

MINUTES OF MAY 20, 2006 SPECIAL MEETING OF THE MEMBERS OF CAPE HAZE PROPERTY OWNERS' ASSOCIATION

The Meeting was called to order, pursuant to notice previously given to all members, at 10:05 A.M. by Gil Bricault. Directors in attendance were Dahms, Gil Bricault, Marty Rosen, Karen Irvine, Marvin Medintz, and Bill Dahms and Peter Hayes by proxy.

The business of the meeting was solely to vote on a resolution to determine if a sufficient number of the membership of CHPOA would commit to support the construction of a new Cape Haze Clubhouse. The members had been presented with the plans, and had received a full and complete briefing on the amenities proposed and the cost thereof at the April 2006 meeting and by special arrangement with Eva Furner or Pam Neer. A special proxy had been provided to those members who would not be able to attend. Finally, the Board had prepared and delivered a proposed resolution to the members that would be the document authorizing the Board of Directors to proceed with the Clubhouse project.

The Board also had previously announced to the membership that if fewer than ninety (90) members voted in favor of the project, the Board would not pursue the project because it could not be assured that the project costs could be met.

The Resolution, as amended by amendment offered by Mark Gumula and approved pursuant to second and vote, stated as follows

The CHPOA Board of Directors is authorized to proceed with detailed planning and construction for the CHPOA clubhouse renovation, with the following elements and restrictions:

- A positive vote of at least 90 CHPOA members is required to pass this motion.
- A special assessment of \$1,000 per every CHPOA member is authorized, to be applied to the Capital Improvement Fund. \$500 of this assessment is due immediately and \$500 will be due when construction begins. Any existing CHPOA member, who terminates their membership without paying the special assessment, must pay such assessment to reinstate their membership. In addition, all future new members must pay the assessment, and any other fees charged for membership at that time, when joining CHPOA, if the owner from whom the new member acquired the property had not previously paid the assessment.
- If, through the construction bidding process, it becomes apparent that the project costs will exceed \$460,000 the Board will not continue the project

without further vote of the membership.

- If, in the financing acquisition process, the Board determines that it cannot obtain financing at an acceptable rate, the Board will cease investment in the project pending an additional vote of the members.
- As part of this authorization, we understand that our CHPOA dues will increase beginning in 2007, with the exact amount to be determined based on project costs and membership levels.

The resolution, as amended, was discussed, focusing on items of cost and necessity. Estimates of increased CHPOA dues ranged from \$400 to \$500; quality costs money; additional members and Cape Haze landowners could be recruited; the estimated total cost was estimated at \$460,000 at the high end; that so far about \$5,000 had been spent in planning; that there remained about \$19,500 for complete architectural drawings; that the Clubhouse was widely used, with 103 uses in the most recent year, including luncheons, wedding rehearsals, meetings, exercise sessions, and the like; that user fees could be charged to those using the facility for their own private purpose; that a new building would add value to all of the properties in Cape Haze; and a new building would be more versatile and handicapped-friendly than the existing structure.

John Combs called the question. Upon tally of the votes and proxies, there totaled 62 yes and 35 no. There not being 90 votes in favor of the resolution, the resolution was defeated.

Marvin Medintz moved to extend the voting period for 14 days, but the motion died for lack of a second.

Upon Motion and Second, the meeting was adjourned.

Respectfully submitted,

Marvin I. Medintz
Secretary