

LAKESIDE OF CHARLOTTE COUNTY CONDOMINIUM ASSOCIATION, INC.
ANNUAL MEMBERS MEETING
February 2, 2013

ELECTION OF CHAIRMAN OF THE MEETING: The President of the Association Catherine Curley acted as Chairman of the Meeting and called the meeting to order at 10:14 a.m.

DETERMINATION OF A QUORUM AND CERTIFICATION OF PROXIES: A quorum was established by 55 units represented in person and 22 units represented by proxy for a total of 77 units.

CONFIRMATION THAT THE ASSOCIATION FULLY COMPLIED WITH THE REQUIREMENTS FOR NOTICE OF THE MEETING: Brenda Binder from 1st Choice Condo Management Services, Inc. presented the members with a notarized statement that the notices for the meeting were mailed out and posted according to Florida Statute and the Association's Documents.

READING AND DISPOSING OF ANY UNAPPROVED MINUTES: A motion to waive the reading and approve the minutes from the 2012 Annual Meeting was made and seconded from the floor. All in favor, motion carried.

A request came from the floor to read the minutes from the December 21, 2012 Board of Directors Meeting. The minutes were read by Trudy Dell'Orto, the Secretary of the Association.

REPORTS FROM DIRECTORS:

A. Presidents Report: Catherine Curley opened the floor for questions.

A question came from the audience as to why John was given a Christmas Bonus of \$200.00 when the Association was in the red. Catherine stated that the Association was put in the red by the unexpected expense of the audit for 2011 and not by John's Christmas Bonus.

A question came from the audience as to what the \$86 Special Assessment was for. Catherine explained that was to fund the 2011 Reserves because they were not funded due to lack of funds. Catherine had discussed with Brenda the best way to handle the shortfall and before it could be presented to the Board of Directors a complaint was filed against the Association by an owner. The State required the Association to fund the reserves or a vote of the owners to waive it and required the Association to have an audit done for 2011. Catherine read from the letter that was sent from the State of Florida Department of Business and Professional Regulation.

A question came from the audience as to whether the correct financials will be provided for 2012. Brenda replied that they would be once they were provided by the CPA .

A question came from the audience as to what the Association being on a two year probation meant. Catherine replied that it meant that we had to have an audit for three years.

A question came from the audience as to whether the Association would be fined if there were any irregularities. Catherine replied that there aren't any irregularities.

A question came from the audience asking for clarification on a vote not being returned being a no vote. Catherine explained that if you need 59 yes votes and if you don't vote it is a no vote or a voided vote and it doesn't pass.

A question came from the audience as to whether the Association was being fined. Catherine replied that we are not at this time.

B. Treasurer's Report: The Treasurer's Report was read by Patricia Salley as attached (Attachment 1). Patricia opened the floor for questions.

A question came from the floor as to where the reserve funds were. Patricia stated that they are in the bank in a money market account.

A question came from the floor as to whether the Association should have a financial advisor for the reserves. Patricia stated that they welcome suggestions but would not risk the Association's funds. Catherine stated that the money would have to be in a FDIC insured account.

A motion to approve the Treasurer's Report as submitted was made and seconded from the floor.

REPORTS OF COMMITTEES:

A. Social Committee Report – Trudy Dell'Orto read the Social Committee Report as attached (Attachment 2). A motion to accept the Social Committee Report was made and seconded from the floor.

A question came from the floor if the funds were turned over to the Association at the end of the year. Trudy stated that the funds stayed in the Social Committee's Bank Account to be used the following year.

B. Landscape Committee – Carrol Follas thanked the members of the Landscape Committee and announced that Dennis and Lisa Carey had stepped down from the Landscape Committee. Carol stated that the committee met yesterday to do an assessment of the grounds. They are pleased with the Pygmy Palms around the pool and the new landscaping at the Bocce Court. They would like to freshen up the look around the two buildings as you enter the Association. The palms around the grounds seem to be healthy. There are a couple of trees that may need to have someone take a look at them. Carol stated that the Lantana around the Pygmy Palms requires a lot of water and is not doing well now. John will make recommendations on that. Carol stated that the islands that are so beautiful behind the 1500 and 1700 buildings are maintained by owners. She encouraged owners to join the Landscape Committee.

John Follas stated that they do not have any proposals for the Board at this time. He welcomed suggestions from the owners. John stated that the Lantana is too twiggy and too difficult to maintain and needs to be removed. John expressed his concern about some of the roots of the trees being exposed and stated that they are looking into solutions to protect the roots and will be also taking a look at the Queen Palms. John stated that some of the mulch that was installed last year has washed away and they will be looking into possibly putting curbing around the areas where the mulch was installed to prevent it from washing away again with the rains. They would like to remulch some of the areas. John

stated that they don't have the funds that they had in previous years from landscaping so they will take that into consideration when putting together a plan and proposals.

A question came from the audience about the holes behind some of the buildings. Catherine stated that we have looked into this in the past and they appear to be gopher holes or armadillo holes. James Houhoulis stated that there is nothing that can be done about the armadillos or the gophers.

A comment came from the audience that there was a tree removed behind the 1500 building was removed and she would like it replaced. Catherine stated that tree was hit by lightning this summer and had to be removed. John Follas stated that we have limited funds this year but we are looking to replace those trees that had to be removed.

A comment came from the audience that they hoped the Landscape Committee would work with the landscapers this year; they seem more professional than the previous grass cutters. John replied that he has asked the lead foreman to meet with him when they are ready to do some trimming so they can go over what needs to be done and when to do it.

C. Audit Committee – John Follas spoke on behalf of the Audit Committee. He stated that they have had 5 meetings throughout the year and explained that they are acting on behalf of the members to look at the books monthly and look for any discrepancies. The biggest item that they have dealt with throughout the year is the funding of the Reserves. He stated that they were in favor of the Special Assessment and they are against not funding the Reserves and taking a chance on a Special Assessment in the future. He stated that one thing they are recommending to the Board for the future is to consider sending more communication out electronically. This means we need email addresses and will need to collect them from those owners who have them. They would like to be able to send out the minutes, the newsletters and as much information as possible through email to save the Association money.

A question came from the audience as to whether the emails could be used within the community but kept private. Brenda replied that they could supply their email for publication or only to allow electronic communications. Brenda explained that when she sends out a bulk email, it is sent to her and then blind carbon copied to the recipients so that no email addresses are apparent to others.

ELECTION OF DIRECTORS:

Brenda reported that the following members were elected to the Board of Directors:

Catherine Curley
Richard Bielawiec
Trudy Dell'Orto

There is a three way tie for the remaining two vacancies between the following:

James Houhoulis
John Follas
Tony Caniglia

There will be a run-off election with new ballots going out.

UNFINISHED BUSINESS:

A. Flood Insurance – Jack Russell Taylor from unit 1702 spoke that he feels that spending \$20,000 for flood insurance is nuts. He stated that there aren't any Federal or State laws that require flood insurance. He stated that he asked Brenda for clarification on what buildings were covered and what they showed doesn't make any sense. He stated that all the Association is insuring is a block wall, the inside is covered under the homeowners flood insurance policy. Brenda stated that flood insurance is different from hazard insurance in that it covers more. It was explained to her that if you turn a building upside down, whatever falls out is the owner's responsibility and whatever doesn't is the Association's responsibility. Brenda stated that Mr. Taylor has also volunteered to help fight the flood insurance requirement.

A comment came from the audience that they raised this question last year and stated that if people are so worried about being flooded we should put the \$20,000 in the bank.

Mr. Taylor replied that money could be used for lawyers or whatever and after 5 years we would have \$100,000. He stated that the only people who say we have to have it is the insurance companies. Catherine stated that it is on the Charlotte County website. If you look up your own property and it shows an A in the flood zone, you are in a flood zone. Catherine stated that she doesn't agree with it either and has fought this for years. Mr. Taylor stated that we have to have everything in writing. Catherine stated that once the Board is informed that they have to have flood insurance, they have to have it or they are in violation of their fiduciary duties and can be turned in to the DBPR. Catherine stated that she was also told that if there was a flood and the Association didn't have insurance then FEMA would help the buildings that weren't in the flood zone but might not help those who were because they should have had flood insurance. Mr. Taylor replied that there is nothing in writing stating that we have to have flood insurance. Brenda stated that we will try to get something in writing to help Mr. Taylor fight this.

A comment came from the audience that their mortgage company also required the Association to have flood insurance on the buildings that were in a flood zone and threatened to turn the Association in if they did not comply.

Richard Bielawiec stated that he was at training in Punta Gorda and spoke with Michelle from All Lines Insurance Group and was asking questions about flood insurance. Richard was told that there is not a law that requires flood insurance but if your condo docs require flood insurance then you have to have it. She asked what the wording or interpretation of Hazard Insurance in your condo docs because that could be a gray area. She went on to say that if any unit owner has a federally funded loan then they are required to have flood insurance in a flood zone. She stated that the Association can issue a disclaimer to unit owners that the condo docs do not require flood insurance. The Association could or would self-insure for damages via flooding to Association Property, not unit owner properties because they would have their own insurance. A motion to have Michelle come in and talk to the Board was made and seconded from the floor. All in favor, motion carried. Richard stated that he will follow up with her and get more information to present to the Board. A motion to have someone from the County or the State come in to talk also because they are the ones that would put us under violation was made and seconded from the floor. All in favor, motion carried.

B. Defective Windows – Patricia asked Catherine what the status was on the windows that are fogged up. Catherine replied that they have been ordered.

C. Pickup Trucks – A question came from the audience as to what was going on with the pickup truck that is parked on Association property. Catherine stated that she put a note on it last Sunday that it would be towed but has not seen it back since. Patricia stated that it was here last night and that there is also a camper parked here with an antique plate on it from New Hampshire.

A comment came from the audience that it was mentioned at last year's meeting that signs would be put up to have unauthorized vehicles towed but they are still here and not being towed. Catherine replied that if there is a camper here they were here visiting a unit owner for a short period of time.

A comment came from the audience that there are trucks in here all the time. Catherine replied that trucks are allowed in here on a daily basis.

A comment came from the audience that the truck is parked here overnight all the time. Catherine stated that truck owner has been notified and it will be towed the next time it is here. Brenda stated that she would have it towed if someone let her know that the truck was here.

Patricia stated that there was a vote last year and if we don't get the trucks out of here we are in violation of the condo docs.

D. Pets - Patricia asked if unit 808 was an owner or a renter because they had a dog. Catherine replied that it was a renter. A comment came from the audience that the dog belonged to the son of the renter who came to visit him because he was sick.

NEW BUSINESS:

A. Adoption of the Budget – Brenda stated that there will be excess funds if the newly formed Flood Insurance Committee comes up with an alternative or gets rid of the flood insurance. Brenda asked for an alternative budget to be presented or if there were any questions.

A question came from the audience as to what the "Bad Debt Expense" was. Brenda explained that category was added for the potential write off of delinquent funds in the event of a bank foreclosure and explained that the Association would only be entitled to 12 months in back fees, the rest would need to be written off.

A question came from the audience as to why the fees were sent to Florida Shores in Tampa. Brenda explained that is where the main processing is for Florida Shores. Owners can still send their payments directly to Brenda if they don't want to send them to the bank.

There being no further questions a motion to adopt the budget as presented was made and seconded from the floor. All in favor, motion carried.

B. Other – None at this time.

ADJOURNMENT: There being no further business before the members of the Association a motion to adjourn was made and seconded from the floor. All in favor, motion carried.

Respectfully Submitted,

Brenda S. Binder, C.A.M.
1st Choice Condo Management Services, Inc.