

CAPE HAZE RESORT COMMUNITY ASSOCIATION

Minutes of the Board

August 15, 2018

Approved: 18 September 2018

A Special meeting of the Association Board was held for the purpose of discussing and approving a financial plan, the setting of a special assessment pursuant to that plan and other such business as may be lawfully conducted.

I. **Call to Order:** The meeting was called to order by Mark Watkins at 2:05 P.M. Eastern Daylight Time

II. **Quorum:** Present were Mark Watkins, Robert Baran, Frank Giordano, Richard Bolles, Patrick Riley and Pete Travers. A quorum was present.

III. **Certification of Notice:** Bridget Spence certified that notice was given per statute.

IV. **Procedural Conduct of the Meeting**

Mark Watkins reviewed the conduct of the meeting to assure that all wishing to comment had a chance to do so. Those present by telephone, having provided their names and unit numbers, would be asked one-by-one to offer any comments followed, one-by-one by those present in person¹. Mr. Watkins asked that the comments be germane to the agenda item(s) being discussed.

V. **Approval of Minutes:**

Since the next members meeting of the Association would not occur until November, 2018, Pete Travers asked for permission from the Members to post draft minutes of the members meetings on July 30, 2018. There was no objection; the minutes would be watermarked as "draft" and posted on the web site.

The minutes of the meeting of May 31, 2018 were read.

MOTION: A motion to approve the minutes was made by Robert Baran and seconded by Patrick Riley. The motion carried unanimously.

MOTION: On motion of Robert Baran, seconded by Patrick Riley, the Board voted unanimously to waive a reading of the minutes of August 2, 2018.

MOTION: On motion of Robert Baran, seconded by Patrick Riley, the Board voted unanimously to approve the minutes of the August 2, 2018.

¹ A list of all participants will be appended to the approved minutes.

V. Adoption of Financial Plan

Mark Watkins briefly reviewed the financial plan noting that the plan and related documents, including the Capital Reserve Study, were posted on the web site for review. As a starting point for discussion, he indicated that the Board favored adoption of the financial plan with Scenario 10 as the recommended initial fiscal action. **Comments were invited from everyone present and all who wished to do so commented.** Many of those present either had no comment or expressed thanks to the Board. Questions and other comments are summarized below.

Wally Phair, 11-208

Happy with the plan proposed

Andy Sykes, 3-203

Thank you

Elaine Miller²

Wanted to ask why there was no appraisal of the land prior to purchase, but withheld the question as not germane to the purpose of the Special Meeting.

Larry Bowie, 7-303

Thank you; noted that at 30 years there will never be a \$0 balance according to the study

RESPONSE FROM THE BOARD: The minimum balance the Association should maintain in its reserve account should be \$450,000. This was regarded as a prudent and conservative amount, both to maintain funding levels necessary for repairs and replacements and to maintain sufficient reserves in the face of unforeseen capital requirements (including natural disasters).

Scott Peterson³

Did the Association discuss with counsel whether statutory reserves were to be used for the purchase?

RESPONSE FROM THE BOARD: The board was assisted by experienced counsel throughout the purchase process. With respect specifically to the use of reserves, the Association was advised that, if the Developer had not established reserves in the Association's initial budget, the Board could use reserve funds for the purchase on its own initiative without a vote by the unit owners. The Board confirmed that no reserves were part of the initial (2007) Association budget.

Phillis Coviello, 7-203

The special assessment should be \$0

² Ms. Miller, who is not an owner, participated on behalf of Laurie Randolph, 9-304, without prior notice to the Board.

³ Mr. Peterson appeared as counsel to Tom Rogers, who participated by prior arrangement with Mark Watkins on behalf of Betty Wachter, 13-407. A copy of Mr. Rogers' request and the Board's response is appended to the approved minutes.

RESPONSE FROM THE BOARD: Using the spreadsheet provided by KEG, the company that performed the Capital Reserve Study, the Board looked at all options and outlined those options in the Proposed Financial Plan posted on the web site. Because, as stated above, the Board considered that a base reserve amount of \$450,000 was most prudent and could not be achieved within a reasonable time frame (1-2 years) without a special assessment, the Board considered a special assessment about \$1,500 lower than originally anticipated was the most reasonable course.

Considerations by the Board: The Board proceeded to consider the options in the Proposed Financial Plan. Pete Travers, noting that the Board is looking for a balance of a prudent reserve funding level and minimum financial impact on owners, observed that Scenario 9, with an initial special assessment of \$2,000 and an increase in annual reserve contribution of \$10,000 above our current levels would provide at least 10 years of reserve stability. In anticipation of modification of the financial plan, particularly in the next five years, as the Board and the owners consider development options for the land just purchased, Dr. Travers suggested that this option seemed better to meet our requirements than Scenario 10 as originally proposed.

The Board indicated, in response to a question from one of the participants, that it was not possible at this time to factor into an initial financial plan any income or expense that might result from the future development of the property we purchased.

MOTION: On the motion of Robert Baran, seconded by Frank Giordano, the Board voted unanimously to adopted the Proposed Financial Plan using Scenario 9 as the initial fiscal blueprint.

MOTION: On motion of Robert Baran, seconded by Frank Giordano, the Board voted unanimously to adopt a special assessment of \$2,000 per unit payable in two installments, the first due November 15th 2018 and the second due May 15th, 2019.

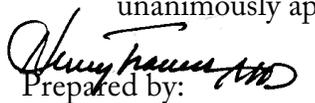
Casey Management will send notices of the special assessment will be sent as soon as possible to all owners. Owners who wish to pay the assessment in one installment in November 2018 are at liberty to do so.

VI. Member Comments

There were no further member comments.

VII. Adjournment

Upon a motion to adjourn by Robert Baran, seconded by Frank Giordano and unanimously approved, the meeting was adjourned at 3: 20 P.M. Eastern Daylight Time.


Prepared by:
Pete Travers, Secretary

APPENDIX TO THE APPROVED 15 AUGUST 2018 BOARD MINUTES
EMAIL CORRESPONDENCE

Subject: Re: Offer to Purchase Parcel at CHR.pdf

From: mewatkins@yahoo.com

To: rogerstom2000@yahoo.com

Cc: rwbaran42@gmail.com; sdobwan@icloud.com; fgjordano4@comcast.net; kbrhbolles@gmail.com;
rpriley@cinci.rr.com

Date: Tuesday, August 14, 2018, 10:22:44 AM EDT

Tom

In substance, what I said was that the board would not refuse Ms Wachter's request that you speak on her behalf.

On Monday, August 13, 2018, 2:15:28 PM EDT, tom rogers <rogerstom2000@yahoo.com> wrote:

Mark,

There is no question that my sister Betty Wachter wishes for me to personally attend a meeting acting in her behalf. I understand that you want to stick with the agenda and the topics you have outlined.

You have also stated that you will allow me to attend as her representative, is this correct interpretation of this email.

Tom

Sent from my iPhone

On Aug 13, 2018, at 10:40 AM, mark watkins <mewatkins@yahoo.com> wrote:

Tom

The power of attorney you have filed with Casey Condominium Management is not effective under Florida law. To review Florida's requirements for powers of attorney, follow the link below:

[Consumer Pamphlet: Florida Power of Attorney – The Florida Bar](#)



**Consumer Pamphlet: Florida Power of Attorney –
The Florida Bar**

It is possible that the Florida statute makes an exception for powers that are valid under the law of another state, but it is doubtful that the form you have submitted is valid under Michigan law either. If you would like our attorney to investigate this question at your expense, please submit a written opinion of Michigan counsel as to the validity of your form under the law of that state, and we will refer the matter to Kevin Edwards.

Having said that, if Ms Wachter desires that you attend board meetings and speak on her behalf, the board will not stand on legal technicalities to deny her. I remind you again that the next scheduled meeting is a special meeting, and discussion will be limited to matters germane to agenda items. Your proposal to purchase the building lots recently acquired from Bob Morris, and the associated development rights, is not relevant to the purpose of the meeting, and any attempt to broach the subject, whether by you or by others, will be ruled out of order.

I will conclude with a word of advice: your attempts to force consideration of your proposal on this board and this community are misguided, and a disservice to your own best interests. The owner feedback which the board has received has been spirited, and profoundly negative. Moreover, for the board to approve the private sale that you propose, out of the ordinary course of business, without first having exposed the property to the marketplace, would be a gross miscarriage of our fiduciary obligations, and would end in a storm of recrimination for all of us, including you. If you want to keep an iron in this fire for later consideration, wait until the board and the community are ready.

Mark Watkins
President, CHRCA

On Sunday, August 12, 2018, 5:21:20 PM EDT, tom rogers <rogerstom2000@yahoo.com> wrote:

Mark,

My power of attorney for Betty Wachter was filed with Casey Management.

Tom

Sent from my iPhone

On Aug 12, 2018, at 5:13 PM, mark watkins <mewatkins@yahoo.com> wrote:

Tom

Wednesday's meeting is a special meeting and the board can take up only those matters specified in the notice of meeting. Whether or not we might have modified the agenda at your request, we did not, and the question is moot. The board's reasons for refusing your importunities are amply explained on the website, and I will not repeat them now.

As for your right to participate at the special meeting as Ms Wachter's attorney-in-fact, please file a copy of your power of attorney with Casey Management and we will refer your request to counsel. In any event, all comments offered at the meeting must be germane to the business on the agenda, and any that are not will be ruled out of order. As a former president of the C condominium association, you must appreciate that the board is bound by rules of procedure.

Mark Watkins
President, CHRCA

On Sunday, August 12, 2018, 12:34:34 PM EDT, tom rogers <rogerstom2000@yahoo.com> wrote:

Mark and Pete,

My request both verbally at the July 30 meeting of the board, and in writing through email to you Mark was in plenty of time to make the 14 day limit for notice to place me on the agenda before the current number seven agenda item. Agendas are not cast in stone and it would cost you no extra postage since you sent out a letter dated July 30 postmarked July 31 informing the owners by Mail of the elected officers at that meeting.

Secondly I will be having status to attend the August 15 meeting through my power of attorney to represent my sister Betty Wachter Who owns unit 407 in building number 13.

I am respectfully asking that you re-state on the website your comments under the heading of financial analysis of Tom Rogers offer. Specifically I am referring to my offer to Robert Morris on April 16th As a "competing offer".

My offer was not a competing offer and I have attached my complete offer package for you gentlemen to review leaving no doubt to my intent. Specifically Look to the second paragraph of my Cover letter to the developer: " I am proposing that you give CHR condominium owners another option called proposal II."

Also please look at The statement in item "J" and " Option to Purchase" running until 2019 in order to give your board plenty of time to seek approval of essentially what you are currently doing buying out the rights of the developer & control of the community board but without a vote of the ownership (I referred to as the proposal I).

Since you brought up this " competing offer" posting on the website, I am asking you to put my Full offer package with cover letter On that same webpage along with an exclamation of my status at the August 15 2 PM meeting.

Regards, Tom Rogers

Sent from my iPhone