

**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**

October 11, 2011

CALL TO ORDER, PROOF OF NOTICE and ROLL CALL

President Rob Hancik called the meeting to order at 6:00 p.m. Sandy Funk reported that the Meeting Agenda was posted at the kiosk on October 7th and the Meeting Notice was posted on the website mid-September. Both postings met the guidelines as set forth in the By-Laws. Sandy took the roll call: Present were Rob Hancik, President; Fred Boland, Vice-President; Bob Reichert, Treasurer; Aimee Schneider, Gordon Quick, Bob Lilley and Stan Hochstadt, Directors at Large.

Public Input:

Property owners that were in attendance were so noted on a sign in sheet. Rob asked if anyone had any input on any of the Agenda items, and if so to state which item and their questions will be addressed when that item is discussed on the Agenda. There were no comments at this time.

DISPOSITION OF MINUTES

Sandy asked if there were any corrections or additions to the Minutes of the regularly scheduled Board of Directors meeting held on September 13, 2011. There being no additions or corrections, Bob Reichert moved to accept the Minutes as written. Fred Boland seconded the motion. ***The motion unanimously passed with Hancik, Boland, Reichert, Lilley, Hochstadt, Schneider and Quick voting Aye.***

TREASURER'S REPORT

Bob Reichert reported that the cash position as of September 1, 2011 was \$315,773.64. Cash received was \$3,832.33 and included earned interest in the amount of \$98.02. Disbursements for the month of September were: Operating expenses at \$51,318.81 and Reserve expenses at \$16,187.03 and totaled \$67,505.84. The cash position ending September 30, 2011 was \$252,100.13. Assessment Receivables were \$124,080.66. Bob reported the balances in the money market and checking accounts.

Bob also commented that September's operating expenses of \$51,318 were \$11,512 more than in August. The higher expenses for September is due to the printing and mailing of the annual meeting materials (\$8,500) and crossover payment to A & L Landscaping (August and September's payment occurred in September). The rest of the expenditures were in line with normal monthly expenditures. He noted that the next mowing is not scheduled until early December. That will be the last mowing until April or May depending upon growth.

From the Reserves, there was \$6,444 paid to Gulf Coast Signs for the Vincent Avenue sign (50% balance due), and \$4,872 paid to Clarke for midge fly control. In addition, an accounting reclassification was made whereby \$4,872 was transferred from the Operating Fund expenditure to Reserve expense for the midge fly treatment in August. It was inadvertently charged to the operating fund vs. the reserve fund.

The \$3,832 cash received in September was approximately \$1,250 more than reported in August. This is due to collection of some past due assessments. Assessments receivable of \$124,080 is the same as reported in August.

Important Note: Since September 30th ends our 2010-2011 fiscal year, Bob noted there are sufficient funds available to cover October and November's expenses until the 2011-2012 assessments are billed and begin to be received and deposited.

Bob Lilley made a motion to approve the Treasurer's Report as presented and send forward for audit. Aimee Schneider seconded the motion. ***The motion unanimously passed with Hancik, Boland, Reichert, Lilley, Hochstadt, Schneider and Quick voting Aye.***

MANAGER'S REPORT

Kayak/Canoe Launch – Rob Hancik explained that this project has been ongoing for about 8 years and in the budget for about 5 years. It took a considerable amount of time for FDEP permitting to be approved and obtained. Bids were solicited from five (5) vendors of which three (3) declined to bid. The remaining two bids were from DM Construction at \$24,885 and the other from Honc Marine in the amount of \$30,000 which included some exceptions. Budget monies for the project were carried over from 2010-2011 in the amount of \$40,000. After discussion, Bob Reichert motioned to award the canoe/kayak launch contract to DM Construction in the amount of \$24,885. Bob Lilley seconded the motion. Aimee asked if this included everything that needs to be done. Rob stated that if there are any other cost items that may arise they could be handled through change orders. However, none are anticipated at this time. ***The motion unanimously passed with Hancik, Boland, Reichert, Lilley, Hochstadt, Schneider and Quick voting Aye.***

OLD BUSINESS:

DIRECTOR REPORTS:

SAFETY & PREPAREDNESS – Fred Boland

Fred had nothing to report. Rob Reichert reported that two persons were seen on the roof of one of the condominiums on Acapulco. The police were notified. Fred is still looking for someone to spearhead the Community Watch.

MECHANICAL & MAINTENANCE – Bob Lilley

Bob Lilley had no report.

LAKES WATER QUALITY – Bob Lilley

Bob Lilley had no report.

LONG RANGE PLANNING – Bob Reichert

Bob Reichert had no report.

COMMUNICATIONS – Aimee Schneider

Aimee reported on the four (4) CIN messages that were sent since the last Board meeting in September—request for blood donors, Burnt Store Road lane shifts, annual meeting picnic reminder, and announcement regarding CCU copper water testing. She also reported that the policy amendments adopted at the September BOD meeting were posted on the website (Policies #9, #10, #18, and #18A).

BEAUTIFICATION & ENHANCEMENT – Gordon Quick

Gordon Quick had no report.

COMMUNITY STANDARDS – Stan Hochstadt & Gordon Quick

Gordon Quick read the draft Policy/Procedure Statement for Enforcement of Deed Restrictions as referenced in F.S.S. 720.305, Obligations of Members, and Remedies at Law or in Equity; Levy of Fines and Suspension of Use Rights, which went into effect July 1, 2010. He also referenced retaining Policy 3 (Enforcement of Deed Restrictions), BSLPOA's Levying of Fines effective 10/1/2010, Policy #3A (Recovery of Expenditures for Deed Restriction Enforcement effective 7/1/2010, and Attorney-Client privileged Correspondence re Guidelines Necessary for BSLPOA to Levy Fines Against Owners who Violate the Associations Governing documents, dated 6/18/2010.

The procedure includes:

Section A

1. The Manager will a) provide the Board of Directors one month in advance the name(s) a specific Director or Directors will perform the inspection of Deed Restriction Violations (DRV). Every home and multiple occupants dwelling within the Association are to be inspected each month. If an assigned Director is unable to perform this duty during an assigned month, another Director will be designated to replace him/her.
2. All Directors performing the community monthly DRV review or a Director requested by the Manager to perform an inspection a property will file any DRV that will contain:
 - a. A minimum of one photograph is required for any DRV observed during the inspection of the property.
 - b. A written narrative describing each DRV observed
 - c. A photograph and/or narrative describing any other observations associated with the property being inspected.
3. The BSL Board of Directors unanimously agreed to waive the first DRV in every category for every property owner in the BSLPOA. The Manager has been given

the authority to work with the property owner for a reasonable timeframe for a corrective action or plan. This opportunity will expire immediately if the property owner does not live up to the commitment agreed upon. The property owner will be notified of the date, time, and place that an arbitration meeting will be conducted to levy a fine authorized by F.S.S. 720.305 against the owner.

4. The Manager will present to the BOD at the monthly meeting:
 - a. A list of all new and unresolved DRV.
 - b. A proposed date to conduct an arbitration hearing.

Section B

The procedure that the BOD's, Manager and property owner will follow to resolve DRV including the levying of fines is as follows.

1. After receipt of DRV report, the Manager will notify the property owner of the DRV(s), the date, and the timeframe to correct the violation(s).
2. The Manager will also notify a Director to re-inspect the property after a specific date (compliance per BSLPOA Policy 3A).
3. The Director will report back to the Manager, by phone, the compliance or non-compliance of the deed DRV. If there is non-compliance, the Director will fill out another DRV report and return it to the Manager.
4. When the Manager receives a second, third, fourth, or more DRV reports for the same DRV category, the Manager will notify the property owner of the date, time, and place that an arbitration hearing will be conducted as authorized by F.S.S. 720.305 against the owner.

The notification will also include:

- a. The address of the property
- b. The number of times a DRV report for the same category has occurred.
- c. The "Notice of the Hearing Meeting" with the time, date, and place of the meeting.
- d. Property Owners' right for cross-examination of the evidence
- e. The property owner has a right to be represented by counsel but that the BSLPOA will not be responsible for their counsels' fees
- f. The amount of the fine and the due date of the fine if the owner is voted to be fined during the arbitration hearing.
- g. Notification of BSLPOA property owners a minimum of 14 days prior to the hearing meeting, the date, the location, and that the hearing is open to BSLPOA property owner observation.
- h. A notice of the hearing meeting will be posted in a conspicuous location on the Association's property 48 hours prior to the hearing meeting.
- i. Notify all members of the Board of Directors and Hearing Committee of the hearing meeting.

Section C

The Board of Directors will conduct the Arbitration Meeting.

Gordy reviewed the form for Deed Restriction Violation reporting which includes Director's Name, date and time of inspection, property owners name and address, lot/block number, category and narrative of first, second and /or third DRV. Also included is manager's historical data input provided for the Hearing Committee as well as space for photographs.

Gordy reviewed the schedule for levying fines—noted as Schedule A – Arbitration Committee Guideline (effective 10/1/2010) as follows:

F.S.S. 720.305, effective 7/1/2010, permits a homeowners association to levy a fine against a homeowner for violations of the Declarations, the Articles of Incorporation, the Bylaws, and the Rules and Regulations of the Association. Under F.S.S. 720.305, the basic limitations and requirements are as follows:

- A fine may not exceed \$100.00 per violation
- A fine may be levied on a daily basis for an on-going violation to a maximum of \$1,000.00
- A property owner must be provided an opportunity for a hearing.
- The Board must appoint a “Hearing Committee” or “Arbitration Committee” of three members. Members of the Committee cannot be Board members and may not be related to Board members.

While the Association may establish specific fines for specific violations, it is not necessary to set varying specific amounts, and the Association has the discretion to levy up to the maximum \$100.00 fine for any and all violations.

The amount of fines for violations was discussed. It was agreed that the first notification of violation letter would be a warning only (no fine). The amount of fine will be \$50.00 if a second letter is required; \$100.00 for a third and \$100.00 for a fourth letter if required.

Fines may be levied against the homeowner for violations by the homeowner, his family, tenants, guests and invitees. Once a fine is levied, assuming the violator does not pay, the Association may pursue a small claims court action to collect the fine. The Association has the right to lien for fines that total \$1,000.00 or more. If the Association is required to pursue legal action, then the Association is also entitled to recover reasonable attorney fees and costs occurred in collecting the fine. The Court is obligated by law to award reasonable attorney fees to the prevailing party.

Aimee questioned the timeframe allowed for each occurrence/violation. It was determined to be based on our fiscal year.

Each of the DRV categories was discussed.

	Timeframe for Corrective Action or Plan
Boats	48 hours
Fences	5 days (inclusion of hedges was discussed and dismissed)
Home Maintenance	5 days
Landscaping	5 days
Lawn Maintenance	5 days
Parking	48 hours (adhere to Policy #17 – Autos, RV’s, Trailers, Vehicles with signs)
Signs (For Sale, etc.)	48 hours
Trash Cans	24 hours

Gordon presented the procedure to be followed at the arbitration hearing in accordance with Policy #3A and F.S.S 720.305. Bob Reichert stated, with Board concurrence) that this is a “Guide” for the arbitration hearing committee and should stand alone as Policy #3A.

The other two documents Gordon presented were for information purposes—giving examples of DRV's. Lengthy discussion ensued regarding yard waste removal. It was determined that the only enforcement that will be made is timely removal of the yard waste container (24 hours). Fred Boland motioned to adopt the Policy/Procedure Statement for Enforcement of Deed Restrictions and all accompanying documents including the Schedule of Fines. Gordon Quick seconded the motion. ***The motion unanimously passed with Hancik, Boland, Reichert, Lilley, Hochstadt, Schneider and Quick voting Aye.***

Bob Lilley was excused from the meeting at this time.

ARCHITECTURAL REVIEW – Fred Boland

Fred Boland stated that at the last Board meeting there were issues of whether or not to require a Performance and Completion Bond, Escrow Agreement, or Irrevocable Letter of Credit in the amount of \$5,000 for Sand Star Homes (Rutenberg) who are building a home on Peppercorn. Fred met with the Architectural Review Committee and discussed changing Policy #2 to incorporate creation of an approved builders list.

Proposed ARC changes:

#2, Section 4 – A Performance and Completion Bond (P&C), as per Deed Restrictions, shall be submitted to the Office by the builder. In lieu of a P&C, the following may be applied:

#2.1, Section 4 – An Approved List of Builders will be maintained by the ARC. If a builder is on the Approved Builder List, then the P&C will be waived.

#2.2, Section 4 – The ARC may place a builder on a Probation List of Builders. These builders will be required to enter into an Escrow Agreement of \$5,000. This will be held without interest until such time the home receives a Final Certificate of Occupancy as further outlined in the Agreement.

#2.3, Section 4 – The ARC may place a builder on an Unapproved List of Builders. These builders will be required to enter into an Escrow Agreement of \$20,000. This will be held without interest until such time the home receives a Final Certificate of Occupancy as further outlined in the Agreement.

If the Board gives ARC tentative approval for this recommendation, then ARC will meet again to establish the criteria for the Approved List of Builders and Probation List of Builders. ARC may want to include the criteria in the final draft of the policy change.

Discussion ensued in that it is felt that the procedure is too complicated, and there is a question of “who” determines whether a builder is approved or unapproved. More input is required from the ARC. Bob Reichert would like to take each new building submittal on a case by case basis. Aimee felt that the decision should be across the board and not on a case by case basis. The Board met with Sand Star (Rutenberg Homes) earlier today at which Sand Star agreed to submit an Irrevocable Letter of Credit in the amount of \$5,000—to be released upon receipt of the Final Certificate of Occupancy. After further discussion, Bob Reichert made a motion to amend Policy #2 to include a third option in addition to either posting a P&C and entering into an Escrow Agreement which is providing an Irrevocable Letter of Credit from the builder's bank which would be released upon receipt of the Final Certificate of Occupancy. Stan Hochstadt seconded the motion. ***The motion unanimously passed with Hancik, Boland, Reichert, Hochstadt, Schneider and Quick voting Aye.***

COUNTY RELATED ITEMS

SCCC – Rob Hancik attended the meeting on September 22nd. Dan Quick, Director of Growth Management Charlotte County was the guest speaker. Mr. Quick made the following points:

- BSR Alligator Bridge to open sometime in November 2011
- BSR Finished April 2012 (41 to Notre Dame)
- Seminole RR tracks (N. Jones Loop) closed for 8 weeks (from circa 10/24/11)
- Traffic light at 41 & Acline in place until tracks completed.
- The Acline light expires in November. Study to be made for meeting State criteria for permanent light.
- State approval would finance cost of permanent light
- Notre Dame to Zemel – Design 60% completed; no funding in CIP; requires 50 acres of retention ponds; ROW not started and developer participation unclear.
- Zemel at BSR – A PD&E study, Federal Funds and FDOT could not solve the safety issue (curve) without a major redesign of Zemel Rd. and surrounding property. To be addressed by County in the future.
- Zemel to Vincent – \$2.5M TIP funds in place but must start project by 7/1/12 and complete by 6/30/13 according to input from Fred Boland. Design phase is out to bid. The County hopes to have the Engineering firm selected by Christmas 2011.

Bob Reichert reported that Tern Bay was supposed to contribute to the widening of BSR in lieu of impact fees but went into bankruptcy. He said the County is going to approach the bank and ask them to deed over the property they need for the widening at no cost to the County. This would result in a considerable savings to the County. County estimates the cost to widen between Zemel and Notre Dame at \$30 million.

MSBU – Rob Hancik had no report.

NEW BUSINESS

None.

MISCELLANEOUS

Fred asked why the interactive map is no longer on our website. Our webmaster has been contacted to replace the link.

Everything is in place for the Annual Meeting and Picnic.

ADJOURNMENT

Bob Reichert made a motion to adjourn the meeting at 7:15 p.m. Fred Boland seconded the motion. ***The motion unanimously passed with Hancik, Boland, Reichert, Hochstadt, Schneider and Quick voting Aye.***

OPEN FORUM

Chari Hopkins asked if it will be announced at the Annual Meeting how many votes each candidate received and the vote count on each of the proxy issues. Rob stated

that a complete tabulation will be given to him by Webb-Lorah and he will announce all results prior to the close of the meeting. Patti Weddle asked if last year's budget figures could be placed alongside the proposed budget figures as suggested at the Annual Meeting last year. Sandy responded that this could be done and will be provided for the Annual Meeting on Saturday. Patti also asked for a copy of Policy 18, Records Retention. She also asked when the September minutes will be posted online. It was explained that now that they were approved tonight, the webmaster will be asked to post on the website. Minutes are not posted until approved. Bob Beahn asked if there was any additional information on the two persons seen on the roof of a condo on Acapulco. Fred and Bob Reichert shared what information they knew. Mike Wiesenthal thanked the Board of Directors for volunteering their time. Charlie Burgese remarked on renters who violate the deed restrictions. Even though the property owner is ultimately responsible for their tenants, violation letters should also be sent to the renter as well as the property owner and given an opportunity to attend the arbitration hearing. Jim Brown, who is on the Citizen Advisory Committee for the Metropolitan Planning Organization (MPO), stated the County is hesitant to use Federal monies for roads since the projects tend to cost a lot more. He also stated that one of the biggest supporters of widening the entire length of BSR is Commissioner Chris Constance. If the Public warehouse goes in at the Airport, BSR will become a commercial corridor to/from Cape Coral. He also stated that Commissioner Trish Duffy is attempting to get some of the SWFWMD water retention regulations waived. He also said that the Lieutenant Governor, Jennifer Carroll, is also a supporter in looking into lessening SWFWMD water retention regulations.

Open Forum ended at approximately 7:30 p.m.

Respectfully submitted,

Sandra J. Funk, Secretary
To the Board of Directors

The next meeting of the Board of Directors is scheduled for 6:00 p.m. on Tuesday, November 8, 2011 in the BSLPOA Conference Room located at 100 Madrid Blvd., Unit #212, Punta Gorda, FL 33950

November 1, 2011