

DRAFT-Subject to Membership Review/Approval 2011
Minutes of the Fifth Annual Membership Meeting of the
Cove Pointe Owners Association, Inc.

Date: Wednesday, November 4, 2010
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:

Nancy Breland (lot 16)
Steve Butler (lot 2); By proxy (Tom Neubauer) delivered at the meeting.
Paul and Anne Dick (lot 12) by proxy (Christine Reiss) delivered at the meeting
Buddy Dye (Lots 24 and 25)
Steve Goodwiller (Lot 9)
Mike Grabner (19)
Lorraine McElhaney (Lot 13)
Mable Neel (Lot 3) represented by Roger Spencer (Lot 3) (proxy)
Tom and Margaret Neubauer (lot 34);
Cove Pointe Holdings, LLC; by Christine Reiss (lots 40 & 42);
Tammy Newton (Lot 17)
Mike Nichols (Lot 37)
Shirley Spencer (Lot 1) represented by Roger Spencer (proxy)
James Thayer (lot 30) represented by Roger Spencer (proxy)
H. Cranston Pope (Lots 18 and 21) represented by Roger Spencer (proxy)
Chris Reiss as representative for Cove Preservation Partners, Inc., the owner of lots 8,32,36,43,44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 57 and 58.

The meeting was called to order at 5:40 PM by Buddy Dye.

- (1) Election of Meeting Chairman: A motion was made and passed unanimously to appoint Buddy Dye as meeting chairman.
- (2) Call of Roll and certifying of Proxies: Attendance was taken by individual sign-in and the secretary acknowledged the attendees constituted a quorum. Proxies were accepted (per above) Roger Spencer was in attendance on behalf of Shirley Spencer (Lot 1) and Mable Neel (Lot 3) and James Thayer (Lot 30) Steve Butler delivered a proxy to the Secretary appointing Tom Neubauer, and Chris Reiss represented Paul and Ann Dick by Proxy.
- (3) Proof of Notice of Meeting: Buddy Dye noted for the record that the meeting had been properly noticed. The statement was executed by the Buddy Dye as President/Director and Tom Neubauer, as Treasurer/Director. (attached)

- (4) Minutes of Previous Annual Meeting: Copies of the April 14, 2010 annual Meeting minutes were approved by unanimous vote on a motion by Christine Reiss and seconded by Margaret Neubauer.
- (5) Financial Report Chris Reiss advised the membership that the Association Board adopted a 2011 budget, a copy of which was provided to each attendee. It was noted that the report was also posted to the CovePointe.com website and a copy is attached to these minutes. Each expense category was discussed in detail:
- a. Mrs. Reiss introduced the proposed budget, reviewed each category, budget history and rationale for proposed budget amounts. It was reported that the 2010 budget was almost exactly on track.
 - b. Mrs. Reiss also reported that Cove Point Owners Association has a balance in the operating account of \$20,856.28 plus \$9,745.29 in the money market account and \$12,000 plus accumulated interest in the park fund.
 - c. The proposed 2011 operating budget of \$30,149.43 projects an operating loss of \$159.43, essentially a breakeven budget.
 - d. The annual assessment includes a \$30/lot reserve totaling \$1,740 and \$2,500 for miscellaneous expense.
 - e. The recommend assessment for 2010 is \$515 per lot.
 - f. Mrs. Reiss also advised that the board had previously authorized the association to accept a two year contract with HerbaFex, the status of which would be discussed later in the meeting.
 - g. Mrs. Reiss recommended that each lot owner should be billed by December, requesting payment due by January 31, 2011 and made a motion to that effect, seconded by Tammy Henley.
- (6) Report of Committees: For the Landscape Committee, Mr. Dye reported that HerbaFex was essentially doing a good job and has been responsive to appropriate requests. Flowers have been planted and general maintenance is satisfactory. Mr. Dye also advised that the many lot owners have participated in the voluntary bush-hog plan, however several simply have not responded. It was suggested that the lots owned by non-participants are unattractive, defeating the purpose of the program. Mr. Dye suggested that the mowing should be accomplished at least three times per year. Membership concurred followed by discuss about the cost of enforcing the lot maintenance provisions in the Association Covenants. It was determined that although these covenants are clearly enforceable, it simply would not be cost-effective to do so. After further discussion about the importance of maintaining the appearance of Cove Pointe, Mike Grabner suggested that the appearance of the subdivision was important to every property owner and that it would be in the best interest of all property owners to ensure proper maintenance of the lots. It was noted that the owners of vacant lots could not be assessed any differently than those which have already been developed. Accordingly a motion was made by Mr. Grabner and seconded by Dr. Goodwiller to adjust the association dues to \$635 per year or such other amount as would be determined by the Board to include the cost of bush-hogging all vacant lots four times per year. Following much discussion about the equity of homeowner's subsidizing the cost of lot maintenance in the entire subdivision, the question was called and passed with Chris Reiss abstaining (as representative of Cove Preservation Partners Lots) and one

dissenting vote by a lot owner who also stated he did not intend to pay an assessment which included the maintenance of vacant lots.

- (7) Election of inspectors of an election: The membership agreed that it would not be necessary to hold the election of 2011 directors by ballot so it would not be necessary to appoint inspectors.
- (8) Election of Directors: Mrs. Reiss pointed out that according to the bylaws the developer had the option to select three Director members. Accordingly she stated for the record that Cove Preservation Partners has appointed, Tom Neubauer, Chris Reiss and Roger Spencer. The class A votes provide for two directors and the members indicated that the current members Mr. Dye and Mrs. Neubauer should be reelected and were without opposition. Accordingly, the directors were reelected by acclamation.
- (9) Unfinished Business: Mrs. Reiss briefed the board on the historical background about the issue of sidewalk construction, noting that the Cove Pointe Declaration was produced when there were high expectations of rapid development, prior to the economic turndown. She presented the current provisions of paragraph 10.31, the proposed 2008 version offered when the matter was discussed at the 2008 annual meeting and a new, 2010 proposed alternative for discussion (attached). Members discussed the merits of delaying implementation. A motion was made by Mike Nichols and seconded by Margaret Neubauer to adopt the proposed language as amendment to the covenants. All members present, with the exception of one voted for approval.
- (10) New Business:
 - a. Report on Modification of Dock: Mr. Dye noted that there were several loose boards on the dock which were recently re-nailed.
 - b. Signage: It was noted that signage has become unsightly, particularly the installation of for sale by owner signs. It was noted that the Covenants address the issue and there is a vehicle for enforcement of a reasonable standard. The discussion continued with regard to how these standards could be improved and ultimately enforced, perhaps through the efforts of the architectural review board. Mike Grabner volunteered to join the ARB and Nancy Breland also agreed to participate as an ARB member. A motion was made by Tammy Newton to appoint these members, was seconded by Roger Spencer and carried by unanimous vote.

There was no further new or old business and the meeting was adjourned at approximately 6:40 PM

Cove Pointe Owner's Association, Inc.

Tom Neubauer, Secretary