,087	\$ 203,327	\$ 229,239	
Taberna Master: Operations Contingency Fund	\$ 35,474	\$ 49,567	\$ 50,694	\$ 51,200	\$ 51,712	
Less: Usage	\$ -	\$ -	\$ -	\$ -	\$ -	none
Balance at 12/31	\$ 35,474	\$ 49,567	\$ 50,694	\$ 51,200	\$ 51,712	
TOTAL ALL RESERVES	\$ 157,470	\$ 197,131	\$ 229,781	\$ 254,528	\$ 280,951	

Linda Pickens

From: Jim Dugan [jimdugan@embarqmail.com]
Sent: Wednesday, August 25, 2010 10:37 PM
To: George McNulty; John Serumgard; Linda Pickens; Rick Layton; Russ Packard; Willis Vincent
Cc: Bob & Arlene Costanzo; Bruce Simmon; David Pickens; Jim Krise; Maria Vincent
Subject: Taberna 2011 Budget Drafts
Attachments: HOA-Budget Drafts 2011.pdf; HOA-Budget Drafts 2011 dues.pdf; Master Reserve Analysis - Consolidated.pdf

Attached are budget drafts updated to show the second Canoe Dock Path contract for \$950 moved from Bldg/Grounds Mtnc-Misc to Landscaping Contracts. This was requested by the Finance Committee. The change is highlighted in green and does not change the bottom line or dues.

The Sub-Association budget drafts have not changed since the 08/02/2010 drafts.

The Dues Analysis has not changed since the 08/02/2010 drafts.

Also attached is the Master Reserve Analysis – Consolidated that was updated from Wayne Maruna's original by Bob Costanzo and me.

Page 1 shows the items for which we are reserving funds, the anticipated life-cycle of each item, and the expense of replacement at any given year with a 3% annual inflation rate. The anticipated replacement dates are highlighted. The last column is the total projected cost if everything was replaced at the same time.

Page 2 shows the cost of replacement on the projected replacement dates (carried forward from page 1). The last column on this sheet shows the projected yearly expense for any given year.

Page 3 gives the funding with a 4.25% annual increase, interest at 3%, anticipated total of funding (prior year total plus annual funding and interest). The 6th column totals scheduled usage of funds; the 7th column estimated year-end balance revised using actual 2009 balance; the 8th column shows the original projected balance. The last two columns compare cost of replacement of everything in the same year with the amount of the reserves in that year.

The critical number is that column seven never goes below zero.

Jim Dugan, Treasurer

Taberna Master Reserve for Replacement Analysis

Item	Current Replacement Funding Plan											Yearly Projected Replacement Cost Totals
	Canoes	Fence	Pavilion Roof	Gen. Walk, Dock Walk & Ramp	Park Walkways	Front Entrance	5 signs (98) & Bolyen	Playground Equipment	Monument Signs	Brick Repointing	Monument sign (2008)	
Life Cycle in years	13	10	15	17	17	15	25	20	25	20	24	
Scheduled	2013	2014	2016	2016	2018	2022	2023	2025	2028	2029	2030	Replacement
2006								\$8,000		\$8,000	\$3,100	\$19,100
2007	\$3,708	\$5,464	\$3,263	\$61,841	\$55,927	\$8,330	\$23,309	\$8,468	\$6,407	\$8,240	\$3,203	\$188,160
2008	\$3,819	\$5,628	\$3,361	\$63,696	\$57,605	\$8,580	\$24,008	\$8,836	\$6,798	\$8,487	\$3,299	\$194,118
2009	\$3,934	\$5,797	\$3,462	\$65,607	\$59,333	\$8,837	\$24,729	\$9,101	\$7,002	\$8,742	\$3,398	\$199,941
2010	\$4,052	\$5,971	\$3,566	\$67,575	\$61,113	\$9,102	\$25,470	\$9,374	\$7,212	\$9,004	\$3,500	\$205,940
2011	\$4,173	\$6,150	\$3,673	\$69,603	\$62,946	\$9,375	\$26,234	\$9,656	\$7,428	\$9,274	\$3,605	\$212,118
2012	\$4,299	\$6,334	\$3,783	\$71,691	\$64,835	\$9,657	\$27,022	\$9,945	\$7,651	\$9,552	\$3,713	\$218,481
2013	\$4,428	\$6,524	\$3,896	\$73,841	\$66,780	\$9,946	\$27,832	\$10,244	\$7,881	\$9,839	\$3,825	\$225,036
2014	\$4,560	\$6,720	\$4,013	\$76,057	\$68,783	\$10,245	\$28,667	\$10,551	\$8,117	\$10,134	\$3,939	\$231,787
2015	\$4,697	\$6,922	\$4,133	\$78,338	\$70,847	\$10,552	\$29,527	\$10,868	\$8,360	\$10,438	\$4,057	\$238,740
2016	\$4,838	\$7,129	\$4,257	\$80,688	\$72,972	\$10,869	\$30,413	\$11,194	\$8,611	\$10,751	\$4,179	\$245,903
2017	\$4,983	\$7,343	\$4,385	\$83,109	\$75,161	\$11,195	\$31,325	\$11,529	\$8,870	\$11,074	\$4,305	\$253,280
2018	\$5,133	\$7,563	\$4,517	\$85,602	\$77,416	\$11,531	\$32,265	\$11,875	\$9,136	\$11,406	\$4,434	\$260,878
2019	\$5,287	\$7,790	\$4,652	\$88,170	\$79,739	\$11,877	\$33,233	\$12,232	\$9,410	\$11,748	\$4,567	\$268,704
2020	\$5,445	\$8,024	\$4,792	\$90,816	\$82,131	\$12,233	\$34,230	\$12,599	\$9,692	\$12,101	\$4,704	\$276,765
2021	\$5,609	\$8,265	\$4,936	\$93,540	\$84,595	\$12,600	\$35,257	\$12,976	\$9,983	\$12,464	\$4,845	\$285,068
2022	\$5,777	\$8,513	\$5,084	\$96,346	\$87,132	\$12,978	\$36,315	\$13,366	\$10,282	\$12,838	\$4,990	\$293,620
2023	\$5,950	\$8,768	\$5,236	\$99,237	\$89,746	\$13,367	\$37,404	\$13,767	\$10,591	\$13,223	\$5,140	\$302,429
2024	\$6,129	\$9,031	\$5,393	\$102,214	\$92,439	\$13,768	\$38,526	\$14,180	\$10,909	\$13,619	\$5,294	\$311,502
2025	\$6,313	\$9,302	\$5,555	\$105,280	\$95,212	\$14,181	\$39,682	\$14,605	\$11,236	\$14,028	\$5,453	\$320,847
2026	\$6,502	\$9,581	\$5,722	\$108,439	\$98,068	\$14,607	\$40,872	\$15,043	\$11,573	\$14,449	\$5,616	\$330,472
2027	\$6,697	\$9,869	\$5,893	\$111,692	\$101,010	\$15,045	\$42,099	\$15,495	\$11,920	\$14,882	\$5,785	\$340,387
2028	\$6,898	\$10,165	\$6,070	\$115,042	\$104,041	\$15,496	\$43,362	\$15,959	\$12,278	\$15,329	\$5,959	\$350,598
2029	\$7,105	\$10,470	\$6,252	\$118,494	\$107,162	\$15,961	\$44,662	\$16,438	\$12,646	\$15,789	\$6,137	\$361,116
2030	\$7,318	\$10,784	\$6,440	\$122,049	\$110,377	\$16,440	\$46,002	\$16,931	\$13,025	\$16,262	\$6,321	\$371,950
2031	\$7,538	\$11,107	\$6,633	\$125,710	\$113,688	\$16,933	\$47,382	\$17,439	\$13,416	\$16,750	\$6,511	\$383,108
2032	\$7,764	\$11,440	\$6,832	\$129,481	\$117,099	\$17,441	\$48,804	\$17,962	\$13,819	\$17,253	\$6,706	\$394,601
2033	\$7,997	\$11,784	\$7,037	\$133,366	\$120,612	\$17,964	\$50,268	\$18,501	\$14,233	\$17,770	\$6,908	\$406,439
2034	\$8,237	\$12,137	\$7,248	\$137,367	\$124,230	\$18,503	\$51,776	\$19,056	\$14,660	\$18,303	\$7,115	\$418,633
2035	\$8,484	\$12,501	\$7,466	\$141,488	\$127,957	\$19,058	\$53,329	\$19,628	\$15,100	\$18,853	\$7,328	\$431,192

Taberna Master Reserve for Replacement Analysis

												Yearly Expense Totals
	Canoes	Fence	Pavilion Roof	Gen. Walk, Dock Walk & Ramp	Park Walkways	Front Entrance	5 signs ('98) & Bolyen	Playground Equipment	Monument Signs	Brick Repointing	Monument sign (2008)	
2006												\$0
2007												\$0
2008												\$0
2009												\$0
2010												\$0
2011												\$0
2012												\$0
2013	\$4,428											\$4,428
2014		\$6,720										\$6,720
2015												\$0
2016			\$4,257	\$80,688								\$84,946
2017												\$0
2018					\$77,416							\$77,416
2019												\$0
2020												\$0
2021												\$0
2022						\$12,978						\$12,978
2023							\$37,404					\$37,404
2024		\$9,031										\$9,031
2025								\$14,605				\$14,605
2026	\$6,502											\$6,502
2027												\$0
2028									\$12,278			\$12,278
2029										\$15,789		\$15,789
2030											\$6,321	\$6,321
2031			\$6,633									\$6,633
2032												\$0
2033				\$133,366								\$133,366
2034		\$12,137										\$12,137
2035					\$127,957							\$127,957

Taberna Master Reserve for Replacement Analysis

Year	Current Funding plan Funding	Interest	Current Funding Plan Interest rate	Sum of Funding plus Interest	Usage	Current Funding Plan Updated w/ Actual Year End Fund Balance	Original Schedule Projected Balance
2006							\$50,791
2007	\$14,000	\$1,524	3.00%	\$15,524	\$0		\$66,315
2008	\$14,424	\$1,989	3.00%	\$16,413	\$0		\$82,728
2009	\$10,000	\$2,482	3.00%	\$12,482	\$0	\$96,454	\$95,210
2010	\$10,425	\$2,894	3.00%	\$13,319	\$0	\$109,773	\$108,491
2011	\$10,868	\$3,293	3.00%	\$14,161	\$0	\$123,934	\$122,614
2012	\$11,330	\$3,718	3.00%	\$15,048	\$0	\$138,982	\$137,622
2013	\$11,811	\$4,103	3.00%	\$15,915	\$4,428	\$150,469	\$149,068
2014	\$12,313	\$4,413	3.00%	\$16,727	\$6,720	\$160,476	\$159,032
2015	\$12,837	\$4,814	3.00%	\$17,651	\$0	\$178,127	\$176,640
2016	\$13,382	\$4,070	3.00%	\$17,452	\$84,946	\$110,633	\$109,103
2017	\$13,951	\$3,319	3.00%	\$17,270	\$0	\$127,903	\$126,328
2018	\$14,544	\$2,676	3.00%	\$17,220	\$77,416	\$67,706	\$66,088
2019	\$15,162	\$2,031	3.00%	\$17,193	\$0	\$84,900	\$83,234
2020	\$15,807	\$2,547	3.00%	\$18,354	\$0	\$103,253	\$101,538
2021	\$16,478	\$3,098	3.00%	\$19,576	\$0	\$122,829	\$121,063
2022	\$17,179	\$3,490	3.00%	\$20,669	\$12,978	\$130,520	\$128,702
2023	\$17,909	\$3,355	3.00%	\$21,263	\$37,404	\$114,379	\$112,507
2024	\$18,670	\$3,296	3.00%	\$21,966	\$9,031	\$127,314	\$125,384
2025	\$19,463	\$3,600	3.00%	\$23,064	\$14,605	\$135,773	\$133,785
2026	\$20,291	\$3,976	3.00%	\$24,266	\$6,502	\$153,537	\$151,488
2027	\$21,153	\$4,606	3.00%	\$25,759	\$0	\$179,296	\$177,184
2028	\$22,052	\$5,195	3.00%	\$27,247	\$12,278	\$194,265	\$192,092
2029	\$22,989	\$5,591	3.00%	\$28,580	\$15,789	\$207,056	\$204,818
2030	\$23,966	\$6,117	3.00%	\$30,083	\$6,321	\$230,818	\$228,509
2031	\$24,985	\$6,825	3.00%	\$31,810	\$6,633	\$255,994	\$253,613
2032	\$26,047	\$7,680	3.00%	\$33,726	\$0	\$289,721	\$287,267
2033	\$27,153	\$6,691	3.00%	\$33,845	\$133,366	\$190,199	\$180,530
2034	\$28,308	\$5,524	3.00%	\$33,831	\$12,137	\$211,894	\$214,253
2035	\$29,511	\$4,437	3.00%	\$33,948	\$127,957	\$117,885	\$120,319
Totals	\$478,583	\$111,358		\$589,941	\$568,510		

Total Replacement In same year	Balance If total replacement In same year
\$188,160	-\$121,845
\$194,118	-\$111,390
\$199,941	-\$103,487
\$205,940	-\$96,167
\$212,118	-\$88,184
\$218,481	-\$79,499
\$225,036	-\$74,567
\$231,787	-\$71,311
\$238,740	-\$60,614
\$245,903	-\$135,270
\$253,280	-\$125,377
\$260,878	-\$193,172
\$268,704	-\$183,805
\$276,765	-\$173,512
\$285,068	-\$162,239
\$293,620	-\$163,100
\$302,429	-\$188,050
\$311,502	-\$184,188
\$320,847	-\$185,075
\$330,472	-\$176,936
\$340,387	-\$161,091
\$350,598	-\$156,334
\$361,116	-\$154,060
\$371,950	-\$141,132
\$383,108	-\$127,114
\$394,601	-\$104,881
\$406,439	-\$216,240
\$418,633	-\$206,739
\$431,192	-\$313,307

**TABERNA HOMEOWNERS ASSOCIATION
DUES ANALYSIS
BUDGET 2011**

MASTER DUES

Version: 2011 budget	# of Lots	2011 dues per lot	2011 dues	2010 dues per lot	Change %	2009 dues per lot	2008 dues per lot	2007 dues per lot	2006 dues per lot
Lake Properties	17	\$ 249	\$ 4,233	\$ 249	0.00%	\$ 265	\$ 265	\$ 259	\$ 226
Commercial Lots	4	\$ 243	\$ 972	\$ 243	0.00%	\$ 258	\$ 258	\$ 253	\$ 220
Other properties	762	\$ 220	\$ 167,640	\$ 220	0.00%	\$ 235	\$ 235	\$ 230	\$ 200
Total # of properties	783		\$ 172,845						
Less: Est Exempt Lots	3	\$ 220	\$ 660	\$ 220	0.00%	\$ 235	\$ 235	\$ 230	\$ 200
Total properties / dues	780		\$ 172,185						

SUB ASSOCIATIONS:

ABBINGTON WOODS	# of Lots	2011 dues per lot	2011 Total dues	2010 dues per lot	Change %	2009 dues per lot	2008 dues per lot	2007 dues per lot	2006 dues per lot
Total Properties	62	\$ 750	\$ 46,500	\$ 750	0.00%	\$ 786	\$ 725	\$ 650	\$ 650

BOLEYN CREEK	# of Lots	2011 dues per lot	2011 Total dues	2010 dues per lot	Change %	2009 dues per lot	2008 dues per lot	2007 dues per lot	2006 dues per lot
Total Properties	24	\$ 750	\$ 18,000	\$ 700	7.14%	\$ 718	\$ 683	\$ 625	\$ 615
Less: Exempt Lots	1	\$ 750	\$ 750	\$ 700					
Total properties / dues	23	\$ 750	\$ 17,250	\$ 700	7.14%				

ONE TABERNA WAY	# of Lots	2011 dues per lot	2011 Total dues	2010 dues per lot	Change %	2009 dues per lot	2008 dues per lot	2007 dues per lot	2006 dues per lot
Total Properties	16	\$ 1,500	\$ 24,000	\$ 1,500	0.00%	\$ 2,000	\$ 2,000	\$ 2,000	\$ 1,844

TABERNA LANDING	# of Lots	2011 dues per lot	2011 Total dues	2010 dues per lot	Change %	2009 dues per lot	2008 dues per lot	2007 dues per lot	2006 dues per lot
Total Properties	6	\$ 1,000	\$ 6,000	\$ 900	11.11%	\$ 1,355	\$ 1,355	\$ 1,000	\$ 1,000

Linda Pickens

From: Rick Layton [ricklayton@msn.com]
Sent: Thursday, August 26, 2010 4:36 PM
To: Linda P; Jim Dugan
Cc: George McN; John Serumgard; Russ Packard; Willis
Subject: RE: Taberna 2011 Budget Drafts

BOD:

The landscape maintenance for the Park: As far as I know the "clearing" for the window will not cost 2K but closer to less than 1K. It will need to be done probably yearly. Also the Bocce and horseshoe pits will need some maintenance so I do not think 2K is out of the question but open to discuss it.

The only irrigation repairs that I am aware of are for the rain sensors at the front. I will check if there are others. We will be saving about 10K in water over the next year by turning off the meters from Nov-Dec until Apr-May.

Remember it takes a large chunk of money to lower dues very much. I am not in favor of lowering and then raising them again in a year by \$5 or \$10. Unless we can find ways of not cutting off the new Board members from what they want to do, I am in favor of leaving the dues where they are. It is really cheap to get what Taberna has. Rick

From: lindapickens676@suddenlink.net
To: jimdugan@embarqmail.com
CC: mmculty@suddenlink.net; j.serumgard@suddenlink.net; ricklayton@msn.com; rpackard@caro-san.com; WsVincent@aol.com
Subject: RE: Taberna 2011 Budget Drafts
Date: Thu, 26 Aug 2010 12:41:08 -0400

Jim,

Thanks for this info ... it will be helpful in determining the appropriate amount for landscape maintenance in the 2011 Budget. One discrepancy I'd like to bring to your attention is the \$2,000 allocation in landscape maintenance for the Todd Denson park "window" clearing. As you'll recall, the Park improvements had an allocation of \$6,000 in this year's Budget and funds remain in that budget which were set aside for the window clearing at the end of this year. Therefore, there seems to be a double allocation of funds for window clearing.

I am also curious about the irrigation system repairs. Rick do you know what repairs are necessary? Given the proposed cost, the Board's policy is to obtain three estimates of the repairs. Rick, do you know if this has been done?

Linda

From: Jim Dugan [mailto:jimdugan@embarqmail.com]
Sent: Thursday, August 26, 2010 11:36 AM
To: 'Linda Pickens'
Cc: 'Ron & Chris McCausland'
Subject: RE: Taberna 2011 Budget Drafts

Linda,
As of 08/03/2010 Taberna Account Variances, General Ledger #401, Landscape - Misc., had expenditures of \$2,506.30. Since then, Reed \$1,040.40; Reed \$87.00; Young \$30.00. Total of \$3,663.70.

Anticipated additional expenses:
\$950.00 additional Canoe Dock maintenance.
\$2,000.00 Denson Park "Window".
\$4,000.00 Irrigation system repairs and storm cleanup.
\$1,886.30 contingency.
Total = \$12,500.00 budget amount.
Jim

From: Linda Pickens [mailto:lindapickens676@suddenlink.net]
Sent: Thursday, August 26, 2010 9:15 AM
To: 'Jim Dugan'
Subject: RE: Taberna 2011 Budget Drafts

Jim, what is the year-to-date expenditure of the Landscape Maintenance Budget of \$12,500? Linda

From: Jim Dugan [mailto:jimdugan@embarqmail.com]
Sent: Wednesday, August 25, 2010 10:37 PM
To: George McNulty; John Serumgard; Linda Pickens; Rick Layton; Russ Packard; Willis Vincent
Cc: Bob & Arlene Costanzo; Bruce Simmon; David Pickens; Jim Krise; Maria Vincent
Subject: Taberna 2011 Budget Drafts

Attached are budget drafts updated to show the second Canoe Dock Path contract for \$950 moved from Bldg/Grounds Mtnc-Misc to Landscaping Contracts. This was requested by the Finance Committee. The change is highlighted in green and does not change the bottom line or dues.

The Sub-Association budget drafts have not changed since the 08/02/2010 drafts.

The Dues Analysis has not changed since the 08/02/2010 drafts.

Also attached is the Master Reserve Analysis – Consolidated that was updated from Wayne Maruna's original by Bob Costanzo and me.

Page 1 shows the items for which we are reserving funds, the anticipated life-cycle of each item, and the expense of replacement at any given year with a 3% annual inflation rate. The anticipated replacement dates are highlighted. The last column is the total projected cost if everything was replaced at the same time.

Page 2 shows the cost of replacement on the projected replacement dates (carried forward from page 1). The last column on this sheet shows the projected yearly expense for any given year.

Page 3 gives the funding with a 4.25% annual increase, interest at 3%, anticipated total of funding (prior year total plus annual funding and interest). The 6th column totals scheduled usage of funds; the 7th column estimated year-end balance revised using actual 2009 balance; the 8th column shows the original projected balance. The last two columns compare cost of replacement of everything in the same year with the amount of the reserves in that year.

The critical number is that column seven never goes below zero.

Jim Dugan, Treasurer

TABEARNA is Coming Home in January, 2011

- In honor of New Bern's 300th Anniversary, Bear Town Bears has made it possible for fifty bear statues to be commissioned by various organizations and individuals as artwork throughout downtown and surrounding areas of the city.
- To express support of the project, a group of Taberna citizens formed "The Taberna Bear Project Committee". We spearheaded a fund raising effort to support the community's very own bear.
- One hundred thirty (130) families contributed their support of the project. We not only raised sufficient funds to purchase/paint our bear but there was enough to also relocate him from his temporary home in the city to Taberna.
- The committee chose artist Cheryl Ashe's design "A Palace Bear." He currently resides in Bear Plaza off of Middle Street.
- The Taberna HOA Board has agreed to accept TEBEARNA when he comes home at the conclusion of the 300th Anniversary festivities. The city has volunteered to move all bears to their permanent homes in early January, 2011.

For the past several weeks, the Taberna Bear Project Committee has done research to recommend a permanent location for TABEARNA here in Taberna. We recognize that first and foremost, the location must be on property owned by the Taberna Home Owners Association. Other key criteria for the location are as follows:

- Provide for easy access and close-up viewing of TABEARNA by residents and visitors.
- Provide for clear viewing while driving along Taberna Way or Taberna Circle.
- Provide reasonable protection from willful damage.
- Provide enough square footage so that an appropriate base can be constructed.

THEREFORE, we recommend that TABEARNA be located near the entrance to Taberna on the right side of Taberna Way just beyond the flagpole. There is a spot above the sidewalk between two magnolia trees that meets the above criteria; a picture of this location is being provided.



David Pickens <dpickens2@gmail.com>

Mona Kay Sadler, PC Cover Letter

2 messages

Bob Costanzo <costanzo01@gmail.com>

Thu, Aug 26, 2010 at 2:04 PM

To: Bruce Simmon <bsimmon@suddenlink.net>, Jim Dugan <jimdugan@embarqmail.com>, Maria Vincent <myrear66@aol.com>, Russ Packard <rpackard@caro-san.com>, Dave Pickens <dpickens2@gmail.com>
Cc: Rick Layton <ricklayton@msn.com>, John Serumgard <j.serumgard@suddenlink.net>, mmcnulty@suddenlink.net, wsvincent@aol.com

During my review of the quarterly reports from our CPA I became concerned about the attached letter. The third and fourth paragraphs are troublesome.

Let me share my concerns with all of you.

The 3rd paragraph follows:

- **Management has elected to omit substantially all of the statements of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in these financial statements, they might influence the user's conclusions about the Taberna Master Homeowners Association, Inc.'s financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.**

The potential question that concerns me and I hope the BOD is if we were ever subject to a lawsuit could all of us pass the test that we are adequately informed and understand what might be included in the documents that we are not receiving. I am confident that I would not want to be questioned why we did not obtain the unknown documents that we have been informed of in the letters (on a quarterly basis) from our CPA. On August 12, 2010 I requested that the CPA identify in writing exactly where we are at risk. My hope was that she would provide us copies of the missing documents with sample reports. As of yet I have not received a reply.

I would also suggest that our liability coverage under the THOA's E&O policy may be at risk. This is not a exposure that I am willing to expose myself to. I am not sure how you may feel.

Without a response I cannot recommend that the THOA continue our contractual relationship beyond 2010.

Respectfully,
Robert Costanzo
THOA Finance Committee Chairman

—
Bob Costanzo

scan0003.jpg
893K

**TABERNA
ARCHITECTURAL CONTROL COMMITTEE**

July 29, 2010

Mr. Joseph Fuller
109 Nyon Rd
New Bern, NC 28562

Dear Mr. Fuller:

On July 28, 2010, members of the Architectural Control Committee (ACC) completed an on-site review of your request for the removal of five (5) pine trees from your property (see Architectural Change Request enclosed).

We have noted the location (not to scale) of the five trees on the plot plan you provided with your request (see enclosure). The trees have been indicated as A,B,C,D,E on the plot plan.

Based on the guidance provided in the Taberna Protective Covenants and the Taberna Building and Appearance Guidelines, the Committee regrets that it can only approve the removal of two of the five trees. They are identified as trees "C" and "E". Attachment VII to the Guidelines states that approval shall be granted if, in the judgment of Committee, the trees have obvious damage caused by disease, infestation, wind or lightning damage or if the trees pose a risk to the homeowner's house, property or adjacent property. We feel that trees identified as "C" and "E" meet the criteria. The remaining trees, while fairly close to the house, do not meet the criteria, in our opinion.

The Committee therefore approves the removal of the two trees ("C" and "E"). Should you wish to pursue the removal of the remaining trees, please provide a written assessment from a certified arborist or an accredited forester per the Guidelines in Attachment VII.

Sincerely,



Richard L. Turner, Chairman
Architectural Control Committee

Enclosures

August 27, 2010

Mr. R. L. Turner, Chairman

Architectural Control Committee

Taberna Homeowners Association

Dear Mr. Turner,

This communication is in response to your letter of July 29, 2010.

First, let me recognize you and the rest of the committee members for your service to this community and the hard work you do in support of us, the homeowners. I know that yours is a sometimes thankless job, but because of you and the committee, Taberna is and will continue to be a most desirable place to live.

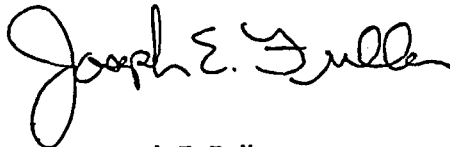
I feel that sometimes we, the homeowner fails to communicate clearly exactly what our desires are and the intent of our requests are not fully conveyed so as to be understood completely. When I met with the committee members, I don't think I expressed my concerns in the proper context. I may have led the members to believe that my sole intention was to remove the 5 trees at the point of the discussion solely for appearance sake. Let me assure you; this IS NOT the case. My wife and I have experienced, first hand, the damage that can be caused by a large pine tree breaking off and falling onto our house. Our safety and the security of our property is the primary reason for asking that we be allowed to remove these 5 trees. The recent wind event at River Bend serves to reinforce our concerns.

That being said, I have asked Mr. David Styron, a certified arborist, to make an assessment of the trees in question and his report/recommendations are included. Based on his report, I feel that the criteria for removal of all 5 of the trees, not just the 2 already approved, has been met and I respectfully request that the committee concur with my request to remove the 3 remaining trees in question.

In order to mitigate the net loss of the additional 3 trees, I will agree to plant 3 new trees of a variety indigenous to this area that will not grow to the proportions which would endanger personnel or be a hazard to my property.

Thank you for your attention in this matter and I appreciate your prompt response. I can be reached at 252-259-6797 or 252-649-1200 if you need to speak with me.

Sincerely,

A handwritten signature in black ink that reads "Joseph E. Fuller". The signature is written in a cursive style with a large, looping initial "J".

Joseph E. Fuller



Styron's Tree Service

P.O. Box 1521
Morehead City, NC 28557
252-726-0311
Fax 252-808-3397



To; Taberna Architectural Control Committee

August 25, 2010

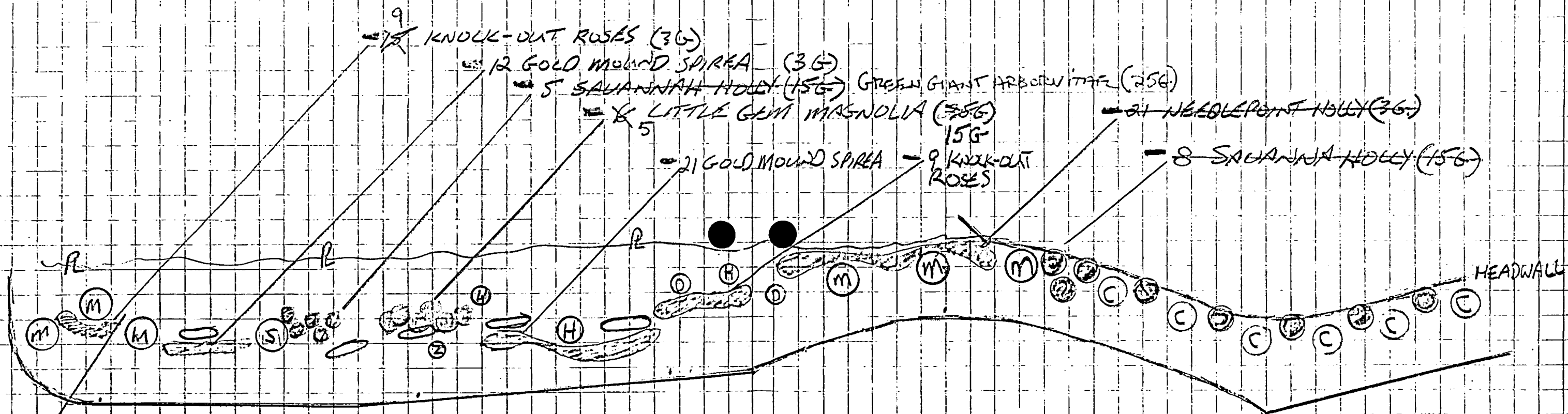
Re; Joe Fuller
109 Nyon Rd.
New Bern, NC 28562

On AUGUST 25, 2010, at the request of Mr. Fuller, I made a site visit to evaluate 5 Loblolly Pines in his yard. My first thought was they do not belong. These trees weigh over 5500 lbs each. In the forest where there is group protection they do well, as singles they do not. They typically break off at the lower limb level. The close proximity to houses has proven over and over to be a bad idea. They are a threat to the house and as you state in Attachment VII, they should be removed. Also they are such a low contributor to the landscape they are not worth the risk.

Sincerely,

David Styron
Certified Arborist
S01786-A

TABERNA TOWNES



TABERNA WAY

KEY

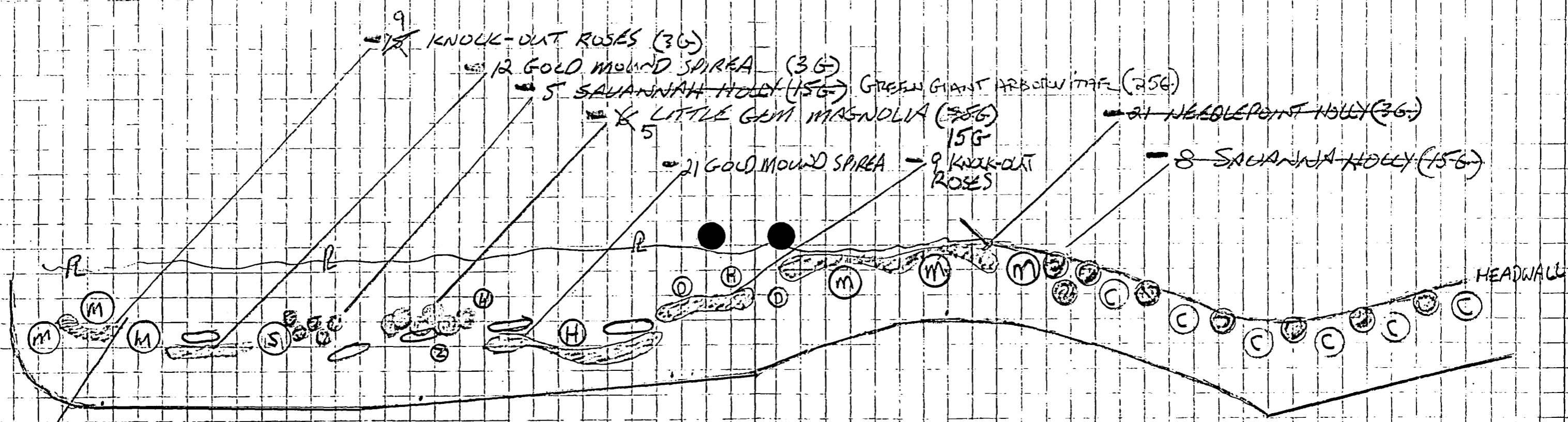
- (S) EXISTING SWEETGUM
- (M) EXISTING MAGNOLIA
- (D) EXISTING DOGWOOD
- (H) EXISTING HOLLY
- (C) EXISTING CRYPTOMERIA
- (Z) EXISTING ZELKOVIA
- ▭ EXISTING SHRUBS/HOLLY GROUPS - FERTILIZE TO RESTORE VIGOR

3 GREEN GIANT ARBORVITAE (25G)

ELEVATE W/ PLANT MIX (YELLOW HOLLY'S INDICATE WET FEET)

\$4,174

TABERNA TOWNES



TABERNA WAY

KEY

- (S) EXISTING SWEETGUM
- (M) EXISTING MAGNOLIA
- (D) EXISTING DOGWOOD
- (H) EXISTING HOLLY
- (C) EXISTING CRYPTOMERIA
- EXISTING SHRUBS/HOLLY GROUPS - FERTILIZE TO RESTORE VIGOR
- (Z) EXISTING ZELKOVA
- ELEVATE W/ PLANT MIX (YELLOW HOLLY'S INDICATE WET FEET)

3 GREEN GIANT ARBOVITAE (25G)

Linda Pickens

From: Jim Dugan [jimdugan@embarqmail.com]
Sent: Sunday, August 08, 2010 12:38 PM
To: Bob & Arlene Costanzo; Bruce Simmon; David Pickens; Jim Krise; Maria Vincent; Russ Packard
Cc: George McNulty; John Serumgard; Linda Pickens; Rick Layton; Willis Vincent
Subject: Accountant Contracts

Finance Committee,

I just forwarded Mona's email with the accountant contracts as I presented to the HOA Board last Wednesday night. The board was concerned about some of the wording. One board member ran it by his accountant and it is standard accountant language.

Bob informed the board he was worried about not having due dates and penalty clauses. The board agreed about having due dates.

In construction contracts (part of my background), if you have a penalty clause, you are expected to have a bonus clause. Therefore, I do not think a penalty clause is appropriate. I think only the due dates are appropriate. Following are my suggestions:

Aged Receivables as of the end of each month – due on the next business day after the end of each month

Monthly Trial Balance and Account Variance reports as of the end of each month – due on the 15th of the month following the end of each month

Quarterly reports – due on the 15th of the month following the end of the quarter

Tax reports – due two weeks prior to tax due date so we have time to review/revise/approve/sign/send before the tax due date

Meanwhile, I am using the figures in the attached contracts for the 2011 budget. A due date may not change them, but a penalty clause certainly will.

Please forward your committee's recommendation to the board before the next board meeting, Sept 1st.

Jim Dugan, Treasurer

Mona Kay Sadler, PC CERTIFIED PUBLIC ACCOUNTANT

PO Box 87
 Alliance, NC 28509
 252-745-4607
 Fax: 252-745-8179
 email monamkspc@earthlink.net

August 2, 2010

Taberna Master Homeowners Association, Inc..
 c/o Jim Dugan
 119 Neuchatel Rd.
 New Bern, NC 28562

The following is a partial list of services available from Mona Kay Sadler, PC. I hope to better meet your expectations of service from my firm by clearly identifying the particular services to be provided and their frequency. My services will cover the calendar year ended December 31, 2011.

You are responsible for management decisions and functions, and for designating a competent person to oversee any bookkeeping services, tax services, or other services I provide. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

None of the services can be relied on to detect errors, fraud, or illegal acts that may exist. However, I will inform you of any material errors that come to my attention and any fraud or illegal acts that come to my attention, unless they are clearly inconsequential. In addition, I have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement.

I have marked the frequency of the services that we expect to provide. Please review the information below and make any changes necessary.

Bookkeeping Services	Monthly	Quarterly	Annually
Record journal entries	_____	_____X_____	_____
Post general ledgers	_____	_____X_____	_____
Post other ledgers (specify) _____	_____	_____	_____
Reconcile bank statements	_____	_____X_____	_____
Update names & addresses of members	_____	_____X_____	_____
Accounts receivable listing, noting outstanding accounts	_____	_____X_____	_____
Cash disbursement/receipts journals or journal entries	_____	_____X_____	_____
Other bookkeeping services (specify)	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Financial Statements			
Compiled Financial Statements			
Balance Sheet	_____	_____X_____	_____
Statement of Revenue, Expenses, & Changes in Fund Balance	_____	_____X_____	_____
Special statements:			
Account Variance Budget to Actual	_____X_____	_____	_____
Monthly General Trial Balance	_____X_____	_____	_____

Annual Services

	Monthly	Quarterly	Annually
Federal income tax return	_____	_____	_____ X _____
State income tax return	_____	_____	_____ X _____
Member Billing	_____	_____	_____ X _____
Prepare 1099s	_____	_____	_____ X _____
Other state returns (specify)	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

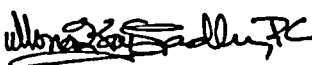
Other Services

Bank Deposits	<u>Weekly</u>	_____	_____
Write and Mail Checks	<u>As Needed</u>	_____	_____
Management Consultations	_____	_____	_____
Budget Assistance	_____	_____	_____

If, for any reason, I am unable to complete the compilation of your financial statements, I will not issue a report on such statements as a result of this engagement.

The fees for the accounting services will be billed at a rate of \$80 per hour for accounting technicians and \$110 per hour for CPA accounting services and \$250 per hour for CPA tax preparation and tax related services. You will also be billed for out-of-pocket costs such as postage, extra copies at 20 cents per copy, and extra travel, if any. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. My invoices for these fees will be rendered each month as work progresses and are payable on presentation. A late fee is charged after thirty days and no further work is done on any account more than 60 days past due.

I appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let me know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to me.

Sincerely,


Mona Kay Sadler, PC

Accepted by: _____

Date: _____

Linda Pickens

From: Jim Dugan [jimdugan@embarqmail.com]
Sent: Sunday, August 08, 2010 12:53 PM
To: George McNulty; John Serumgard; Linda Pickens; Rick Layton; Russ Packard; Willis Vincent
Cc: Bob & Arlene Costanzo; Bruce Simmon; David Pickens; Jim Krise; Maria Vincent
Subject: FW: Allocation of tax prep and taxes to sub-s

Taxes for the master and sub-associations are combined into one HOA account for filing taxes.

In reference to the allocation of tax preparation and taxes fees to the sub-associations, following is Mona Sadler's allocation spreadsheet.

As you can see:

The allocation of taxes matches the percentage of interest income of each sub-association (the only taxable income).

The allocation of tax preparation matches the percentage of total income (including dues) of each sub-association.

Jim Dugan, Treasurer

From: Mona Kay Sadler [mailto:mona@monakaycpa.com]
Sent: Thursday, April 22, 2010 7:11 PM
To: Jim Dugan
Subject: Allocation of tax prep and taxes to sub-s

		Taberna	Abbington	OTW	Boleyn	Tab Land	Totals
Revenues							
Interest Inc-Reserves		4,408.53	294.13	1,443.37	77.47	298.12	6521.62
Interest Inc-Other		790.83	0.00	0.00	4.67	0.00	795.5
Total		5199.36	294.13	1443.37	82.14	298.12	7317.12
Taxes Paid	1431	0.71	0.040	0.20	0.01	0.0407	1
		1017	58	282	16	58	1431
Total Income		193310.86	49026.13	33443.37	16596.14	8428.12	300804.62
		0.64	0.1623	0.11	0.0552	0.28	1
Tax Prep	799	514	130	89	44	22	799

Mona Kay Sadler, CPA
Certified Public Accountant
Grantsboro, North Carolina

Note: This page contains one or more references to the Internal Revenue Code (IRC), Treasury Regulations, court cases, or other official tax guidance. References to these legal authorities are included for the convenience of those who would

like to read the technical reference material. To access the applicable IRC sections, Treasury Regulations, or other official tax guidance, visit the Tax Code, Regulations, and Official Guidance page. To access any Tax Court case opinions issued after September 24, 1995, visit the Opinions Search page of the United States Tax Court.

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