

**BURNT STORE LAKES PROPERTY OWNER'S ASSOCIATION
MINUTES OF BOARD OF DIRECTORS MEETING
HELD IN THE BURNT STORE LAKES POA CONFERENCE ROOM
100 MADRID BLVD., UNIT #212, PUNTA GORDA, FL 33950**

August 18, 2009

CALL TO ORDER, PROOF OF NOTICE and ROLL CALL

Rob Hancik, Vice President, called the meeting to order at 6:00 p.m. Secretary, Sandy Funk, announced that the Meeting Notice and Agenda were both posted on Friday, August 14, 2009, in addition to the BSLPOA website. Postings meet the guidelines as set forth in the By-Laws. Sandy took roll call of the Directors as follows: Rob Hancik, Vice President; Jim Thiel, Treasurer; Marion Jinkens, Fred Boland, Bob Lilly, and Scott Pitser, Directors at Large, were present. Jim Brown, President was absent.

Public Input: Rick Mathis and Mike Wiesenthal were present; however, no comments were made at this time.

DISPOSITION OF MINUTES

Rob asked if there were any corrections or additions to the Minutes of the regularly scheduled Board of Directors meeting held on July 14, 2009. There being no comments, Scott Pitser motioned and Marion Jinkens seconded to accept the July 14, 2009 Board of Directors Minutes by unanimous consent.

TREASURER'S REPORT

Jim Thiel reported that our cash position as of 7/1/09 was \$401,887.01. Cash received in July was \$7,985.75, which included interest earned in the amount of \$28.45, and total disbursements for the month ending 7/31/09 were \$27,839.84. The cash position at the end of July was \$382,032.92. The total Assessments Receivable at month ending July 31, 2009 was \$73,298.76. Jim noted that the \$100,000 CD matured today (8/18/09) that realized approximately \$1,900 in interest. This money, including interest, was rolled over into the money market account to be used to fund operating expenses through the end of this fiscal year (9/30/09). It will continue to accumulate interest in the money market account but at a reduced rate. Rob asked if we needed the entire amount for operations or could a portion be placed in a smaller CD, i.e., \$50,000. Jim stated it was an option, however, we may require more that this amount to fund the balance of this year's operating expenses. Rob asked if there were any comments on the financial report. There being no comments, Bob Lilly motioned and Fred Boland seconded that we approve the Financial Statements and send forward for audit.

2009-2010 Budget – Rob stated that a copy of the budget was before the Board for final review prior to printing and sending to the membership in the Annual Meeting packet. Rob expressed his concern that in looking at the 2009-2010 budget, it actually would take \$375.00 annual assessment to fund it. Rob further stated that in the 4 years he has served on the Board, we have used the monies in reserves to balance the budget and keep the assessment down (same amount for the past 3 years). He pointed

out that the reserves are dwindling and eventually there will be no reserve funds to roll over to fund the budget without increasing the assessment. At previous budget meetings, he noted that an increase should have been made for this upcoming fiscal year, however at the July Board meeting, it was decided to keep the assessment at \$250.00. He further stated, that this year would be an opportunity to increase since the property owners will see a reduction of \$130.00 this year in their MSBU portion of their property tax bill. (Notation: The 10-year pay-back to the County for our road repaving, recreational paths, round-abouts, and front entrance was satisfied after 5 years—resulting in an overall savings of \$130 x remaining 5 years, or \$650.00 per ERU [Equivalent Residential Unit]).

It was discussed that the 2009-2010 overall budget was reduced by approximately \$25,000 from this fiscal year's budget since the rollover of reserve funds will be significantly less to fund (balance) it. Rob emphasized that this situation should be reported at the Annual Meeting and in the budget letter going out with the Annual Meeting packet, that we are facing an increase next year (2010-2011).

A lengthy discussion ensued by Bob Lilley regarding services currently provided and the need to continue to properly fund in order to maintain the same level of services in our community. Scott continued the discussion by asking what it may cost to fund a 2011 budget. Rob stated that even with the proposed budget it is \$375.00 without roll over of reserve funds. To fund the operating portion of the budget alone is \$243.00. Scott noted that the 2-year contract for mowing, lake maintenance, and entrance mowing/landscaping will be due next year and will most likely increase in cost. Further discussion took place on the cuts that were made, i.e., disaster recovery, drainage, and infrastructure improvements, to name a few. Scott additionally pointed out that there are no funding provisions to address Ibis Lake's island overgrowth (last done 15-18 years ago). This needs to be budgeted for since the problem is a direct result of a recent fish kill due to reduced oxygen and increased nitrogen levels in the lake. He pointed out that it is the Board's fiduciary responsibility to properly fund the services required to maintain the subdivision that includes drainage projects, lake aeration improvements, general maintenance, and disaster recovery reserve. Allocation of funds to address a drainage situation between Mapp and Mint Lanes is not funded and should be. We have also experienced increased costs due to the foreclosures (maintenance of property as well as collection of past due assessments)—all of which will continue to strain the Association's funds—including legal fees/costs to collect assessments and properly transmit foreclosure service to our attorney to insure the Association is protected. As a result of this ongoing discussion, Bob Lilly asked if the Board could revisit the budget and reconsider increasing the assessment. After the discussion and several additional comments, Scott stated we should increase this year's assessment to \$300.00. He stated that this would leave the incoming Board with the ability to have funds available in the event they would be required to resolve any unexpected needs. Bob suggested the additional funds be placed in the reserve line items and not the operating budget. They agreed to stay within the tight operating budget proposed.

Bob Lilley made a motion to increase the assessment to \$300.00 and place the additional \$50.00/lot into the reserves. Marion Jinkens seconded the motion. Rob called for a roll call vote. The results of which were: Rob Hancik Yes; Bob Lilley Yes; Marion Jinkens Yes; Jim Thiel Yes; Scott Pitser Yes; Fred Boland Nay. ***The motion passed five yes, one nay.***

Sandy stated that since the Board just passed the motion to increase the assessment, she requested some monies from the \$50/property be placed in the Legal Lien Filings and Foreclosure line item in the Operating Budget to fund foreclosing on approximately 20 properties that are 2-3 years or more delinquent in their assessments at a cost of \$40,000 (\$2,000 each). Allocation of funds for foreclosing was not included in the 2009-2010 budget. The Board questioned the foreclosure process. It was explained that if an assessment has not been paid by December 15th, a certified letter is sent to the property owner stating that if it is not paid within the 45-day notification, the account will be forwarded to our attorney for lien filing and collection. The individual certified notification and ledger for each property still in arrears is sent to our attorney to initiate another 45-day demand letter, after which if still unpaid, the attorney will begin foreclosure on the property if the Association instructs him to do so. This is in accordance with Florida State Statute. In discussion with our attorney, he stated it makes financial sense to foreclose on a property providing there is not a large mortgage or other encumbrance(s) on the property and that any taxes owed could possibly be held until such time as the property is sold if the Association becomes the winning bidder (owner). Sandy continued to state that the costs incurred by the first certified mailing are added to the property owners' account. Additional costs incurred once sent for legal action, are added to the demand letter and if necessary to go to foreclosure, these costs are also the responsibility of the property owner. All expenses incurred as well as the past assessments are remunerable once the property is sold to an individual(s) who will pay future assessments when due. (Notation: The properties the Association foreclosed on in prior years were sold for what the Association had expended to recuperate costs associated with foreclosing in addition to past due assessments.)

After further discussion, Bob Lilley pointed out that it is advantageous to our reserves to expend dollars in order to recoup monies owed in back assessments and associated costs, and therefore amended his motion to include funding an additional \$40,000 in the Operating line item for Legal Lien Filings and Foreclosures to enable foreclosing on approximately 20 properties that are in arrears with their assessments. Marion Jinkens seconded the amended motion. After further discussion, the vote was taken. ***The motion unanimously passed with Hancik, Thiel, Boland, Pitser, Lilley and Jinkens voting aye.***

Insurance Recommendation – Rob reviewed the spreadsheet showing the cost proposals from various insurance agencies for our liability insurance coverage. Jim Thiel stated that as a result of the Long Range Planning Committee's (LRP) concern about insurance coverage for playground equipment use and the fact that Oswald Tripp, our existing agent, stated that our coverage through them would be at risk, one of the members of LRP, Bob Reichert, did extensive research and analyses of various insurance agencies for adequate liability coverage. In addition to obtaining quotes that include playground equipment, it was also researched for coverage of a boat ramp if installed. The quotes were narrowed down to three agencies. The range in quotations for liability coverage was from \$9,000 to \$15,000/year. Two of the agencies would not quote on either the playground or boat ramp, whereas Olin Hill & Associates coverage includes both. Discussion ensued on the savings of \$6,000 per year for liability insurance, after which Bob Lilley made a motion to change our insurance coverage to Olin Hill & Associates at a time to be determined with Scott Pitser seconding. ***The***

motion unanimously passed with Hancik, Thiel, Boland, Pitser, Lilley and Jinkens voting aye.

OLD BUSINESS:

DIRECTOR REPORTS:

SAFETY & PREPAREDNESS – Fred Boland

The Neighborhood Watch monthly meeting was held on August 4th in the Park. There was concern about commercial vehicles parked at homes and the number of homes in foreclosure. Fred had nothing additional to report.

MECHANICAL & MAINTENANCE – Bob Lilley

Bob Lilley summarized the recent work that was done in the greenbelts along the north and south sides of Bear Branch Creek (BBC), i.e., cutting dead trees/limbs. He stated that this work should not have to be done again for about 5 years. Mowing has now been enabled on a yearly basis. He also reported that BTR Excavation has finished the drainage between Stork Lake and BBC. We were able to complete this work since the quotations came in very reasonable.

Bob asked the Board to review a draft of Policy #20, “Aviary Nesting Poles”. He stated this was developed to put forth the procedures and criteria to be followed in the event a property owner desires to put up a nesting pole/perch/bird house in the rear of their property or in the lake (not greenbelts) for the purpose of attracting osprey, herons, egrets or other birds. All requests must be submitted in writing to the Board which they will review and at their sole discretion, approve or not approve the request. Bob also emphasized that the cost and maintenance would be the property owners responsibility and must be removed when the property is sold unless a future benefactor is located. The property owner must also get the approval of neighboring residents. Further discussion ensued regarding specifications, limiting number of poles allowed on a lake as well as other guidelines, after which it was decided to incorporate the Board’s suggestions and further refine the policy and bring it back to the next Board Meeting for approval consideration.

LONG RANGE PLANNING – Jim Thiel

Jim Thiel stated there was nothing to report at this time other than the insurance recommendation discussed earlier in the meeting.

LAKES WATER QUALITY – Scott Pitser

Scott distributed two maps showing the concentrations of midge fly larvae from samplings taken from Heron and Pelican Lakes. Scott will use this information during his presentation at the Annual Meeting (gray masses of larvae casings on the surface of the water). High levels were found on Heron Lake in the deep areas (20 feet) of the lake that was surprising. As expected, large concentrations were found in the more shallow areas, i.e., Mapp & Mint Lane vicinity. Scott stated that Aquatic Systems is going to double treat these areas and explained in detail the actual methods of

application utilizing pellets as well as liquid chemical, etc. Scott noted that in Pelican Lake higher concentrations were on the west side of the lake and not the eastern portion. These are coming from the salt marshes on the other side of Boca Vista Road. This area will also receive double treatments—going into October. Future treatments will be concentrated on the areas where the problems are.

Scott then discussed the recent fish kill in Ibis Lake as mentioned earlier. He reiterated that the overgrowth on the islands has not been addressed in 15-18 years at which time the islands were cleared by a contractor and removed in low flat bottom boats and taken off Acapulco Road and burned. Since that time it has become overgrown and the bird population increased over time. About 3 weeks ago you could see a white covering on all the leaves (excrement) that washed off in a “light” 30-minute rain. There was not significant rain to flush the matter out of the lake, therefore creating extremely high nitrogen levels due to the excrement. This caused an explosive growth of plankton that exhausted the oxygen levels thus killing about 2000 lbs of fish (all except the exotic species because they are capable of lung breathing, i.e., tarpon). Aquatic Systems responded immediately and spent 2-1/2 days cleaning up the dead fish at no charge to the Association. The algae growing in the lake could not be treated right away since additional algae treatment would further affect any remaining fish. Scott suggested two possible solutions for the next Board: (1) install an additional compressor with four aerators, which he feels may or may not help; and/or (2) use maintenance and/or lake funds to clear the islands of the overgrowth. Scott mentioned that we have a property owner (Paul Garrett) who is an expert on birds’ breeding/nesting habits. We can call upon him to advise on the timing so as to not interrupt the reproductive cycles of the birds. Scott noted that one of the biggest contributors to the problem is the cormorants.

In conclusion, Scott would like the next Board to think about looking at possibly dredging the lake finger between Mapp and Mint Lanes (Heron Lake). It appears to be working at present, however, some dredging should be considered in the near future since there is accessibility via vacant lots (for equipment) so as not to damage residential home properties. However, Scott warned that by doing this it’s possible to create some erosion. Some work was done in this finger about 3 years ago. The littorals planted in this area have started to reproduce and are filtering the water as intended.

COMMUNICATION - Marion Jinkens

Marion reported that no messages were sent out this past month.

BEAUTIFICATION & ENHANCEMENT – Rob Hancik & Marion Jinkens

Rob stated that a copy of the Committee’s minutes was given to all Board members for their review. He also reported that we are still working with the County to finish the Cape Horn Entrance. Purchasing sent the project back to Engineering (Public Works) because they wanted to bid the landscaping and lighting together. Since the cost of the lighting is more than anticipated, the County is now working towards submitting two separate packages to Purchasing for bidding (landscaping with lighting to follow). As of today, this has not been accomplished. It was hoped to have the project completed by the Annual Meeting. Follow up with the County is ongoing. Bob Lilley commented that the entrance should have been wider. It was pointed out that the original plans called

for two lanes exiting and one lane entering the community, but the County altered the design.

Rob talked with Banks Engineering regarding a few minor changes on the Master Plan for the Park (copy provided to Board). They plan on going to the DEP and County next week to start the permitting process. Banks has also talked with Charlotte County Utilities and there is no problem with bringing water and sewer into the Park (via Aysen Way) including a lift station. Rob stated that the specifications for the restroom facilities would be worked out shortly. Bob asked Rob if Banks has allowed for topographical changes to enable proper drainage of the area. This is part of the plan.

COMMUNITY STANDARDS - All

The Board reviewed the monthly Deed Restriction Report. Bob Lilley discussed what we could do additionally to address the condition of foreclosure properties—specifically referring to the two houses on Cape Horn near the front entrance. Celeste reported that she contacted the owner(s) and the lawns were mowed at both properties, but not weeded or trimmed. Review of the monthly schedule for each Director to tour the community has been disrupted due to vacations; however, individual Directors call the office to report if there is something they see that needs to be addressed. The ongoing problems with boat, RV, trashcan storage was discussed.

ARCHITECTURAL REVIEW – Fred Boland

Fred reported that the property owners at 94601 have started a project to enhance the existing concrete pad to include a summer kitchen and smoker oven. After an onsite visit by ARC, office staff and Board member, it has been determined that the construction of the summer kitchen extends into the greenbelt by two feet in addition to occupying all of the 6-foot public utility easement. He will need to obtain a PUE occupancy permit from the County. The property owner did not submit his plans to ARC prior to construction for approval. It has been determined that the project includes plumbing and electrical which require Charlotte County permitting. The property owner is requesting a waiver from the Deed Restrictions to extend into the greenbelt. ARC does not recommend approval based upon the above factors. Scott expressed concern about establishing a precedent if this is granted. Bob Lilley is aware that the property owner is currently out of the country when he visited the site, however, he spoke to his wife. After extensive discussion, Bob Lilley would like to but a hold on any decision today and afford the property owner the opportunity to address the Board upon his return. He also strongly suggested that the County be contacted to do an onsite evaluation of the construction and have them notify the property owner what is or is not required by the County, i.e., PUE occupancy, building permit, etc. The Association can then act accordingly if necessary to address the intrusion into the greenbelt. All were in agreement to pursue County involvement and give the property owner an opportunity to speak to the Board upon his return.

Fred also reported that the owner at 95011 has requested to install Areca palms along the property line extending to existing line of trees in the greenbelt area. ARC does not recommend approval based on the fact that the greenbelt area is designated common property and not allowable for individual use. ARC does recommend approval of a plant screen to be maintained on the property and suggested an 'L' or "arc" in the right rear

section within the property line. Discussion resulted in a motion being made by Scott Pitser and seconded by Jim Thiel to allow a plant screen within the property line and insuring that there is no encroachment into the greenbelt. ***The motion unanimously passed with Hancik, Thiel, Boland, Pitser, Lilley and Jinkens voting aye.***

The property owner at 93515 requested approval to re-paint their home with existing colors and re-surfacing of the lanai and driveway to a 'stone' appearance. ARC recommendation is pending.

Sandy mentioned that as a result of an office visit by Pedro Nunez of Punta Dorada Construction, LLC, a building application was prepared and sent to him to commence the ARC approval process for a planned condominium complex on Lots 13, 14, 15, & 16 on the southwest end of Boca Vista Road. Plans were received a few years ago with building height issues. These were resolved legally by written agreement in that the building(s) will not exceed the height of the existing buildings on Boca Vista. Construction is not planned until the real estate market improves.

COUNTY RELATED ITEMS – Jim Brown & Rob Hancik

SCCC: Rob reported that the SCCC is sending a letter to the County asking what the status of the 1% sales tax money distribution is as it relates to funding that portion of Burnt Store Road between Zemel and the Lee County line.

MSBU Update: Rob reported that the Advisory Board met in July. There is nothing new to report other than the previously reported status of our front entrance project and the reduction of the MSBU taxes from \$186.00 to \$52.83. The new Director of Public Works, Robert Halfhill was present for the meeting.

MISCELLANEOUS ITEMS

Annual Meeting Reception/Picnic – The Committee has chosen a caterer for the picnic (Burnt Store Grill). The menu will include grilled chicken, BBQ ribs, potato salad, etc. at a cost of \$12.50 per person. Celeste is preparing the Power Point presentation.

NEW BUSINESS

Traveling Vaccination Program – Sandy reported that Matt Marks of Maxim Healthcare Services in Fort Myers contacted the office. They are offering a flu clinic on Burnt Store Lakes property to enable our residents to obtain the influenza shot at a cost of \$30 and the pneumonia for \$40. However, for those residents who have Medicare or other health insurance coverage for vaccines, they will process the necessary forms directly to Medicare or health insurance company. He provided a list of insurances they accept. The Board was in agreement to provide this service at no cost on our premises and suggested utilizing the Park. Contact will be made with Maxim to coordinate the timing of a visit to the Lakes. A CIN message will be sent out when more information is obtained. Burnt Store Marina is also taking advantage of the program.

It was moved and seconded to adjourn the meeting at 8:15 p.m. ***The motion unanimously passed with Hancik, Thiel, Boland, Pitser, Lilley and Jinkens voting aye.***

OPEN FORUM

Mike Wiesenthal feels the community will not flourish anytime soon (realtors), but if the community is going to go anywhere we need good word of mouth—people who will recommend people to be our neighbors who will move down here from other parts of the country and buy in the community. He feels we don't have to be paranoid about a lot of stuff. He thinks we bring our own agendas and egos to the meeting, and when we come here we are the ombudsmen for the people who live in the community and need to speak for them and not at them. He stated he heard a lot at the meeting and is going to think about what he heard tonight. He stated we live in an interesting time and what would be the big deal if we put off a boat ramp, put off midge control, put off the park equipment and restrooms and not raise dues this year because it is extremely unpopular and we don't need all the emergency funds we think we need. He asked why are we worried that disaster is going to strike. He thinks we need to be more upbeat and speak more for the individuals in the community. Rob Hancik thanked Mike for his comments and they are well noted and some value in what he is saying, but there are always two sides to a story. There are those who feel the other way for not doing what you perceive as what has been said tonight.

Rick Mathis asked if the construction on the summer kitchen has been stopped (yes), and that the department to contact in the County is Code Compliance. He also asked what the objection was to planting on the greenbelt since it is an improvement. It was explained that the greenbelts major function is to control drainage and plantings could not only jeopardize the system, but they would also impede the mowing of the greenbelts. All plantings must be kept within the respective property lines. He asked if the bird poles would create the same situation as experienced in Ibis Lake. The Board responded they would not since the number would be limited. Rick also asked if we were aware that fishing licenses are now required for pier and shore salt and fresh water fishing. There are certain exceptions for some people, i.e., active servicemen, etc. Scott verified this as being true.

Open Forum ended at 8:25 p.m.

Respectfully Submitted,

Sandra J. Funk, Secretary
To the Board of Directors

August 23, 2009

Note: The next regular meeting for the Board of Directors is re-scheduled for **Tuesday, September 8, 2009** at 6:00 p.m. in the Conference Room of the BSLPOA at 100 Madrid Blvd, Unit #212, Punta Gorda, FL 33950.