

Minutes of Special Meeting of the Board of Directors Cove Pointe Owners Association, Inc.

Date: Thursday, September 30, 2010
Time: 12:00 PM
Location: 338 Bunkers Cove Road, Panama City, FL 32401
Attendance: Officers/Directors: , Buddy Dye, President/Director, Christine Reiss, Treasurer/Director; Tom Neubauer, Secretary/Director; Tammy Newton, Vice President/Director
Other Members: None

Proof of Notice of Meeting: For the record, Director Buddy Dye provided to the secretary for approval, proof of compliance that the meeting had been properly noticed by posting of written notice in the subdivision as required by the bylaws. (copy of Notice attached)

The meeting was called to order by Buddy Dye at 12:06.

Minutes: The minutes from August 2, 2010 special board meeting were unanimously approved.

Financial Update: An itemized income-expense and budget report were presented by Christine Reiss. A detailed year-to-date report through September 22, 2010 shows that that CPOA has receipted income of \$16,031.50 and is projected to a total of \$17,261.50 including interest on park funds through November, anticipated collection on three of the five past due lot assessments. The recent sale of Lot 13 will also generate a \$300 transfer fee in October.

Unpaid Assessments: Mrs. Reiss reported that the association is doing reasonably well on assessment collections. She reviewed the circumstances for each of the five lots owners who are in arrears and reported that she was able to make contact with two of the parties who indicated their past-due amounts will be soon paid. Lot 41 was foreclosed in 2010. Fortunately the Cove Pointe Declaration of Covenants were thoughtfully drafted to provide a method for the recovery of unpaid assessments, even subsequent to foreclosure. The CPOA will likely be able to recover these funds through correspondence with the bank that foreclosed on the lot. Only one of the five lot owners with unpaid assessments has high potential to require legal action for future recovery. Meanwhile Mrs. Reiss asked that the board secretary begin a dialogue with the lender associated with another delinquent lot owner. Tom Neubauer moved for approval of the financial statements, seconded by Tammy Newton - motion passes.

Update on Status of Landscape Contractor and Service: Mr. Dye reported that HerbaFex Landscape Management has been doing well, although there are a few issues that still need to be addressed, they "generally deserve a good report card." Specifically the annual flowers should be installed and some decisions must be made about the pine straw, such as amount and frequency of reinstallation.

Maintenance of vacant lots: Mr. Dye reported that the appearance of vacant lots and weeds are a significant eyesore in the neighborhood. Board members in attendance concurred that the board should develop a plan to facilitate improvement. Mrs. Reiss acknowledged that the problem should be addressed, but reiterated an important point

offered in previous meetings. Developing a program to encourage voluntary participation would be far more effective than attempting to force lot owners to comply with the covenants through legal action. Neubauer noted that previous efforts to get all lot owners on board with a maintenance program were successfully led by Mrs. Reiss; she collected checks and passed them on to Mr. Thomas, the previous maintenance vender. This was reasonably successful, as most lot owners willingly participated. Mrs. Reiss pointed out that the association cannot simply bill non-participants as suggested by one lot owner, since Florida Statutes require any association assessments to be uniform across the CPOA. The Association is not responsible for lot maintenance; individuals are. Since one resident has persisted in his presumption that subdivision lot maintenance continues to be the responsibility of the developer, any effort to facilitate maintenance will now be managed by the association, avoiding any such perception. It was also noted that the association cannot simply bill a lot owner for the cost of clearing. Any legal action by CPOA against a lot owner for the purpose of placing a lien on the lot for the recovery of maintenance costs would be a very expensive process. It was agreed that during the next 30 days a request would go to all lot owners whose lots require maintenance, offering the name of the HerbaFex vender who has offered to do the work for \$35.00 per lot. Mr. Dye agreed to follow up by email to lot owners who do not participate. It was also decided that an annual voluntary maintenance plan would be developed prior to the CPOA annual meeting, offering to cut the lots of participating owners three times, perhaps in October, May and July. If the plan passes at the annual meeting, Mr. Dye would create a notice and Mr. Neubauer will send to all lot owners. Buddy will negotiate a 3X / year price with HerbaFex and the association would serve as a pass-through for payments by each participating lot owner.

Discussion of proposed budget for 2011: Christine Reiss prepared the 2011 draft budget which was presented and discussed in detail. A thoughtful analysis of all income and expense items was included with the draft. It was agreed that a copy of the budget will be posted to the CovePointe.com website for review by interested CPOA members. The budget proposes a 2011 assessment of \$515.00 per lot. It was noted that each annual budget has historically been closely estimated. The assessment history is: 2007=\$780; 2008=\$675; 2009=\$625; 2010=\$300/lot (expending accumulated funds) and the 2010 budget of \$515 is projected to be balanced. The 2011 budget was approved unanimously by the board.

Sidewalks; 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, a proposed 2008 version offered when the matter was discussed at the 2008 annual meeting and a draft plan to be proposed at the next annual meeting. It was agreed that a proposed amendment to the covenants would be distributed prior to the annual meeting so that members would be prepared to discuss and vote on a suitable amendment.

Ideas for proposed amendments to the bylaws that the board may wish to submit to the general membership for approval; While discussing the bylaws, Mr. Dye noted that there are issues not in compliance with general terms of the covenants; matters such as landscaping that should be addressed by the ARB. Mrs. Reiss noted that the current ARB members are Pat Higgins, Mr. Fuller (architect) and Mr. Allen, (a building contractor.) These positions can be filled at the pleasure of the. It was suggested an architect should be on the ARB along with one or two members who actually live in the subdivision. The \$300 application fee payable by applicants is being placed in the association account and then distributed from

time to time as a stipend to the ARB members upon request as provided in the association documents. Mr. Dye and Mrs. Newton agreed to consider the names of possible nominees prior to the annual meeting. The only other possible amendment discussed was the provision about sidewalk construction.

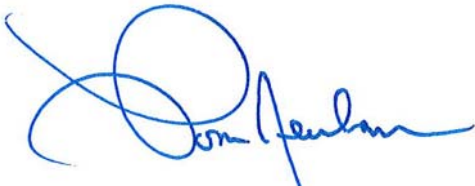
Annual Meeting: The board agreed on a 2010 annual meeting date and location. The meeting will be advertised for November 4, 2010, 5:30 PM at the St. Andrew Bay Yacht Club sailing center. Availability of the meeting space was confirmed.

Duties of Officers and Directors: The board discussed the need to clarify the roles, duties and responsibilities of individual officers and directors. Mrs. Reiss pointed out that each officer and director is independent and has a fiduciary duty to represent the interests of the lot owners who comprise the Cove Pointe Owners Association. The individuals who are on the board who have some association with the developer do NOT represent the developer on the board; the duty owed by every director is to the members of the Association. It was noted that the CPOA board removed the president from office amid concerns over unauthorized actions on behalf of the association but that the individual was not removed as a director, as only the members have the authority to elect or remove directors. The individual removed from the office of president remained as a director until he was replaced by the members at the last annual meeting (even though such individual chose not to attend any directors meetings after his removal from the office of president). The officers of the Association are chosen by the members of the board and each officer has the traditional authority and duties of the office which he or she holds and should proceed accordingly.

Signage: Mr. Dye noted that signage on lots for sale in the neighborhood are unsightly. Board members concurred and reviewed the language in the covenants. It was decided that on a case by case basis, lot owners should be notified that signs must be professional and "standard." The documents provide that the association could probably remove signs which are not compliant after reasonable warning.

The meeting was adjourned at 1:05 PM.

These minutes approved on December 1, 2010

A handwritten signature in blue ink, appearing to read "Tom Neubauer", is written over a large, stylized blue circular scribble.

Tom Neubauer, Secretary