

**Holley By The Sea
Board of Directors Meeting
January 10, 2006
7:00 p.m.
Minutes**

President Simpson called the meeting to order at 7:00 p.m.

Roll Call: Mr. Collins, Mr. Kizer, Mrs. Gardner, President. Simpson and Mr. Harrington present.

President Simpson determined there was a quorum and meeting notice was posted according to Florida Law.

Approval of Minutes: Mr. Harrington I move we accept both sets of minutes as distributed. 2nd by Mrs. Gardener. Motion passed 5-0.

President's Report: President Simpson reported he and about 25 Holley By The Sea members attended a storm water meeting with 2 state senators and 4 representatives to address the issue of drainage around the homes. President Simpson said the process was not as simple as thought in having drainage taken care of in Holley By The Sea. This involves having the county submitting a plan and the state will have the committee approved the plan. President Simpson addressed the nominating committee appointees. The nominating committee verifies candidates are eligible to run and conducts interviews and makes their recommendations to the Board. This year Harry Crouch, Chairperson along with Laurie Vuurman and Barry Abbott will serve on the committee.

The 5-year planning committee Neil Rogers, and Lee Steinert. President Simpson said we are looking for at least 3 more members to join the committee. Water drainage committee Billy Neal and Laurie Gallop will be working with the county dealing with these issues. President Simpson will develop charters for the committees. President Simpson reported we had conducted interviews with 4 insurance agents to insure Holley By The Sea is insured correctly. The Board may have to have a special meeting for selection since the deadline is February 1st.

Treasurer's Report: Mr. Harrington reported-Operating fund \$1,162,653.33, Ivan Fund \$255,188.18, Repair and Replacement Fund \$125,435.11, Reserve Improvement Funds \$359,453.48 for a total of \$1,902,730.10.

Board Members Report: Architectural-Mrs. Gardner reported 450 violations since we sent out the original letters. Of these 49 cases sent to legal, 6 seeking mediation, 13 pending and 30 have been corrected. Mrs. Gardner asked Mr. Knoch to report on Hidden Creek Estates. Mr. Knoch reported it is very slow and only 1 house has been built.

GM Report: Mrs. Rinehart reported Holley By The Sea received the Dennis claim money from Citizens for the amount of \$6,017.88 but we are still waiting for Nationwide to send us money from Ivan for the lights and also for a claim filed with Dennis. Mrs. Rinehart asked the board to review the bid for termite and pest control for termite coverage for the Recreation Center. Mr. Kizer asked if this was a bond. Mrs. Rinehart said yes and presently we only have coverage with termites for the breezeway building.

President Simpson moved the Sea Wall and Engineers report to the next item on the agenda. Mr. Kizer added Littering under New Business.

Mr. Neal Rogers presented his findings concerning the grounds and his recommendations to help with the water flow on the property. Discussion. Mr. Rogers recommended going with the Earthen Berm Control Structures. Mr. Kizer I move we authorize Mr. Rogers to go ahead evaluate control improvements at the southwest portion of the property and develop retention for the run off on the property. 2nd by Mr. Harrington. Motion passed 5-0.

President Simpson called for a 5-minute break. Quorum resumed with the same board members present. 9:18 p.m.

Committee Reports

Architectural-Mrs. Gardner reported Construction in HBTS for 2005:

454 new starts

358 finals

240 Currently under construction of those 17 have been under construction for over 1 year.

HCE Architectural-reported earlier.

Old Business

Architectural Variance Requests- presented the requests for variances.

Tim Sartz-Water St. Lot 2 Block 2 Duplex. 13 sq. feet and ½ car garage variance-Mr. Sartz presented photos of existing duplexes in Holley By The Sea. Mr. Harrington I move to accept the variance as requested. 2nd by Mrs. Gardner for discussion. Discussion. Motion failed 2-3. Mr. Harrington and Mrs. Gardner voted to grant variance. President Simpson, Mr. Kizer and Mr. Collins against.

Ross-7307 Brewster-5 foot set back variance for driveway extension-Mr. Harrington I move to grant the variance. 2nd by Mrs. Gardner. Motion failed. 2-3. Mr. Harrington and Mrs. Gardner voted to grant variance. President Simpson, Mr. Kizer and Mr. Collins against.

Tubbs-2404 Cortez Court-Driveway Extension Variance for driveway extension already poured-Mr. Harrington I move we grant the variance. 2nd by Mrs. Gardner. Motion passed 3-2. Mr. Kizer and President Simpson against.

Fischer Design Build-Occupancy of home before ACC final inspection. Mr. Harrington presented letter to board of directors from Fischer homes. President Simpson read a portion of the builder/owner contract that addresses home must have a final before occupying home. Mr. Harrington I move we retain the money, and reinstate Fischer to build in Holley By The Sea. 2nd by Mrs. Gardner. Motion passed 3-2. Mr. Kizer and Mr. Collins against.

Olin-tabled.

Sprinkler/Irrigation-addressed earlier

Beach House Plans approval-President Simpson reported we had mailed 21 bid packets and we only received one packet back. However, we are having plans drawn up to enable us to have more bids for the project. Mr. Harrington reported they would be ready next week.

Contracts-Mr. Collins addressed the expansion of the staffing at Holley By The Sea. Employees are either hourly or contracted. There should not be 80/20 splits. If there are

hired then they should be employees of Holley By The Sea and we should not allow them to utilize our equipment and facilities where it does not cost them any overhead. Mr. Collins I move the Board of Directors has the only authority to expand the employee base not to leave this up to the General Manger. Motion dies due to lack of 2nd.

Mr. Collins I move that there not be any 80/20 splits with the employees at Holley By The Sea. The employee is either an hourly employee or and independent contractor. Motion dies for lack of second.

Appraisal Report-President Simpson discussed the most current appraisal report. He reported the building has been appraised at \$2,457,251.40 the appraisal will be used to determine our coverage with the insurance agents and also for the new GAP Reserve Study once everything has been repaired.

Sea Wall & Engineers Report

New Business

Hydra-seeding/Sod: Mr. Harrington presented the bids we had received for the improvements to the grounds. President Simpson stated he would develop a phase plan for the areas to be developed in phases instead of all at once due to the new beach house and it's parking lot.

Trees-President Simpson reported Mrs. Gallop had applied for a grant and we will be receiving money from the state to replant some of the trees we have lost during the hurricanes. Mrs. Gallop reported she should have the information by February's meeting.

Lawn Care/Maintenance-President Simpson addressed the bids for the maintenance of the grounds. With these bids President Simpson is also looking to bring the maintenance in-house. We buy the mowers and hire additional maintenance staff if we need to do the maintenance. Mr. Kizer requested a copy of the proposal we ask the bidders to bid on. Mrs. Rinehart said she would email this to him.

Employee Contract-President Simpson addressed the board concerning the contract for the General manager and stated a few items could be changed for the CPA's Contract.

Littering-Mr. Kizer requested the board establish a policy for littering on the common properties and homes being built in the community. Mr. Kizer asked the board members bring this to next month's meeting.

Adjournment-Mr. Harrington I move to adjourn. 2nd by Mr. Collins. Motion passed 5-0. Meeting adjourned at 11:23 p.m.

Open Forum