

Harbor Isles Phase 2 Condominium Association
c/o: Prestige Property Management of Brevard
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Board of Directors
Meeting Minutes
July 23, 2015

This meeting was called to order at 7:00 p.m.

A quorum was established with 3 of 4 Directors present. Sean Stapf was excused. Notice was posted 48 hours in advance of this meeting.

Jerry introduced Board Members Jim Smith (Director at Large) and Judy Montville (Secretary/Treasurer). He also welcomed Lori from Prestige Property Management.

Jim Smith motioned to waive the reading of the minutes held March 26, 2015. Judy Montville 2nd. No discussion. All were in favor and the minutes were accepted as submitted.

Jim Smith motioned to waive the reading of the minutes held June 6, 2015. Judy Montville 2nd. No discussion. All were in favor and the minutes were accepted as submitted.

Jim Smith motioned to waive the reading of the minutes held July 15, 2015. Judy 2nd. No discussion. All were in favor and the minutes were accepted as submitted.

It was noted that the minutes approved from the meeting held June 4th did in fact contain an error. It should have noted that the rate per unit from BrightHouse was \$55.00 per unit and NOT \$46.00 per unit. The minutes will reflect this change.

Recognition of Members: General questions/comments included: updating the website (no one knows how to get into the site to add or delete anything but Management is working on it); Bldg 15 had an issue with a hole being formed by a downspout; questions about new management; comments about the new BrightHouse Cable contract and services; the mangroves being trimmed and a timeline (rain is delaying much of the progress).

Reports of Officers, Committees and Agents:

Presidents' Report – Jerry let the membership know that he attended a disaster preparedness workshop and he would be working with management to put together a plan to forward to the owners for reference, should a major storm or event affect the community.

Jerry then wanted to inform the residents that the new BrightHouse contract would and has saved at least 80% of the unit owner's money since the new contract bundled internet with the service and gave them an upgrade of Premium channels and HD converter boxes. Residents would also

save money if they choose to have their phone service with BrightHouse as well, with monthly service starting at \$15.00 per month. He reminded residents to contact either the manager or him if they had any questions regarding the contract.

Jerry questioned adopting a new rule and Lori informed him this needed to be noticed and the information regarding the rule must first be given to the Board so that proper review can be made of the matter.

Jerry then reminded everyone that Lenny continues to help with landscaping and on that point motioned to allow Lenny to have a key to the work-shed. Judy 2nd. Jim asked if he would have use of the golf cart (yes) to ladders (only step stools, nothing above 4 ft) chainsaws (no) and if he was covered by insurance (yes). With no further discussion, a call for a vote was made. All were in favor and the motion passed. Lori explained that all committee members and the Board were covered for volunteering on the property and that she would confirm this with the agent of record for the association.

Treasurers' Report – Judy read the balance sheet and it was noted that the addition of the combined amounts were wrong. Lori will correct and forward. It was also noted that unit 1032 was set to go to foreclosure sale by the bank on August 26, 2015. Lori will inform the Board of the outcome once she hears back from the attorney. Currently this is the only account in collections.

Judy then motioned to have all the Directors and Management as Signatures on the bank accounts held at Sunrise Bank. Jim Smith 2nd. All were in favor and the motion passed.

Judy then motioned to have all Certificate of Deposits and any other Money Market Accounts held by the Association have Jerry Scholder and Lori Barrella as signatures. Jim Smith 2nd. All were in favor and the motion passed.

Judy then motioned to allocate all the funds in a CD that is maturing on July 26, 2015 held at Mutual Of Omaha transferred into an new account to be opened at Bank of Internet and to add any additional funds (approximately \$24,230.00) from the Money Market account held at Wells Fargo to make the initial deposit equal \$100,000.00 (One Hundred Thousand Dollars). Jim Smith 2nd. There was general discussion regarding interest rates. With no further discussion, a call for a vote was made. All were in favor and the motioned passed.

Judy then motioned to open a Money Market Account at Sunrise Bank to partner with the new Operating account for the ease of making monthly reserve transfers and to use \$100,000.00 from the Wells Fargo Money Market account to open the account. Jim Smith 2nd. All were in favor and the motioned passed.

Judy motioned to have Jerry and Lori as signatures on the account to be opened at Bank of Internet. Jim Smith 2nd. All were in favor and the motioned passed.

Judy then motioned to transfer \$100,000.00 from the Wells Fargo Money Market into a 60 month Certificate of Deposit to be held at Sunrise Bank which is currently getting a rate of 1.17% AYP. Jim Smith 2nd. There was general discussion regarding the certificate. With no further discussion a call for a vote was made. All were in favor and the motion passed.

Judy then motioned to allocate any remaining funds in the Wells Fargo Money Market account into the new Sunrise Money Market and to close the account at Wells Fargo. Jim Smith 2nd. All were in favor and the motion passed.

Committees: Lori reminded the Board that they needed to formally name Lenny as a Committee Member. Jerry motioned to appoint Lenny Bross to the Landscaping Committee. Judy 2nd. All were in favor and the motion passed.

Management Report: Lori began by thanking the residents for their patience during this transition period and reminded them that while she is not an on-site manager, if they needed to meet with her, they only need to phone her office. She does try to be on site on Tuesdays and Thursday's late afternoons, but as this is a courtesy, it is subject to change. Lori then updated the Board on various maintenance projects that have either been completed or are being addressed. Please see the attached worksheet.

Old Business:

Collections Status Unit 1032 – as above.

Contracts:

Flood Policies: Jerry motioned not to continue coverage on garages. Jim Smith 2nd. There was general discussion as to what exactly was covered by the policy and Lori explained that it covered drywall, exterior wood/siding, etc., and it was noted that there was no drywall in the garages. With no further discussion a call for a vote was made. All were in favor and the motion passed. It was noted that while the association is no longer situated in a flood zone, it would be prudent to continue coverage on the buildings. Jerry then motioned to continue the coverage on the buildings, increasing the deductible to its' maximum amount and to set up a Reserve Line Item in the next budget dedicated to Insurance Deductibles. Judy 2nd. There was discussion about the amount to allocate into the new line item and it was decided this amount would be determined by the amount of the deductibles and the years in which to accumulate this amount. With no further discussion a call for a vote was made. All were in favor and the motion passed.

Termite Bonds: Jerry then motioned to discontinue renewing the termite bonds however no 2nd was made. There was discussion regarding what, if any, claims had been made against the bonds and if previous termite damage was covered. There was a question concerning "subterranean termites (which this bond is for) and air borne termites" that seems to be where the past history is from. Lori will gather what information she can and forward it to the Board for review.

Landscaping Contract: Jerry and Lenny had meetings with both a representative from Ground Tec, Nathan, and Brian, the person they apparently sub-contracted the associations' contract to. Issues were brought to their attention which included: not trimming shrubbery, weeds to be allowed to grow out of control, torpedo grass taking over much of the hedges and planting behind the buildings. After more than a month, little to no change is visible. It was noted that there is currently only one (1) person servicing the association where there used to be at least 3 if not 4 workers on site. Jim Smith motioned to terminate Ground Tec's contract as of August 31, 2015 and to obtain bids for service with will be awarded at a later date, to be more than 3 weeks from today's date. Judy 2nd. With no further discussion all were in favor and the motion passed. Lori will obtain the bids and forward to the Board for review.

Next meeting date is to be determined.

With no further Business to come before the Board Jim Smith motioned to adjourn the meeting at 9:07 p.m. July 2nd meeting adjourned.