

Bay Club Condominiums
Annual Meeting of the Members
June 7, 2008 at 10:00am

Minutes of the Annual General Meeting of the members of the Bay Club Condominiums Association, held at the Frisco Town Hall Chambers.

<u>Owners in Attendance:</u>	Connie & Ken Stark	#103
	Randy & Barbara Beeson	#115
	Ron Palmer	#109
	Bobby Hines	#210
	Virgil Robinson	#207
	Bob & Lynn Butts	#209
	Tom & Mimsi Milton	#116
	Laurie Helmick	#216
	Paul & Heidi McClain	#214
	Lynn Butts	#209
	Janis Taylor	#110
	Russ & Judy DenBraber	#203
	John & Barb Gallivan	#104

Management in Attendance: Rick Pyle, Bob Towne, Murray Bain and Rozlyn Wilder

Call to Order and Introduction:

Laurie Helmick called the meeting to order at 10:00 am. The Board and the Management Company introduced themselves to the membership.

Quorum and Proxies:

As 12 members are in attendance and 5 Proxies have been received a quorum has been attained. Fariba Samini (102) Randy Beeson Michael Huskins (211) Laurie Helmick George Dancick Jr. (201) Karen Braden (113) Bob or Lynn Butts Shapiro Bob Butts

Election of Chairperson and Secretary: Laurie will chair the meeting and Roz Wilder will record the minutes.

Approval of Previous Meeting Minutes: The meeting minutes of the 2007 Annual Meeting were sent out along with the official notice of this year's meeting. A motion was made to approve the previous minutes by Russ Den Braber and Lynn Butts seconded. As all were in favor and none opposed it was unanimously resolved that:

The meeting minutes of May 19, 2007 were approved without changes.

Financial Report: Randy began with the P&L for the past year, Laurie clarified that the fiscal year is May 1st to April 30th. Due to the fact that the Association was \$9,000.00 over budget in building repairs and maintenance the budget reflected a negative income of \$12,000.00. There were a few items addressed in building 110; the wood steps were replaced with metal steps, costing \$3,200.00, and the decks were sealed, costing \$5,000.00. Building 114 had a few plumbing problems in units 115 and 215 that cost \$1,200.00 to fix. As the Buildings are getting

older the \$3,300.00 budgeted for building repairs and maintenance seems optimistic, it was decided to increase the budget to \$4,095.00. Landscaping and Grounds was \$2,000.00 over budget due to the removal of the willows along with aerating and thatching the lawn. Snow removal was a big issue this year as it was a very snowy winter. Russ Den Braber asked about the condition of the hot tubs. The tubs are 10 years old and we saw roughly \$2,000.00 in repairs last year. Randy continued with the Balance Sheet explaining there is \$73,000.00 in equity. He elaborated on his relationship with Mount Royal Properties and his review of the books, which is at no additional cost to the association, as MRP is absorbing this cost for review.

Manager's Report:

Bob Towne is the Operations Manager for Mount Royal Properties. He has 20+ years of experience working for a golf course community in southern Florida.

Roof repairs: Bob explained that we hired a company to come in to remove snow from the roofs. He also elaborated on the few roof leaks that we had over the harsh winter.

Landscaping: The willows have been addressed and the grass was cut for the first time last week. Laurie has expressed gratitude for the wonderful condition of the grounds.

Hot Tub: The hot tubs have been requiring a lot of maintenance. To keep the costs down the Board decided to close one of the two hot tubs. The hot tubs are identical so we have drained one of the tubs and will use it for parts to keep the functioning tub running well. Ken has expressed concern about people not covering the hot tubs. Randy has suggested that owners close the gate.

The retaining wall: Independent Builders damaged the retaining wall plowing last winter. They have made the necessary repairs to the retaining wall.

Asphalt repairs: The walkway in the courtyard, along the retention pond area, was damaged by willows that have been since treated. We will obtain bids to repair the asphalt walkway in the courtyard area and several areas along the roadway.

Old Business

Garage Door Maintenance: Greg Clark from Ankmar came out to service and inspect the garage doors. They checked the tension of the springs and the door openers; they also added a number of keypads.

Re-keying units: Due to the prior breach of security, MRP paid to have the Association re-keyed at a cost of \$4,000.00. Some owners have had issues getting good copies of keys; Bob encouraged those owners to call the office to borrow the original on file. Randy asked about re-keying units in the future. If owners would like to re-key their unit, they should contact AM Locksmiths or MRP to assist with any lock changes due to the master key system.

Deck Replacement/Maintenance: We need to be more aggressive in maintaining the decks. They were improperly constructed as the membranes did not cover the required areas and the sheeting was not treated wood. The decks that are being replaced will be constructed from Trex decking and heat tape will be installed to prevent moisture issues. The decks will be inspected and will be recoated with Gaco decking every 3 years to preserve the life of the existing decks. Permits have been obtained and Naylor Made Construction will begin work on replacement of the deck of unit 206 this week. Ken asked about the under skirting on the deck and Rick

elaborated on how it is constructed. Laurie stated that the owners in the south building would need to shovel their decks, or have someone do it for them.

10:40 Virgil Robinson joined the meeting

Other Old Business: The landscaping was reviewed by Laurie. There is no money in the budget to replace the willows and this issue will be addressed at a later date. Laurie will continue to maintain the beds and will plant annuals. Four owners on the lake side would like to extend their decks. The HOA has decided that it would be difficult to gather and complete the paperwork so this issue has been tabled. Laurie asked about the gutter hanging on the North building, it is a small job so it is difficult to get someone to address it.

New Business:

2008 Budget and Reserve Ratification: Randy explained that we tried to prepare a budget that was realistic while addressing safety and quality. There will be a 15% dues increase since last year's dues were too low. The goal is to maintain good reserves and to address ongoing projects. Rick noted that it will be an increase that is retroactive to May 1st and that a special assessment is not an option at this time due to time constraints. Rick discussed two new line items in the reserves, the first being a winter contingency fund. It will address extreme conditions like removing snow from the roof and hauling snow when there is an excessive amount. The second contingency fund mentioned was an insurance deductible fund so that it will be available if and when it is needed. Currently the Association is contributing \$1,100.00 per month to the insurance deductible fund. Russ Den Braber asked about cable TV charges and Rick mentioned that, at this time, it cannot be changed. Rick highlighted the three year contract with Waste Management that includes no fuel surcharges and a 10% decrease in cost. Rick explained how we are under budget on some things, like seal coating and painting, but over budget on the deck replacement. The major expenses are being addressed and budgeting is being taken seriously for this coming year.

Mimsi made a motion to approve the 2008 Budget and Lynn seconded the motion. As all were in favor none opposed, the 2008 Budget was approved.

Owner Education: Rick elaborated on the issue of appliance failure causing the insurance to go up because the HOA tends to be held responsible for the damage caused by them. It really is the responsibility of the owner to maintain the appliances within their unit. There is a proposed new rule will direct the responsibility of the appliance back to the unit owner. Rick explained what the owner's responsibility is when there is a loss. Any insurance claims that owners wish to file through the Association need to be made through the management company and require Board approval. Owners can get an extra rider for about \$10.00 per month to cover their portion of the deductible. Rick suggested using American Family Insurance for the additional rider so that there is no gap in coverage as they are the insurance carrier for the Association. Paul McClain asked Bob to get a group price on replacing all the hot water tanks. Rick explained a new product that senses water usage and will shut the water off if it were to run excessively.

Hot Tub Reduction: Rick explained that the hot tubs require about 14 hours of service per month and the increased costs of maintaining the hot tubs has led the decision by the Board to close one of the hot tubs. Jim asked if the hot tubs were an asset or a liability, essentially asking if the Association needs the hot tubs. He asked the Board to report on the cost vs. utilization of the hot tubs. Murray has indicated that it would take 67% or more of the membership to remove the hot tubs all together. A survey was suggested to see how many owners would object to closing the hot tubs and Laurie asked what the survey might say. Jim suggested figuring the daily cost, the

cost to the reserve and utilization rates from the members. Lynn asked if the insurance liability would decrease.

Other New Business: Russ Den Braber asked if the windows would be washed. Rick said that the HOA will not be offering window washing and that it will have to be an owner expense.

Assessment Issue: The Board considered a dues increase of 8% but that would require a \$13,000.00 per door assessment. However, a special assessment requires 67% of the membership to vote in favor and 60 days advance notice. It was the attorney’s opinion that Bay Club’s method of special assessments is out dated and interferes with the Board’s ability to make decisions in the event of an emergency that requires immediate attention. It was suggested that the Board should consider updating the rules pertaining to the special assessment. Any change to the Association’s Declarations would require 67% of the total membership to vote in favor. As Virgil relies mostly on email he requested that more details be transmitted via email. Rick said that the Association’s documents require first class mailing via the USPS for all official correspondence, however, Rick said we could email as well.

Election of Directors:

There are two Board of Directors positions that are available. Russ Den Braber volunteered to serve on the Board and Laurie volunteered to serve again as well.

Heidi McClain made a motion to dispense with the secret ballot and Ken Stark seconded.

Russ Den Braber and Laurie Helmick are elected by Acclamation.

Jim made a motion to approve the election of new Board members and Paul seconded; as all were in favor and none opposed new Board members were elected.

Next Annual General Meeting:

The new Board will determine the next annual general meeting.

Adjournment:

As there was no further business to discuss:

Mimsi made a motion to adjourn and Laurie seconded. As all were in favor and none opposed, the meeting was adjourned at roughly 1:00 pm.

I hereby attest that these minutes are a true and accurate account of the meeting thus held on June 7, 2008.

Signed

as _____
Board Position

Date