

Harbor Cove Resident Owned Community Inc.
Annual Members Meeting, January 27, 2020
Draft Minutes

The meeting was called order at 2 PM by Pres. Diane Madison.

266 proxies were submitted in advance of the meeting so there was a quorum present.

Proof of notice given by Sec. Patricia Vail that notice was given to all shareholders either by mail or personal delivery, on January 2, 2020.

Reports of officers:

Pres. Madison extended here thanks to residents Mary Jo Lockwood as chairman of the elections processing committee. She thanked Harbor Cove Civic for their work during the year for the betterment of harbor Cove. She thanked all current board members as well.

Three board members terms are up for election this year, Jane Hays, Gilles Girard, and Patty Vail. The president noted that Gilles had been very helpful in new homes program and personnel committee. Jane Hayes is been very helpful the office during times of heavy workload or employee absence. She noted that Patty Vail to the position of treasurer when no one wanted to be treasurer then volunteered to be secretary.

She commended our real estate agent Joy Steinman for an excellent year and that for the first time that she can recall all of our empty lots are under contract... Kim the rental home at 344 trailer, is going to be put up for sale and once the tenant moves out.

Pres. Madison noted that dog issues continue to be a factor that only for harbor Cove but for all community associations she noted that new regulations are forthcoming from Housing and Urban Development regarding the use of online service animal certificates, or online emotional animal certificates that can be purchased without any medical expertise on the part of the issuer. She felt strongly that window will close shortly.

Harbor Cove has been in negotiations with frontier, formerly Verizon, regarding out bulk service television agreement. This includes discussion about rates in place, Chalabi channel availability and Internet service. Nothing is final yet as the discussions are still in the preliminary stages. One concern is that some residents who do not live here year-round and not interested in the double bundle which includes both television and Internet service. We are waiting to see what the frontier offer will be.

For the purposes of fire safety no chairs should be in the aisle way between the two table lengths on the second floor. If there are chairs in the aisle way it prevents rabid evacuation of the facility in the event of a fire. Also, the clubhouse is now a carrying/carryout facility when it comes to recycling. If you bring cans or bottles to a clubhouse function be sure that you take them home with you for your own recycling bins.

Pres. Madison continued. Reporting that drinking in the pool and hot tub is prohibited within 4 feet of the ledge. No drinks should be sipped in the pool as any spillage affects the chemical balance of the pool in some cases causes it to shut down. Will use is prohibited after 10 PM and violators of the rules are subject to repercussions.

Thus ending her remarks.

Gilles Girard, first vice president – thanked all for his seven-year term on the board though this is his first election ever. He appreciates all the improvements that have happened over the years.

Dave Garmin, second vice president - noted that various committee chairs attending the meeting will report on their committee's activities.

Treasurer's report, Mark McGrath - Mark noted that in his two years as treasurer he made it his objective to be sure that people understand and have access to our financial reporting system. He mentioned several big dollar projects that have taken place over the years, such as clubhouse windows hundred and 20,000, Marina upgrades at hundred 55,000, seawall repairs advance where a few name. Despite all this he notes that at the close of 2018 harbor Cove had \$1,350,022 in the bank and at the close of 2019 harbor Cove at \$1,628,104 in the bank.

At the same time our mortgage balances dropped from the end of 2018 at 1,611,124 as compared to the end of 2019 when the balance is 1,433,104. We got more done than any other time in the history of History Cove. One reason the mortgage dropped was that we made a prepayment principal reduction of \$100,000 last fall. He intends to continue this policy in the coming years as cash is available.

Some of the major improvements that were done during this past year include:

1. rewire the front entrance for holiday season Christmas lighting.
2. Additional landscaping in the front and throughout the common areas.
3. Replacement of the concrete pad at the entrance to the compound.
4. Tear out and replacement to inside, and to outside bathrooms at the clubhouse.
5. Installation of hurricane windows at the clubhouse
6. additional seawall joints sealing and get filtered drains were installed
7. upgrade of our radio communication system.
8. An additional freezer was added in the clubhouse kitchen.
9. Replacement of exercise room equipment
10. ordered new floating docks for the Marina to be installed in 2020.

Architectural committee, Greg Quick - the committee processed over 300 requests for permits in 2019. He reminded those in attendance that all exterior work requires permit from Harbor Cove.

Beautification committee, Terry Engelau - etc. thanks to board member Jane Hayes as liaison to the committee. The committee is working with our real estate agent to spruce

up the exteriors of homes for neighbors who can't help themselves. They've recently replanted and mulching area around the Fairmount Lake. They worked to secure additional trim colors in the harbor Cove paint palette. They also coordinate the yard signs for residents who wish to display their name and hometown. They are working on a proposed wall mural for the large two-story wall facing the pool area.

Budget committee, Bob Meyer – thanks to committee members for their assistance this year in preparing the 2020 budget. Over 100 pages of reserve items had to be reviewed along with all the components of our operating budget. The committee work resulted in your operating budget showing no increase from last year's budget.

Compliance committee, Jane Haynes – the purpose of the committee is to preserve the community appearances and enhance values. One of the challenges of committee faces is residents will fail to have a caretaker for their property while they are gone for the summer months. Your neighbors can't wait for you to return to clean up your property. Most recently 62 letters were sent out to homeowners, and 42 homeowners complied with the request. 20 homeowners get second letters warning that they will be referred for a possible fine should they fail to clean up their property or make necessary repairs. The committee works with ourselves and marketing committee to make sure homes or compliance. She extended her thanks to Paula for fielding all the calls from homeowners who tell her that “there is nothing wrong with my home” or, “I will be down in six months can I take care of it then”. Homeownership requires year-round care and if you are not here you should have a caretaker for your property.

Compound committee, Alan Westerberg – there nonmembers on the committee who rotate availability. There are 238 spaces in the compound, for boat and RV storage. 15% of the total spaces are allocated for box trailers, but the compound was conceived always to be for boat storage boat trailer storage and RV storage. A number of projects have been completed in the last year, rebuilding the Gates, road grading trees trends, fan palms along the fencing and Marlette drive to improve the appearance, lattice added across the gate, replacement of the concrete slab at the entry and new wiring for the gate., Among the projects anticipated this year including improvement of electrical service, continued roadwork maintenance, video/motion detection devices, and investigating the possibility of kayak racks for future storage.

Finance committee, Ken Maday - there are six members on this committee. One of the most important functions they perform is to meet with the Association CPA prior to the release of our annual audit. We also review the opinion letter in the management letter issued in conjunction with the report. When consideration was given to prepayment of the harbor Cove mortgage, there were three criteria for consideration: 1) do we have at least two months of cash reserves to meet our needs? The answer was certainly yes. 2) our reserves fully funded to date? The answer was yes to that question as well. 3) can this be done without a rate increase in the monthly fees? The answer to this question was affirmative as well so the committee greenlighted the prepayment.

He noted that mortgage rates are up now and that Harbor Cove would not be able to obtain the same rate today that we did at the time the Bank of America mortgage was refinanced through Centennial. Harbor Cove had a rate swap agreement with Bank of America for an interest rate hedge which we made approximately \$15,000 on, and which cover the closing costs with Centennial Bank. He encourage anyone who may have a finance background to join the committee.

Long-range planning, Marsha Currie = she thanked her committee members and highlighted some of the projects that long-range planning has considered. Among them: reconstruction of the floating docks, consideration of the kayak launching area, do clubhouse Windows installed and she encouraged everyone to vote in favor of the proposed amendment to article 17.

Marina committee, Dale Jardine – he has been involved with the Marina committee for over 10 years, he spoke of the safety issue regarding the use of our existing floating docks and the need for the replacement, not only for safety but to make for wider slips so that two boats can actually be how side to side between the finger piers. He noted that future long-range consideration should be given to upgrading and or replacement of the perimeter finger piers as necessary to let the present time everything is fine around the perimeter.

Marketing and sales committee, Sue Hanson – is been a very good year thanks to the dedicated volunteers who serve as investors of Harbor Cove. The volunteers staff the office to supplement the efforts of our sales agent in last year as a group turned in 1172 volunteer hours. She has four additional volunteers to consider becoming ambassador's of Harbor Cove by serving on the marketing and sales committee. She closed by adding at this is the only committee that makes money for Harbor Cove not just spends money of Harbor Cove.

Memorial committee, Betty Spahr - the Memorial committee oversees the Memorial walk and Tampico drive which was established in memory of any Harbor Cove resident who passed away. These residents are memorialized through an engraved brick on the walk or occasionally residents wish to donate a bench in memory of their loved ones. She closed by thanking those who participated in the hillbilly golf tournament and its organizer Sharon Vandermark for their contribution of \$570 to the Memorial fund.

Wellness and carrying committee, Frank Kaczmarek – the committee's been in existence for two years and its mission is to provide a safety net for our residents who have signed up for its service. Through a daily telephone call or follow-up visit the committee serves a very valuable and necessary function monitoring those who live in Harbor Cove alone or are elderly or medically challenged are not left to their own devices.

Hillbilly Golf, Sharon Vandermark - 104 residents played in the second annual event. She extended thanks to those who set up the holes and to the Quick family for handling registration. \$570 was generated from the tournament Which Was Donated to the Harbor Cove Memorial Fund.

Managers report, Thomas Fastiggi – the manager noted that he spent several hours over the weekend on Saturday and Sunday preparing his annual report for this meeting. However, all the improvements that he wished to speak about were covered by committee chairs prior to his presentation. Instead, he spoke on the spirit of harbor Cove, neighbors helping neighbors, the many activities offered at harbor Cove because of his volunteer forces, the efforts of its committees and board members to make harbor Cove as desirable as it is. He thanked all those in attendance for coming to the meeting, and encourage them to volunteer in one of the dozens of opportunities that arise during a year. He expressed support for the modifications to the master occupancy agreement, paragraph 17 so that harbor Cove continue to be in independence resident controlled entity and not under the thumb of a corporate hedge fund.

Harbor Cove Realty, joy Steineman - she expressed her thanks to all those of the community who were so supportive of her during a very difficult personal year. Residents and staff alike. She thanked the marketing committee for all of their hours put in during the past year, noting that are best salespeople are our residents.

Join noted that since we are now members of the Sarasota and Manatee Association of realtors, says open wide exposure that we do not have in the past, homes listed with harbor Cove Realty are now available not only in the harbor Cove website but also on Zillow.com, Realtor.com and the MLS system. In 2019 there were 35 sales of harbor Cove homes with a combined value of \$3,385,077, for an average of \$96,716 per home. The sales brought in \$101,552 for harbor Cove. As of January, 2020 there have been seven sales year-to-date so she expects this year to be just as strong as last year.

At 3:10 PM Pres. Matteson called for a refreshment break for those in attendance. Cookies, brownies and decaffeinated coffee were available for those in attendance.

The meeting resumed at 3:25 PM.

The chairman of the election committee reported the following vote results.

As to the amendment to paragraph 17 Of the Declaration of Master Occupancy Agreement there were 332 votes cast, 320 word favor and 12 were opposed so the change was approved.

She also provided the election results based on the ballots cast.

The following were elected to serve 3 year terms:

Thomas Furphy

Jane Haines

Gilles Girard.

Pres. Madison noted that one vote separated third afford place. She also commented that the committee found 34 ballots which were disregarded because they were voted improperly or did not follow directions mandated by state law to vote.

Following the election, Pres. Matteson disbanded all committees and noted that on Tuesday, January 28 at 9 AM, the board will be the first floor hospitality room to elect its officers for 2020 as well as to establish all committees.

The meeting was adjourned at 3:37 PM.

Respectfully submitted,

Thomas Fastiggi
Assistant Secretary