



LAKE
ARROWHEAD

Welcome to Lake Arrowhead!
A Lake and Golf Community Like None Other





Call to Order

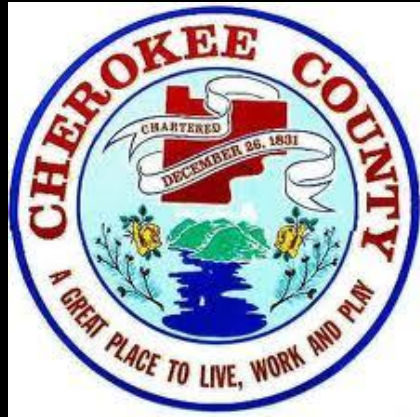
Pledge of Allegiance

Invocation

Welcome

Volunteer Fire Fighter Graduates

Chief Eddie Robinson



- Rebecca Strobl
- Bob Chambers
- Brett Smith



GRADUATES

Delores Bennett

Jim Bennett

Diane Briscoe

Lana Chadwick

Brenda Daly

Chuck Datres

Bill Daughtrey

Wanda Daughtrey

Betsi Harrison

John Harrison

Christina Horne

Bob Johnston

Mac Jones

Julia Marshall

Bill Marshall

Mike McGehee

Frances Mulkey

John Mulkey

Mervyn Paz

Larry Paz

Kim Smith

Rebecca Stobl

Gary Strobl

John Walker

Pitt Watts

Don Wehe

Cliff Will

Patty Winter

Annual Business Meeting

Order of Business

- Follow Roberts Rules of Order
- Establish that we have a quorum and that proper notice was given
- Approval of 2009 Annual Meeting Minutes
- Approval of LAPOA Treasurer's Report
- Receive Nominating Committees Report
- Inspectors of the Election
- Entertain additional nominations
 - Allow up to 5 minutes of discussion if needed
 - Call the Question
 - Collect written ballots
- Count the ballots - top four candidates
- Announce the results
- New Business
- Adjourn Business Meeting

LAPOA 2010 Financial Results

	Revenue	Expense	Net
Fund Raisers			
Ornaments	928.22	10.35	917.87
Calendars		484.66	-484.66
Events	3040.00	1788.20	1251.80
Other Income	271.66		
Board Meetings		47.25	
Communication		246.38	
Exchange Library		407.15	
Lake Patrol		293.91	
Administrative		123.35	-1118.04
Net Income/Loss	3968.22	3401.25	566.97

Achieving Results through Community Involvement

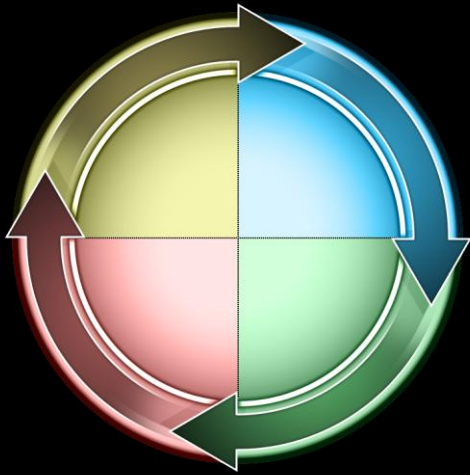
**LAPOA Board of Directors
2010 MISSION STATEMENT**

To represent the interests of the property owners of Lake Arrowhead in an open and conscientious manner.

And;

To encourage volunteerism toward the goal of ensuring the happiness and well-being of all Lake Arrowhead property owners.

Achieving Results through Community Involvement



- Putting community first
- Focusing on the future
- Working together on common desired outcomes
- Coordinating events
- Respecting each and every person



Focus Groups

- **Communication Coordination**
 - www.LAYCOnline.com
- **Golf**
- **Restaurant**
- **Lake Patrol**
- **Event Planning**
- **Propane**



Focus Groups

Future

- **Covenant Review**
- **CERT Response/911 Project**
- **Phase I Property Plan**
- **Art and Crafts Fair**
- **Dog Park**
- **Garden Plots**
- **Member Directory**

What is happening

- ⦿ **Marketing Program / LAC Letter**
- ⦿ **Library**
- ⦿ **Hydrant Inspection/Maintenance/Repairs**
- ⦿ **Christmas Ornaments**
- ⦿ **Bus Tours**
- ⦿ **Dumpsters**

HMS/LAYCC Operations Report

James Haslam, Director of Operations

- Club Operations Shane Newton
- Property Management Dotty Bonds
- Financial Report James Haslam
- 2009 Audit Report James Haslam



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Lake Arrowhead Property Owners' Association

Annual Meeting
September 25, 2010

Achieving Results through Community Involvement



Operations Review: Club Operations

2010 Accomplishments

1. Implemented LAYCCOnline.com in partnership with LAPOA Communications committee to increase the level of communication between LAYCC and LA residents
2. Increased members from 71 to 84
3. Survived the extreme weather, both Winter and Summer, while providing high quality course conditions
4. Enhanced service levels at both Red Cloud and GFP pool
5. Altered staffing of the Highlands Grill and provided a wide variety of dining options to better service the community

2010 Accomplishments

6. Expanded programming in Golf, Lake and Marina, Food and Beverage
 - a. Chicks with Sticks
 - b. Junior Golf Camp
 - c. The Highlands Cup
 - d. Blessing of the Fleet
 - e. Poker Regatta
 - f. Lunch and Learn series
 - g. Too many to list!
7. Recognized as “Best Golf Course in Cherokee County”



Operations Review: Club Operations

2011 Goals

1. Continue to relentlessly pursue increased expense efficiencies in order to provide a highly valuable community experience
2. Better weather!
3. Increased programming and participation in programs
 - a. “Something happening all of the time”
 - b. Focus on additional programs at Great Festival Park and at Clearwater Park
4. Create a “resort style” environment
 - a. Distribution of weekly calendar of events
 - b. More and wider range of programs for residents

2011 Goals

5. Continued adaptation of Highlands Grill to provide a high quality dining experience, more dining options to service our varied clientele, and enhance service all in a cost effective manner
6. Continue to expand Club membership base



Operations Review: Property Management

2010 Accomplishments

1. Documentation of shoreline properties
2. Increased lake patrols
3. Organized CERT Training class
4. Developed Emergency Response Plan in conjunction with Cherokee County and FEMA
5. Altered trash service delivery schedules to reduce noise and visual pollution
6. Increased collection efforts
7. Covenant enforcement success
8. Increased visibility of security patrols
9. Lake level / dam inspection

2010 Accomplishments (cont'd)

10. Increased revenue through annual fee for renters
11. Standardized addresses on Ridgewood Drive
12. Enhanced aesthetics of North Gate

2011 Goals

1. Complete shoreline documentation
2. Updated community design standards
3. Enhance access to online community information
4. Start replacement of street signs in Phase I
5. Map lake bottom
6. Property Owner Directory participation (voluntary)



Road Paving and Repair Status

Roads Paved and Repaired in 2010:

1. Lake Arrowhead Drive extension at Sauder Hill
2. Tulip Tree
3. Wild Court
4. Lake Arrowhead Drive near South Gate and Indian Ridge I and III
5. Lake Arrowhead Drive embankment (unbudgeted)

Paving Anticipated for Fall 2010:

1. White Eagle Drive (sections)
2. Jack Rabbit Drive (sections)

Currently Prioritized* Paving for 2011:

1. Acorn Court
2. Bison Court
3. Blue Fox Loop
4. Delaney Pine Drive
5. Jack Rabbit Drive (sections)
6. Lake Arrowhead Drive (Dam)
7. Myrtle Court

* Priority paving is listed in alphabetical order, not order of anticipated repair



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Lake Arrowhead Property Owners' Association Annual Meeting 2010

2010 LAYCC Financial Results



2010: Challenging Operating Environment

Foreclosures and Closures, Atlanta

1. Fairways of Canton (closed)
2. Horseshoe Bend CC
3. Echelon (GA Tech Club)
4. Killearn
 - a. Waterfall
 - b. Eagle's Brooke
 - c. Kingwood Resort
5. Greystone (closed)
6. St. Andrews Golf Club
7. The Manor
8. Country Club of the South
9. The River Club
10. Celebrity Golf Club (Heritage)
11. The Ridges Resort
12. Currahee Club

Foreclosures and Closings, Atlanta

13. Blue Heron Golf Club (Steel's Canyon)
14. Cherokee Run CC

Challenges

1. Extreme Weather
 - a. Winter, Snow
 - b. Summer, Heat
3. Membership demand remains weak, economic uncertainty
4. F&B shift to reduced dining frequency and greater demand for fresh locally sourced fare



2010: Challenging Operating Environment

1. Demand is down regardless of price:
 - a. Focus on expense efficiency
 - b. Maintain price integrity in order to maximize profit when demand returns
 - c. Demonstrate value on a consistent basis
 - d. Maintain quality facilities and service levels, demonstrate strength in a weak market
2. Extraordinary Expenses
 - a. Three 3 payroll periods, budgeted but extraordinary
 - b. Costs related to Winter weather
 1. Propane
 2. Road salt and supplies
 - c. Costs related to Summer heat
 1. Increased frequency of chemical applications for golf course greens
 2. Increased payroll to monitor greens conditions



LAPOA Monthly Report

	<u>August 2010</u>			<u>YTD 2010</u>		
	<u>August</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Total Revenues	299,812	310,479	(10,667)	2,182,501	2,363,763	(181,262)
Total Operating Expenses	<u>316,609</u>	<u>301,460</u>	<u>18,149</u>	<u>2,152,478</u>	<u>2,329,361</u>	<u>(176,883)</u>
Net Operating Income	(19,797)	9,020	(28,816)	30,023	34,402	(4,379)
<u>Golf</u>						
Rounds	1,995	2,090	(95)	10,621	13,660	(3,039)
Revenue	67,989	79,025	(11,036)	384,145	507,366	(123,221)
Expenses	<u>101,112</u>	<u>94,276</u>	<u>6,835</u>	<u>543,358</u>	<u>620,333</u>	<u>(76,975)</u>
Net Operating Income	(33,123)	(15,251)	(17,872)	(159,213)	(112,967)	(46,246)

Notes:

1. Golf Revenues include: Initiation Fees, Golf Member Dues, Greens Fees, Cart Fees, Driving Range Fees, Golf Shop Sales and Club Services
2. Golf Expenses include: Golf Shop COGS, Golf Operations, Golf Course Maintenance, and Golf Cart and Maintenance Equipment Leases



Golf and Greens Committee

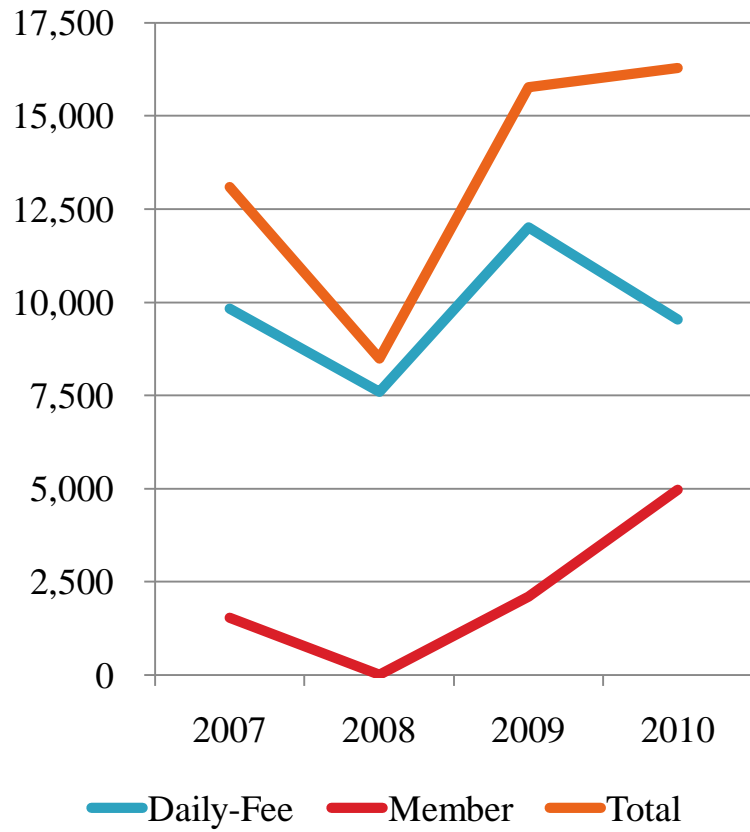
	Actual <u>2007</u>	Actual <u>2008</u>	Actual <u>2009</u>	Projected <u>2010</u>
Rounds	13,101	8,497	15,778	16,285
Revenue	375,559	275,246	613,009	592,268
Expenses	<u>642,482</u>	<u>836,216</u>	<u>820,370</u>	<u>770,700</u>
Net Income / (Loss)	(\$266,923)	(\$560,970)	(\$207,361)	(\$178,432)
Weather Days (Good)	240	269	212	216
P&L Per Round	(\$20.37)	(\$66.02)	(\$13.14)	(\$10.96)
Greens Fees per Round	\$20.26	\$15.49	\$21.62	\$23.18

Notes:

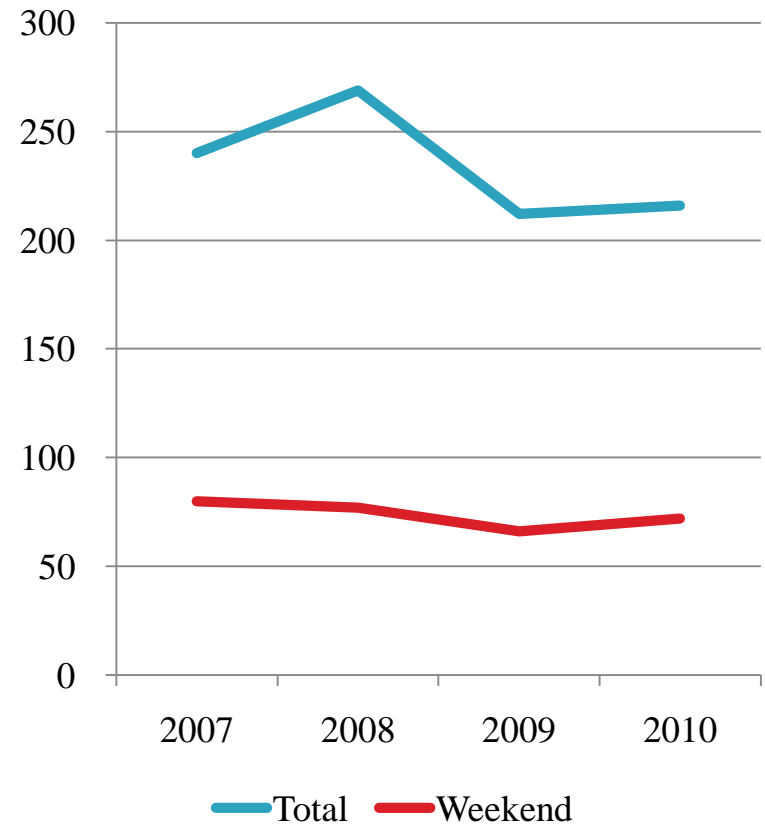
1. Rounds includes all "starts," including Member rounds, Daily-Fee rounds, Employee rounds, Complimentary rounds, 9-hole rounds, and Tournament rounds
2. Revenue includes Initiation Fees, Membership dues, Greens Fees, Cart Fees, Golf Shop Sales, Driving Range, and Club Services
3. Expenses includes Golf Shop Cost of Goods Sold, Golf Operations, Golf Course Maintenance, Golf Cart lease expense, Golf Course Maintenance Equipment lease expense

Business Trends

Golf Rounds



Weather Days





2010 Financial Results (Projected)

	<u>Projected</u> <u>2010</u>	<u>Budget</u> <u>2010</u>	<u>Variance</u> <u>2010</u>	<u>Actual</u> <u>2009</u>
<i>Revenues</i>				
Property Maintenance Fees	2,142,239	2,151,190	(8,951)	2,117,133
Golf and Membership	592,268	719,879	(127,611)	613,009
Food and Beverage	300,440	415,200	(114,760)	221,832
Lake, Marina and Recreational	183,198	156,225	26,973	165,648
POA and Administrative	83,878	40,600	43,278	57,421
Total Revenues	3,302,024	3,483,094	(181,070)	3,175,043
<i>Expenses</i>				
General and Administrative	791,727	809,162	(17,435)	764,134
Clubhouse	156,555	174,648	(18,093)	181,804
Golf Operations and Marketing	243,663	297,487	(53,824)	266,521
Food and Beverage	398,415	438,752	(40,337)	294,158
Golf Course Maintenance	539,788	605,255	(65,467)	560,142
Amenities	90,188	102,331	(12,143)	88,736
Security	391,306	407,743	(16,437)	390,091
POA and Property Maintenance	447,666	514,928	(67,262)	348,883
Leases and Rents	101,439	84,144	17,295	94,080
Total Expenses	3,161,047	3,434,450	(273,403)	2,988,549
Net Operating Profit / (Loss)	\$140,977	\$48,644	\$92,333	\$186,494



LAYCC Financial Information

G&A Expenses Include:

1. Property Taxes
2. Legal and Accounting, including audit
3. Credit Card Discounts
4. Computer Support and Hardware
5. Management Fees
6. Taxes and Licenses
7. Insurance
 - a. Property and Casualty
 - b. General Liability
 - c. Workers' Compensation

2009 Audit

- Performed by Mauldin and Jenkins
- Internal Control Procedures were reviewed
- Capitalized Leases (GAAP) were reviewed
- No major discrepancies were noted
- No major accounting adjustments were recommended

2011 Budget

- Present draft to LAPOA board for review and comments by October 15th
- The Board will meet independently to discuss budget, including capital projects, amenity upgrades, profitability of revenue producing amenities, and community priorities
- HMS Golf, LAC and LAPOA Board will work cooperatively to finalize by 11/15
- Expect slight revenue increase and decreased operating expenses

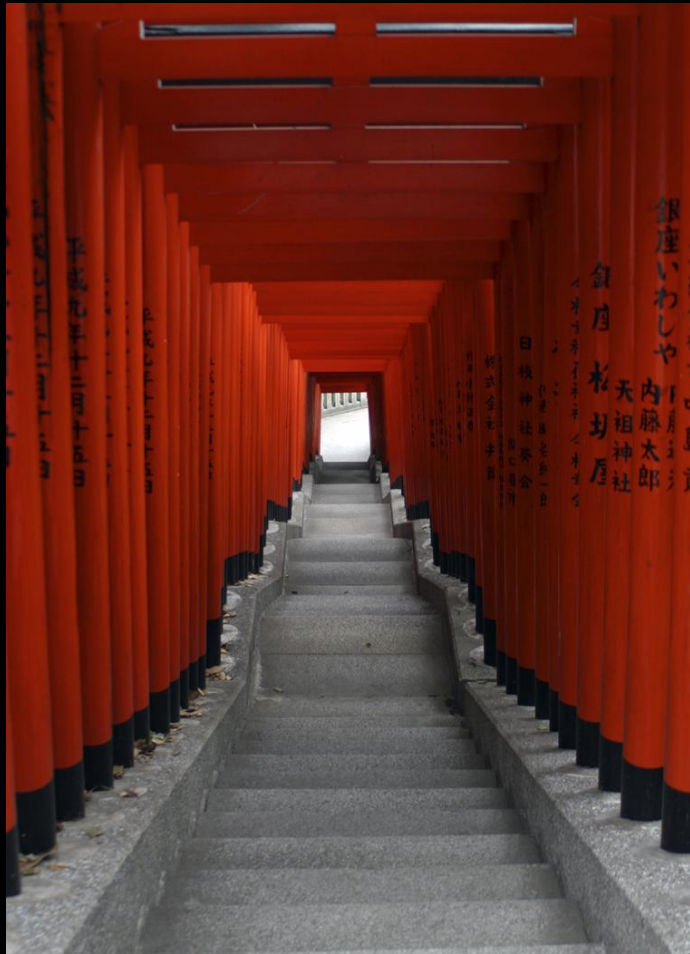


Contact Information

We always welcome and encourage, any comments, suggestions, criticisms, praise, questions, or requests for assistance!

1. LAYCCOnline.com
2. LakeArrowheadGA.net
3. Around the Lake
4. Clubhouse
5. HMSGolf.com
6. Shane Newton, General Manager
snewton@lakearrowheadga.com, 770.721.1900
7. Dotty Bonds, Director of Property Management
dbonds@lakearrowheadga.com, 770.721.1900

Future Steps



Resort

Country
Club

Suburban

Work together
to achieve
our desired outcomes.