

CIRCLE BAY YACHT CLUB CONDOMINIUM ASSOCIATION, INC.
MINUTES OF THE BOARD OF DIRECTORS' MEETING

A meeting of the Board of Directors was held on October 18, 2012, in the association clubhouse in Stuart, Florida. The meeting was called to order by President Rawding at 10:00 A.M. The Pledge of Allegiance followed, and a moment of silence was observed in honor of those serving in the Armed Forces. The secretary called the roll. Those present were: Grant Rawding, President, Frank Campbell, Vice President, Sue Vander Naald-Johnson, Secretary, Bob Croke, Director, Seth Johnson, Director, and Kevin Norton, Director. Treasurer Ed Hudgins was absent due to personal commitments.

PRESIDENT'S COMMENTS – GRANT RAWDING

President Rawding welcomed everyone back to Circle Bay and stated that we had a busy agenda. Personnel changes were noted with Amber McCluen in the office since June and the resignation of Vince Meyer, who served as Building and Grounds Supervisor since February. Thanks to Vince for all of his services on behalf of Circle Bay.

Frank Campbell and Kevin Norton will fill in for Vince Meyer, and Neighborhood Watch will be done by Allen Blaise. On a sad note, Les Ferris passed away suddenly, and it was later added that another resident, Curt Thermann, also passed. The Circle Bay web site has been updated and improved by Joe Urban. The newly approved and registered By Laws can be picked up in the office. These documents replace all former By Laws and need to be passed on to new owners of a unit.

SECRETARY'S REPORT – SUE VANDER NAALD-JOHNSON

The secretary commented that Amber McCluen has re-organized the office filing system and created new forms to assist with the more efficient operation of Circle Bay. Then the secretary made a motion to dispense with the reading of the minutes and accept them as posted. This was seconded by Grant Rawding, and the motion was unanimously carried.

TREASURER'S REPORT – SETH JOHNSON FOR ED HUDGINS

Year-to-date revenue ending September 30 was slightly higher than budget, and operating expenses for the nine months of \$601,774 were below budget by \$41,889. As of September 30, operating cash totaled \$325,866 with 39% (\$126,902) in interest-bearing money market accounts. The remaining \$198,564 was in checking and included early collections of fourth quarter maintenance fees. Also, there was \$400 in petty cash. Total reserves on September 30 were \$1,866,987 of which \$854,000 was in two-year CD's earning just over 1%. The balance of reserves (\$1,012,784) remains in short-term money market accounts. A deposit of \$15,000 was paid in August, and the first progress payment of \$111,343 was paid to WilCo in early September. A second progress payment of \$40,108 has been reviewed and approved by Mathers Engineering to be paid. Because the latest seawall contract cost of \$440,448 exceeds our designated seawall reserves, we had to seek outside financing. The offer of a seven year private loan from a long-term resident was accepted at an annual interest rate of 3% - much lower than bank rates. We expect the loan will total \$260,000 with an interest savings to Circle Bay of at least \$22,000. All bank reconciliations – September and year-to-date – have been reviewed, and there are no discrepancies between bank statements and balances carried on the

books of record. There is one property still in the foreclosure process and two late payers who have been referred to our attorney for collection.

ADVISORY GROUPS

WELCOMING – ADELE NORTON

Since April, 2012, we have had 5 sales, 4 annual leases, 5 seasonal renters, and 4 lease renewals. Due to the federal privacy laws, owners' names and units cannot be printed in The Tides.

SOCIAL – LORRIE MARKARIAN

The October Ladies' Luncheon was at The Deck was attended by 12 women. The annual Halloween Party will be held on Friday, October 26th with prizes for the best costumes. See the building bulletin boards and Channel 43 for details. The November 8th Luncheon will take us to the Café Margeaux on Ocean Blvd. Mary Lou Contarino and Lorrie have discussed taking a tour of the Decorator Show House at 10:00 A.M., prior to the luncheon, featuring Capt. Sewall's historic home in Indian River Side Park in Jensen Beach. If 15 people attend, the cost will be \$20.00 per person. Please call Lorrie if you are interested in the tour, and gentlemen are welcome to join us. Meet at the clubhouse at 9:15 A.M. to car pool. Call Mary Lou for lunch reservations. On November 16th at the Friday Social, we will be treated to a showing of the DVD that was created by Cyril and Gerry Thornhill and their sister, Stephanie Cook. Come and enjoy this DVD and see your neighbors in this great production. If there is enough interest, we will organize our Third Annual Thanksgiving Feast on the deck. Please call Lorrie so that she can coordinate the menu with a dish to prepare for the buffet.

NEIGHBORHOOD WATCH – ALLEN BLAISE

Everyone needs to help with keeping our community safe by being vigilant. If you have a concern, call the proper authorities. Please report light bulbs that need to be replaced or other safety issues. Allen will have further recommendations in the future.

BUILDING REPRESENTATIVES – CHUCK MARKARIAN

This week the Building Reps have been collecting the outstanding phone directory permission slips as well as emergency contact information. If you have not yet completed these forms, you may obtain them in the office. Federal privacy laws require that this be done before an owner can be included in the phone directory or any printed materials. Thanks to all the Reps for your help.

MAINTENANCE AND GROUNDS – KEVIN NORTON

It's been a busy summer. The sidewalk by the pool gate was replaced because the walkway was significantly undermined due to wash-out. The electrical panel was replaced in the pool storage area. The transformer and lights were repaired. The building stairways are in the process of being re-painted with non-slip paint even as they were painted with non-slip paint in 2010. The buildings are currently being power washed. Debris from the seawall replacement project was placed in front of the bulkhead in front of Buildings 13 and 14. Ed and Josh have done an outstanding job in all areas.

The air conditioner isolators, which greatly diminish A/C noise, have been installed. These were researched by Jim Arnold, and the prior Building and Grounds Supervisor, Vince Meyer, ordered them in bulk with a substantial savings to Circle Bay. Later, Vince Meyer added that the Building 3 roof hatch, for which he designed and installed a new safety latch and opening support system, saved Circle Bay almost \$2700. Additionally, Vince stated that a new well pipe was installed by Building 4 saving nearly \$5000.

DOCK MASTER – SUE VANDER NAALD-JOHNSON FOR MICHAEL HASTINGS

The current seawall project in the South Channel required temporarily moving 19 boats to vacant slips throughout the marina. Thanks to all the boat captains involved, as this was accomplished with a minimum of discomfort. Phase I of the project will be completed soon, and 9 boats will return to their slips. By mid-December, all shall be safe and sound in their boat homes. Dockage Summary: 105 numbered slips, 5 unusable slips, 69 assigned slips, 10 slips with numbers that were skipped, and 21 unassigned slips. We have had 9 captains improve their slip assignments, 3 captains left the marina, and 3 new captains joined us. Group members are being solicited for some special projects such as Dock Ladders and Current Channel Soundings. Thanks to all the helped ease the difficulty of my first half year of service. Please call or email with any questions, thoughts, or offers to participate in one of the special projects.

INSURANCE – GRANT RAWDING

Our multiple policies total approximately \$221,000 with rolling renewals throughout the year. We are forced to use Citizens Insurance due to the wooden roofs and aluminum wiring in Phase I. We paid for our own property appraisal, which was less than Citizen's appraisal, in the hope of reducing our premiums. This request is still being reviewed.

TV/INTERNET – SUE VANDER NAALD-JOHNSON FOR JOE URBAN

During the summer, two amplifiers failed and were replaced as well as spares were purchased to minimize down time in the future, and an outage of the Circle Bay e-mail system occurred. The Board-approved capacity upgrade to the internet system is scheduled to go live the first week of January, 2013. Summer internet use increased 50% to 100% over the previous summer due to video streaming and multiple devices. Software on the servers that support the system was continually upgraded using remote access. Be aware that amplifiers added to your cable system can cause noise issues for everyone on the system. Please contact Joe or Dennis for assistance with this issue. Be vigilant against cyber attacks by never opening any attachments in an e-mail unless it's something you requested as well as clicking links with care. It is the hope to hold seminars on both tablet computers and computer security early next year.

OLD BUSINESS

SEAWALLS – BOB CROKE

The current seawall project of 799 linear feet of seawall is moving along as planned. An additional crew will be on site within the next two weeks to work on reinstalling landscaping and the docks. WilCo uses 3 feet x 4 feet concrete dead men, while other seawalls that were not constructed by WilCo, used 2 feet x 2 feet marine plywood. This project was undertaken in accordance with the seawall replacement schedule created by

Mathers Engineering. These are original seawalls that were designated as critical to replace since they are at the end of their useful life. It is currently estimated that the current seawall project will conclude in the first half of December.

NEW BUSINESS

The recent past has brought to Circle Bay many pet issues that need to be addressed by our rules. Given that fact, an advisory group was formed; it has consisted of Barry High, Charlie Denby, Joanne Hooper, and Marie Ferris. The Board as well as legal counsel has reviewed the proposed pet rule, which fundamentally does not change the rule.

RULES ADVISORY GROUP – BARRY HIGH

The group began meeting in June and consists of a representative from each phase. The pet rule was the first to be addressed, taking into account the Americans with Disabilities Act governing the service animals as well as the Fair Housing Act of 1988 governing the emotional support animals. In general, the service animals deal with physical challenges, while the emotional support animals deal with non-physical challenges. The proposed new Pet Rule will be available on the Circle Bay web site as well as copies may be obtained in the office for all to see. Most of the rule applies to the service animals and emotional support animals, which was addressed in the Appendix. This will not be discussed today, but will be on the November Board Agenda.

Grant Rawding made a motion to table the Pet Rule to the November meeting, and Sue Vander Naald-Johnson seconded the motion. The motion was carried unanimously.

RESIDENTS' COMMENTS

Collecting food cards and/or cash for Thanksgiving for the Veterans is once again transpiring. These can be donated either at the office or given to Adele Norton. The length of stay of a parked pick-up truck was mentioned, and the truck issue had already been resolved. The issue of employee salaries was brought up, and while this is an issue that is prohibited from being discussed, it was noted that the Board will see that they are properly compensated for their hard work. The necessity of the seawall project was questioned, and the Mathers recommendations and seawall replacement schedule was again discussed along with an emphasis that observations are always separate from the recommendations. Insurance companies require the standard language in an observation that no recommendations are made within the context of the observations. It was emphasized that the docks will be restored to their original condition. Finally, the reason for Bristol completing the estoppel letters and condo questionnaires was explained in terms of Circle Bay not paying Bristol for this service, Circle Bay not needing to spend money for legal consultants, and Circle Bay is removed from liability for these documents.

Grant Rawding moved to adjourn the meeting at 11:18 A.M., the motion was seconded by Bob Croke, and the motion was unanimously passed.

Respectfully submitted,

Sue Vander Naald-Johnson, Secretary