

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

Date: Wednesday, April 14, 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:

Steve Butler (lot 2); By proxy (Tom Neubauer) delivered at the meeting.
Buddy Dye (Lots 24 and 25)
Patrick Higgins (lot 13);
Dr. Larry and Mrs. Hodson (Lot 11)
Mable Neel (Lot 3) represented by Roger Spencer (Lot 3) (proxy)
Tom and Margaret Neubauer (lot 34);
Cove Pointe Holdings, LLC; by Dr. George and Christine Reiss (lots 40 & 42);
Tammy Newton (Lot 17)
Steve Segrest (Lot 22)
Shirley Spencer (Lot 1) represented by Roger Spencer (proxy)
James Thayer (lot 30) represented by Roger Spencer (proxy)
Mike Nichols, (lot 37)
H. Cranston Pope (Lots 18 and 21)
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 5:44 PM by Buddy Dye.

- (1) **Election of Meeting Chairman:** A motion was made by Chris 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 that 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 meeting, appointing Tom Neubauer and Mike Nichols represented Paul and Ann Dick by Proxy. The proxies were filed with the secretary prior to the meeting, with the exception of Paul Dick which was confirmed by telephone and sent subsequent to the meeting. (proxy was not required to achieve quorum)
- (3) **Proof of Notice of Meeting:** Director Chris Reiss presented for approval, proof of compliance that the meeting had been properly noticed. The statement was executed by the Chris Reiss (Treasurer/Director) and Tom Neubauer, Secretary for the record.
- (4) **Minutes of Previous Annual Meeting:** Copies of the 2009 annual Meeting minutes were distributed to the attendees. The annual meeting minutes were approved by unanimous vote on a motion by Mike Nichols and seconded by George Reiss.
- (5) **Financial Report** Chris Reiss advised the membership that the Association Board adopted a 2010 budget, a copy of which was provided to each attendee, (has been posted to the

CovePointe.com internet site and is attached to these minutes). Each expense category was discussed in detail:

- a. Mrs. Reiss introduced the proposed budget and reviewed each category, budget history and rationale for proposed budget amounts.
- b. She noted that there is legal precedent for using surplus funds as a means to reduce annual association assessments and, therefore, the accumulated surplus was factored into the 2010 assessment calculation.
- c. Mrs. Reiss also reported that Cove Point Owners Association has more than \$17,000 in the operating account, \$8,119 in the money market account and \$12,000 plus accumulated interest in the park fund.
- d. The proposed 2010 operating budget of \$25,697.77 projects an operating loss of \$8,097 to absorb the accrued surplus funding.
- e. The annual assessment includes a \$30/lot reserve and \$1500 for miscellaneous expense.
- f. The recommended assessment for 2010 is \$300 per lot.
- g. It was noted that 2009 assessment was \$625 per lot, and the 2011 assessment is not likely to be as low as the proposed 2010 assessment unless excess funds are accumulated above the budget.
- h. Mrs. Reiss also advised that the board had previously authorized the association to accept a two year contract with Gorilla Landscaping.
- i. Mike Nichols moved to approve the proposed budget, the motion was seconded by Dr. George Reiss and the vote passed in favor of adoption by unanimous vote.
- j. Mrs. Reiss recommended that each lot owner should be billing immediately, requesting payment due on June 1, 2010 and made a motion to that effect, seconded by Tom Neubauer which passed unanimously.

(6) 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. Margaret Neubauer nominated Tammy Newton, Chris Reiss nominated Buddy Dye. Mike Nichols moved to close the nominations, seconded by George Reiss. The procedure outlined in the bylaws provide for secret ballot unless waived. On motion by Chris Reiss, seconded by Mike Nichols, secret balloting was unanimously waived without objection.

(7) New Business: Mrs. Reiss presented to the Association a brief history of the parking area and related drainage and design issues, noting that the Association and the Developer approached the original engineer (Baskerville Donovan) and the primary contractor (GAC Construction) about design and construction flaws, resulting in additional work being performed without cost by both the engineer and contractor. The request was a direct result of damage that had occurred in February 2008. Repairs were made subsequently by Berg Enterprises.

It was further noted that one of the Cove Pointe residents had made unfounded, erroneous statements about the history of project construction and drainage issues. Mrs. Reiss pointed out that the developer hired a professional engineer to verify that all previous work had been properly permitted and authorized design improvements to the common area at the dock parking area in order to improve the drainage of stormwater and to alleviate the potential for erosion behind the parking area. The developer of the subdivision, Cove Preservation Partners, Inc. ("CPP") has proposed that certain modifications be made to that area and has agreed to bear the cost of such modifications. Since the common area is owned by the Association and any warranties from the work should flow to the benefit of the Association, CPP has requested that the Association be a party to the construction contract. Mrs. Reiss

made available for anyone interested, a set of engineering drawings completed by Baytowne Engineering, LLC., a firm owned by Johnny C Sims, P.E.. The drawings are the result of careful study of the current drainage system, review of all permits, repairs that were completed after the 2008 storm damage and were designed to provide recommendations for enhancement of the drainage scheme within the scope authorized by regulatory permitting. Mr. Sim's recommendation demonstrated by the engineering drawings suggested redesign of the parking area, removal of a drainage bed, closure of a drain pipe and repaving of the parking area to provide slope of the asphalt and improve run-off. Mr. Sims obtained construction bids for the recommended work on behalf of CPP, and CPP is prepared to engage American Sand and Asphalt Paving to complete the work if the Association is in agreement. The work is substantially completed and awaiting installation of sod and curb stops.

Speed Bumps: Tammy Newton brought up the issue of extraordinary traffic from the one subdivision entrance to the other as a result of motorists taking a short-cut through Cove Pointe, perhaps to avoid speed bumps. Mrs. Newton recommended that the board consider deployment of speed bumps to help eliminate the problem. It was suggested that the City might consider installing speed bumps, however it would be important to have the support of surrounding neighbors. Mrs. Newton agreed to find out if there is sufficient support by residents to warrant request for speed bump installation.

Skateboarders and liability insurance: There was some discussion about the number of skateboarders using Cove Pointe and unauthorized use of the dock area, in spite of the warning signs. Mrs. Reiss noted that the Association carries \$2 million in liability coverage, largely because of the dock area.

Additional Lighting: There was some discussion about the possibility of adding motion sensor lighting at the dock and in the circle where there seems to be unusual traffic and activity at night. Mr. Dye agreed previous that he may investigate possible solutions.

There was no further new or old business and the meeting was adjourned at approximately 6:20 PM

Cove Pointe Owner's Association, Inc.

A handwritten signature in black ink, appearing to read "Tom Neubauer". The signature is fluid and cursive, with a large initial "T" and "N".

Tom Neubauer, Secretary
Approved Nov 4, 2010 - 5th Annual Meeting