

DRAFT

Minutes of the Sixth Annual Membership Meeting of the Cove Pointe Owners Association, Inc.

Date: Wednesday, September 21, 2011
Time: 5:30 p.m.
Location: St. Andrew Bay Yacht Club Sailing Center
218 Bunkers Cove Road, Panama City, Florida 32401
Attendance: Officers & Directors: Buddy Dye, President/Director; Chris Reiss,
Treasurer/Director; Tom Neubauer, Secretary/Director; Roger
Spencer, Director.

Members/Lots:

Bill Allen (Lot 35)
Paul Dick (Lot 12)
John "Buddy" Dye (Lots 24 and 25)
Lorraine McElhaney (Lot 13)
Mable Neel (Lot 3) represented by Roger Spencer (Lot 3) (proxy)
Tom and Margaret Neubauer (lot 34);
Charles Nichols (37)
Mike Nichols (Lot 23)
H. Cranston Pope (Lots 18 and 21)
Christine Reiss as representative for Cove Preservation Partners, Inc., as owner
of lots 8,32,36,43,44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 57 and 58.
Cove Pointe Holdings, LLC; by Christine Reiss (lots 40 & 42);
Mary Reihle (Lot 41)
Steve Segrest (Lot 22)
Shirley Spencer (Lot 1) represented by Roger Spencer (proxy)
James Thayer (lot 30) represented by Roger Spencer (proxy)

The meeting was called to order at 5:30 PM by Buddy Dye.

- (1) Election of Meeting Chairman: A motion was made by Christine Reiss and seconded by Margaret Neubauer to appoint Buddy Dye as meeting chairman. The motion passed by unanimous vote.

- (2) Call of Roll and certifying of Proxies: Attendance was taken by individual sign-in and the secretary acknowledged the attendees constituted a quorum. Roger Spencer signed in as proxy (per above) for Shirley Spencer (Lot 1), Mable Neel (Lot 3) and James Thayer (Lot 30). (subject to receipt of the proxy by secretary). Without proxies, there were 14 "class A" votes present and 17 class B votes, exceeding the required majority. When validated, the proxies will add 3 additional class A votes.

- (3) Proof of Notice of Meeting: Buddy Dye noted for the record that the meeting had been properly noticed. The statement was executed by Mr. Dye as President/Director and Tom Neubauer, as Treasurer/Director. (attached)

- (4) Minutes of Previous Annual Meeting: A motion was made by Mrs. Reiss to approve the minutes of the November 4, 2010 annual Meeting subject to one correction in paragraph 8. The minutes were approved by unanimous vote.
- (5) Financial Report Chris Reiss offered a proposed budget which had been reviewed by the Association Board at the August 9, 2011, placed on the website and presented with the annual meeting notice. Mrs. Reiss updated the budget to reflect recent activity and each income expense category was discussed in detail;
- a. Mrs. Reiss reported that all lot owners are current on dues assessments with the exception of two owners who have not paid. Based on past history, these owners were deemed unlikely to pay. One of the owners has moved away from the area and Mrs. Reiss has been sending appropriate correspondence to each of several apparent mailing addresses. Another owner has also been unresponsive. A third lot owner send an incorrect payment amount, however will likely correct the error. It was suggested that the board take appropriate action. Mrs. Reiss recapped the potential cost-effectiveness of various remedies and it was agreed that the board should take whatever action it deems appropriate to protect the interests of the Association.
 - b. Mrs. Reiss also reported that Cove Point Owners Association has a balance in the operating account of \$30,059.86. She anticipates additional income of \$1,315 in 2011 and expenses of \$13,264.66, projecting a year-end balance of \$19,110.20. (It was noted that an additional \$600 in the operating account is held for payment to the ARB).
 - c. The amount held in the Park Funds Account is \$12,000 plus some accrued interest. It was noted in response to a member question, park funds accrue solely from the sale of developer lots to the first purchaser at a rate of \$250 per lot. Accordingly, an additional \$4,250 may accrue to the park fund in the future.
 - d. Mrs. Reiss reported that in addition to the operating account and Park Funds Account, CPOA has \$13,523 in a reserve account, of which \$56.29 is accumulated interest.
 - e. The proposed 2011 operating budget of \$35,881.47 absorbs excess funds \$3,531 and recommends an annual assessment of \$550 per lot.
 - f. The proposed annual assessment for 2012 of \$550 per lot, continues to follow a decreasing trend and demonstrates prudent management of expenses. Assessment history is as follows: **2007=\$780**; **2008=\$675**; **2009=\$625**; **2010=\$300** (credited with excess reserve fund); **2011= \$610** and **2012=\$550**.
 - g. Other Comments: (a) Setting the proposed amount should be contingent upon successful collection of any past due assessments. (b) The proposed assessment considers that the owners of 38 vacant lots will voluntarily contribute \$25 as they did for 2010. The budget was designed with other assumptions as noted on the worksheet.

Following the budget presentation, a question was asked by Mr. C. Nichols: Q: Is the association or the ARB responsible for working on compliance issues, such as failure of a property owner to comply with the approved landscape plan? It was determined that this effort should be made by the ARB, as the ARB approves the landscape plan when the house plans are approved.

A motion was made to approve the financial report as presented and was accepted by unanimous vote.

(6) Report of Committees: For the Landscape Committee, Mr. Dye reported: (a) HerbaFex continues to perform and is responsive. (b) On the status of subdivision mowing; although four cuttings were budgeted, dry weather allowed for just three cuts, resulting in a small cost savings. It is anticipated that four times will likely be required in 2012. (c) HerbaFex installed new pine straw in all the landscape areas using approximately 450 bales of straw per year. (d) The dock requires continuous maintenance and occasional replacement of boards. (e) As follow-up to the previous meeting, a question was asked regarding the neighborhood sign requirements. Mr. Dye noted that this issue was discussed the last annual meeting and at a recent board meeting. Since there seems to be an ongoing problem with unsightly signs it is time to enforce the current standards. Mrs. Reiss suggested that the ARB take this on and set a standardized criteria for signs as generally provided in the covenants, articulate the criteria to owners and then enforce as appropriate.

(7) Election: The group agreed that since it not necessary to hold an election of 2011 directors by ballot, it is not necessary to appoint inspectors. It was noted by Mrs. Reiss that the class A voters elect two directors. And class B votes selected three. A motion was made to reappoint all the current officers, Mr. Dye, Mrs. Tammy Newton, Tom Neubauer, Chris Reiss and Roger Spencer. The motion was seconded and passed unanimously.

(8) New Business:

- a. Entry traffic circles: Mr. Dye reported that he has been giving special attention to the landscape areas around the Cove Pointe entry signs because these areas have become unsightly. He offered photographs of the areas as they currently appear and some additional photos demonstrating what they could look like if improved. Mr. Dye suggested that the CPOA spend funds to improve each of these areas to more closely align with the photos presented. A motion was made to authorize the landscape committee to obtain some designs, estimates and recommendations which could be distributed to the membership electronically for comment and then approved at a future board meeting date. The general sentiment of the group is that this work probably needs to be done and we should consider the options.
- b. Park Fund: It was recommended that the association consider spending a portion of the Park funds for landscaping in the park area. Mr. Dye has been investigating options for quite some time including the possible planting of 21 Crape Myrtle trees and flowers as outlined in a design draft, at a cost of \$6,200, approximately ½ of the park fund. Mr. Cranston Pope moved to continue progress with the idea and determine the size of the trees. The motion was seconded by Margaret Neubauer and approved by unanimous vote. A second motion was made by Mrs. Reiss to allow the landscape committee to move forward with plans to use park funds subject to final board approval. The motion passed without objection.

- c. Tap-in pipes: There was discussion about the unsightly appearance of sewer tap pipes throughout the subdivision. In anticipation of the discussion, Mr. Dye advised that he obtained an estimate from a contractor or \$450 to cut off all the pipes and cap them at or below grade so that the areas can be mowed. After some discussion the group agreed that the work was within the authority of Mr. Dye.
- d. Landscape Committee: Mr. Dye suggested that he would like to re-form the landscape committee and have additional members who are living in the subdivision. Mary Riehle offered to assist with the committee and other volunteers are welcome. Please contact Mr. Dye if you are willing to serve.
- e. Mary Riehle brought up the subject of trash, particularly in the area of the dock and along the shores of Watson Bayou. Mr. Dye noted that he has been picking this up from time to time and the suggested the problem is ongoing as the trash comes in with the tide. Mrs. Reiss suggested that the landscape contract with HerbaFex Landscaping may address the issue, as it was broadly drafted. A motion was made to authorize Mr. Dye negotiate the requirement into the contract if it was not already addressed.

There was no further new or old business and the meeting was adjourned at approximately 6:30 PM

Cove Pointe Owner's Association, Inc.

These are draft minutes subject to review and correction at the next annual meeting.
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Tom Neubauer, Secretary