

CAPE HAZE RESORT
A 11/13 CONDOMINIUM ASSOCIATION
B 3/5 CONDOMINIUM ASSOCIATION
C 7/9 CONDOMINIUM ASSOCIATION

BOARD MINUTES – APRIL 27, 2018
APPROVED: 25 September 2018

MEETING BEGAN: 10:15 a.m.

PRESENT: A 11/13 B 3/5 C 7/9
Bob Baran, Pres. Pete Travers, Pres. ** Frank Giordano, Pres.
Pat Riley Mark Watkins, VP Richard Bolles
Arnie Morren** Joan Herity, Secty-Treas

Clark Gillaspie

Kevin Edwards, Esq. ** & Partner Doug Christie, Esq. **
** via phone

CERTIFICATION OF NOTICE: Mr. Gillaspie certified that notice was properly given.

QUORUM: A quorum was present

OLD BUSINESS:

Purchase of Developer interests

- Kevin Edwards reported that the Becker partner with expertise in real estate law was not immediately available, so no contract has been developed to date. He recommended that the better approach to purchase was for the Community Association to be the buyer. The reason for this is that if the condominium associations were the purchasers, then 75% of the owners must vote to approve the purchase. He advised us that in order to merge into one large *master association* composed of the three condominium associations and the Community Association we would need unanimous approval of all owners and mortgages. Turnover will follow the purchase.
- Kevin Edwards pointed out that a non-conflicted 3rd board member will have to be appointed to the Community Association and that individual would be authorized to act on behalf of the Community Association. He further indicated that his firm could not represent both parties in the contemplated transaction; Mr. Morris would have to hire separate counsel.
- Financing options were discussed: (1) borrow from a bank; (2) use Community Association funds, possibly including reserves depending upon the requirements of state statute and our declarations; (3) combination of funding sources. Kevin Edwards advised that if the developer set aside reserves in his initial budget (in 2007), then

owner approval would be required to use reserves for the purpose of purchase. If no reserves were part of the initial budget, the Community Association board could use those funds without a vote. Other funding options through the Community Association would not require an owner vote.

MOTION (by Arnie Morren seconded by Pete Travers): The boards of Condominium Associations A11/13, B3/5 and C7/9 authorize Kevin Edwards and Michael Boutzoukas of Becker & Poliakoff to represent them for the purpose of preparing an option agreement to purchase the real estate and development interests of the developer of the Cape Haze Resort. Unanimously approved 9-0.

A committee (Land Committee) to consider options for the use of land as part of the contemplated purchase was appointed: Joan Herity (B), Larry B (C) and Pat Riley and Arnie Morren (A).

MOTION (by Robert Baran, seconded by Joan Herity): The combined condominium boards appoint Mark Watkins to serve as a member of the Community Association Board. Unanimously approved 9-0.

OWNER COMMENTS:

- Some owners would like to volunteer to be on the Land Committee. A list of volunteers will be compiled and further information will be disseminated as it becomes available.
- Owners raised the question of the need for an audit of the Community Association. At the November Annual meeting, Mr. Morris was thought to have indicated he would pay to have an audit done, although Clark Gillaspie disputed this. While there was a review of the Association's finances for 2017, it is not yet available according to Mr. Gillaspie. There are specific criteria for when reviews are appropriate and when formal audits are needed.
- Owners asked if a recent survey of the land contemplated in this purchase had been done. At present, the original survey of land on file with the county may be acceptable.
- An owner asked who owns the land now? The developer owns both the land we contemplate purchasing as well as the rights to develop that land. We would be buying five undeveloped building lots.

NEXT MEETING: Wednesday, May 2, 2018 at 3:00 p.m. – Time changed to 10:00 a.m.

ADJOURNMENT: On motion of Frank Giordano, seconded by Joan Herity and unanimously passed, the meeting adjourned at 11:32 A.M.

RESPECTFULLY SUBMITTED,
Joan Herity