

2006 ANNUAL OWNERS MEETING MINUTES
PUNTA RASSA CONDOMINIUM ASSOCIATION, INC.
ANNUAL MEETING AND ELECTION OF OFFICERS

November 18, 2006

(Pending Approval)

On November 18, 2006, at 9:30 A.M. the annual meeting was held at the Sanibel Harbour Resort and Spa. Matt Grogger, President asks everyone to sign in.

Mr. Grogger called the meeting to order at 9:45A.M. and made the introduction of board members, Fred Couch, Reid Potter, Gail Christensen, Linda Deason, Tom Davis, Bud Neuhauser and Matt Grogger. Also presented was Joe Adams the association attorney and Joe Adams the property manager for the association.

Mr. Grogger began the meeting responding to allegations that had been made in letters that had been circulated. Mr. Grogger stated that no one was trying to take the owner's rights away. The current documents and proposed documents clearly specify that maintenance of the physical plant is the responsibility of the board and therefore does not require a vote of the owners. He explained that the board was not able to solicit insurance, but instead had to use a broker for guidance and advice. He said the claim that \$500,000.00 was unaccounted for was a falsehood. The owners had waived audits in the past and that the audit in 2005 was ordered because of the transition between property managers. The 2005 audit stated that no theft or misappropriation of funds was found. Mr. Grogger addressed the allegation that change orders on major projects were not handled properly. All change orders for the painting and waterproofing project are shown in the record, and they were all authorized and approved by the board after Sy Elackman, the engineer for that project verified the need for them. Mr. Grogger stated that we cannot assess on a per **opening** basis on the window project, but are required by law to assess on a per unit basis. He advises that the board had no choice but to require that window replaced within the last 2-3 years must comply with current code, or else our insurance coverage is in jeopardy but that owners who had previously installed windows would receive a credit reduction.

Mr. Grogger asks to verify a quorum. The property manager Joe Adams affirms.

The affidavit attesting to proper and due notice of the meeting was exhibited.

A motion was made by Bill Carroll and seconded by Danny Tomlinson to wave the reading of and approve the minutes of the November 19, 2005 Annual Meeting. The motion passed unanimously.

Joe Adams, attorney makes a presentation on the documents and advised that anyone can pull their ballot if they want to change a vote. He advised that the documents were 30 years old and far out of date and then opened the floor to comments and questions.

Dale Adams, Building 1, noted an error in the documents that the view easement was recorded as Building 4 and should be Building 1. A motion was made by Mr. Adams that the reference to the view easement in the documents be change to building 1. Annette Tomlinson seconds the motion. The motion carries.

Charlie Deason, Building 4 asks Mr. Adams if there is anything out of the ordinary from other condo documents. Mr. Adams states the only difference is what the association is responsible for in the building.

Bob Giller, Building 4, asks about the enforcement of the documents since we do not have a police force on site. Mr. Adams responded that most people will follow the law and that only a small group no matter what just will not. The only recourse is to first give owner warning notices, then arbitration and if found guilty then a fine including costs and attorney fees.

Bob Simpson, Building 2, ask why the board could arbitrarily exclude full credit for windows that had previously been installed by owners in the new window project. He further questioned the dollar cap of 5% on upgrades of common elements that would require a vote of the owners on the budget. He asks if there is a restriction of total project cost. He refers to the By-Laws section 3.8, Owner Participation. He felt restrictions were placed on owners concerning input on agenda items and time limitations at the board meetings. He referredljkj to the By-Laws section 4.4, Maintaining Property and questioned why can't that section be more specific? He wanted the association to hire a more qualified maintenance team.

Jim Baldwin, Building 3, was concerned that the sliders on the knee walls gave a checker board effect. Mr. Adams advised that the new documents would allow sliders on the knee wall.

Mr. Deason asks Mr. Adams if he lived at this condominium would he vote in favor of approving the new documents. Mr. Adams explained that if your objective was weekly rentals that these documents would not work. He explained that these documents were for owners who wanted a community atmosphere.

Mr. Grogger explains why there was a delay in the 2007 Budget because of the way the budget was done in the past was incorrect. There would be a Budget for Buildings 1, 2, 3, 4 and a common budget. The owners must be presented with a fully funded reserves budget and a budget without reserves. The budgets were in the mail and that everyone would have the opportunity to vote either at the meeting or by proxy.

Jerry Dehm, Building 2, questioned the capital expenditures for 2006 budget and stated that he knew of only one item that was completed and that was the parking lot lights and that project was 100% over budget.

Joe Adams agreed with Mr. Dehm that the parking lot lights were over the 2006 Budget.

He told the owners that the 2007 Operating Budget was in the mail and that a meeting would take place December 16, 2007. The member could vote in person or by proxy. He also stated that he would always be accessible to the owners Monday through Friday and to please ask him for his business card.

ELECTION OF OFFICERS

Mr. Adams the attorney asks for an announcement of Inspectors of Elections. Nina Hutchinson and Kay Marone from Kramer-Triad were announced.

A motion was made to approve the Inspectors of Elections by Tom Matson. Dale Adams seconds the motion. The motion carries.

Mr. Adams the attorney announces that Gail Christensen and Matt Grogger term's had expired and Fred Couch and Tom Davis had been elected by the board to fill the vacancies of Dale Adams and Jerry Dehm when they resigned from the board. It was also explained that the newly elected board members would fill the terms of outgoing board members based on the number of votes each received.

MEETING BALLOT

Mr. Joe Adams, attorney announced the results as follows:

Marylin White-Hansen received 111 votes and is **elected** to a 3 year term.

Willian Bussiere received 94 votes and is **elected** to a 3 year term.

Herbert Minkin received 92 votes and is **elected** to a 2 year term.

Charles R. Cutter received 85 votes and is **elected** to a 1 year term.

Art T. Davis received 64 votes and was **not elected**.

Matthew Grogger received 51 votes and was **not elected**.

Vote on rollover of excess Association funds, if any, to next year's budget. **PASSED**
98 in favor of rollover and 23 opposed to rollover.

Vote on Proposed Amended and Restated Declaration of Condominium. **FAILED**
59 in favor and 69 opposed.

Vote on Proposed Amended and Restated Articles of Incorporation. **FAILED**
63 in favor and 70 opposed.

Vote on Proposed Amended and Restated Bylaws. **FAILED**
55 in favor and 69 opposed.

ADJOURNMENT

Matt Grogger made a motion to adjourn the meeting. Gail Christensen seconds the motion. The motion carries. The meeting adjourned at 11:15 A.M.

