

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

MAY 26, 2018  
Approved B3/5 – 1 October 2018

MEETING BEGAN: 10:01 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.**	
** via phone		

**Guests:** Don Bergen, Mike & Judy Soistman, Roy Smith, Mike Durand

- 1. Notice.** The meeting was properly noticed.
- 2. Quorum.** A quorum was present.
- 3. Call to order.** Meeting was Called to Order by Bob Baran at 10:01 AM and turned over to Mark Watkins.

**4. New Business.**

*A. Purchase Agreement Update*

The presidents had reviewed the draft purchase contract sent by Becker & Poliakoff on 25 May 2018. Mark Watkins informed the boards that they will not require releases from Mr. Morris regarding any claims made against himself or his companies since there are not claims after 10 years.

Mr. Watkins restated the basic terms of the agreement:

- The Community Association will pay the sum of \$500,000 to acquire Mr. Morris' interests in the Cape Haze Resort whether owned by Mr. Morris or owned by a company controlled by Mr. Morris
- Title insurance and recording of the deed will be buyer's expenses while the deed tax will be Mr. Morris' expense. Board members offered some minor corrections to the contract.

**MOTION** (by Robert Baran, seconded by Patric Reily): The presidents of the Condominium Associations request authorization to draw, from the Community Association's resources, the sum of \$5,000 as earnest money to

make a formal offer of purchase to Mr. Morris. The motion passed unanimously.

**MOTION** (by Patric Riley, seconded by Robert Baran): The three Condominium Association Boards authorize Mark Watkins, acting in his capacity as the sole eligible member of the Community Association board to extend an offer in the general form described above, to purchase the assets of CHR Properties, LLC (Mr. Morris' land and development rights) and, upon acceptance of the offer, proceed to perform the terms and conditions of the resulting purchase agreement to be performed by the Community Association, and to do all things necessary or appropriate to complete the purchase. **Further**, if Mr. Morris makes a counter offer, the Boards authorize the three presidents, acting upon the advice of counsel, to instruct Mr. Watkins to agree to such changes as they may approve in order to finalize the agreement and thereupon to proceed as above. **And further**, the Boards authorize the three presidents, acting upon the advice of counsel, instruct Mr. Watkins to execute such documentation as counsel may approve in order to waive our right to cancel before June 15, 2018, should they decide to do so. The motion passed unanimously.

**MOTION** by Patric Riley, seconded by Robert Baran): That Mr. Watkins be authorized to do whatever is necessary to perform the conditions to approve the contract. Motion passed unanimously.

There was general discussion regarding the financing of the purchase concluding that a special assessment of unit owners would be required. Imposing such as assessment requires a meeting of unit owners with a 14 day notice. The notice would have to be sent out this coming Tuesday.

**MOTION** (by Pete Travers, seconded by Robert Baran): The three Condominium Association Boards authorize their presidents to send out a notice to owners about a meeting to authorize a special assessment in the amount of \$3,500. The motion passed unanimously.

*Community Association Board Process.* Pat Riley asked about the process for Mark Watkins to be appointed to the Community Association Board. The process is as follows:

Mr. Morris and his wife would vote to appoint Mark to the board. The board would subsequently pass a resolution outlining the authorities Mr. Watkins would have in executing the terms of the purchase agreement. The entire board can so vote because the resolution does not involve a conflict of interest on the part of any board member. For a specific vote or action to purchase, however, Mr. Morris and his wife, as sellers, are "conflicted" because they are board members of the buyer (the Community Association) as well. Mr. Watkins, the only non-conflicted member

with the authority granted by the board resolution, can cast the vote for the purchase.

**5. Adjournment.** Patric Riley moved and Joan Herity seconded a motion to adjourn. The Motion passed unanimously and the meeting adjourned at 11:45 AM.

NEXT MEETING: Wednesday June 20, 2018 at 2:00 p.m.

Minutes by Joan Herity