SUNCHASE CONDOMINIUM ASSOCIATION, INC.
ANNUAL OWNER'S MEETING
November 20, 2013
MINUTES

CALL TO ORDER
The meeting was called to order at 5:30 pm. The roll was called and proxies certified. There were 14 owners present and 16 proxies on hand for a total of 30 units represented. A quorum was not established for the meeting. Owners present approved to proceed with the meeting.

Ray Etheridge presented a signed affidavit (as proof of notice of the meeting) that he had sent notice of this meeting to all owners, at their last known address.

Jake Commer made a motion to approve the minutes of the owner's meeting on November 28, 2012. Caroline Stinson seconded this motion, which passed unanimously.

The reinstallation of support posts at the kitchen/dining room area of the lower units was discussed. It was originally thought that this project would cost approximately $70,000.00, however there was additional work that the engineer required after the first post was installed and this project will now run approximately $90,000.00. The $70,000.00 was excess funds that we had in our insurance account, after insurance was paid in March of 2013. With a payment of $90,000.00 that will leave a $20,000.00 - $25,000.00 shortage in our insurance fund, with which to pay our insurance in March of 2014. This will be discussed later in the meeting, with the discussion of the proposed budget of 2014. The support posts have been completed this week and an inspection needs to be made of the final four units and our final bill received. As stated above, the final bill will be paid from funds in our insurance account.

Pilings were also discussed and they are part of the $90,000.00 cost associated with the kitchen support posts. The piling costs approximately $12,000.00. 14 pilings were repaired in 2013. The contractors made efforts to repair the posts which had deteriorated the most, and this was determined by visual inspection at ground level. Building C was particularly bad, but there was also a bad one in building I and building H. As stated, the 14 pilings are now repaired and it was further stated that we will probably not do any pilings in 2014, in order to make up the shortage in the insurance account, caused by the kitchen support posts and piling repairs. In 2015, it is hoped, we can again begin work on the repairs to the pilings.

The cleanup of the beach was also discussed. The beach was allowed to get very unsightly last summer, but the lawn contractor has now been told that this should be cut monthly, or as needed, during the summertime, in order to keep our beach looking as nice as possible. This will not, however, remove the seaweed that continually washes ashore. Ray was asked to get an estimate to remove the seaweed and to clean the beach thoroughly of all seaweed on a monthly basis.

The possibility of installation of security gates at the entrances into Sunchase was discussed. Surveys had been sent to owners of all units and only 36 replied. Of the 36 units, the owners were equally split, 18 *for* gates and 18 *against* gates at the entrance. Some owners at the meetings stated that they needed more information in order to make a decision, such as the aesthetics (where they would be installed), the estimated cost of maintenance once warranties are expired, and how entry or exit would be handled in emergency situations. Ray was asked to send another letter to the owners that did not reply, regarding the gates. This will go out as soon as possible.

The proposed budget for 2014 was discussed. There were a couple of items on the budget that were confusing to owners. First was the vote to be taken to approve the borrowing form our reserve fund, to pay the insurance shortfall. This shortfall in the insurance reserve account was created by the post

support in the kitchen area and the piling repairs. There was not any shortage in the account, because insurance took a drastic increase. It was entirely due to the post rebuild and the piling repairs in 2013. The other item of confusion was the insurance shortage as shown on the proposed budget. This account was actually the contingency fund from last year, which had a $5,000.00 budget (none of which was spent) and the budget for 2014 was $19,814.00. This budget was made back in October and was an estimated amount, and it now appears that this could run slightly over. Other items on the budget were discussed and the budget would require a $20.00 increase in our assessments for 2014. Most of this will go into increased budget for insurance, with the remaining amount of the increase to go into the shortage of funds in our insurance account. Again, created by the overrun of costs in the support posts and piling repairs. Also, the reserve account was looked at, and at the end of the year there will be an approximate balance in the reserve account of $339,000.00. An owner asked if we had looked at the estimated costs of roofing and painting, when they come due some years from now. The answer was no, but we will look at this next year and determine if we have enough funds set aside for painting, roofing, and paving. There were several questions and comments regarding this budget. The monthly assessment for 2014 will be $245.00.

The next item on the agenda was to vote to approve to borrow, no more than $25,000.00, from the reserve account to pay the insurance when it comes due in March of 2014. That amount will be reimbursed from our budget in 2014. It was explained that every month 1/12th of our budget insurance costs, and now the budget monthly amount to pay the insurance funds shortage, will be deposited so that at the end of the year we will have our shortage in the insurance fund replaced. Butch Sommermeyer made a motion to approve to borrow no more than $25,000.00, with which to pay our insurance when it comes due in March of 2014. This motion was second by Charles Leddon and passed unanimously.

It was then discussed whether to have an audit or waive the audit of the 2013 records. Ray explained that per statute, and based on the amount of our income, we are required to have a review, which we have had for many years. The question arose about when the last time was that the association had an audit and it has been several years since an audit was done. Jack Commer stated that the Board receives the accounting on a monthly basis and the cash is always balanced to the penny. After some other discussion concerning this, Butch Sommermeyer made a motion to have a review. Jake Commer second, and the motion passed with one owner present voting against the motion. Ray was asked to ask the association's CPA what we get in an audit that we do not get in a review. This will be done and discussed at our meeting next year.

ADJOURNMENT

There was no further business, and the meeting adjourned at 7:00pm.

Respectfully Submitted,

Ray O. Etheridge