

Holley by the Sea
Board of Directors Meeting Notes
September 5, 2006

Over 150 residents attended the Board of Directors meeting held September 5th. The board reviewed some variance requests and considered the policy of viewing association records. The policy was tabled for further consideration at the next meeting to be held on September 12th at 6:00 p.m.

Tim Harrington, president, shared the information that is being taken into consideration as we go into the budget process.

Holley by the Sea's CPA, Wendy Hoeflich reviewed the actual performance of our 2006 operating budget. We have experienced overages and unforeseen events including:

- Architectural revenue over budgeted due to slow down in new construction
- Natural gas and fuel cost increases
- Property insurance increases
- Legal fee increases due to increased enforcement of covenants
- Increased payroll costs due to increased membership
- Uninsurable casualty losses

We have many items of deferred maintenance and replacement that must be addressed this year. They include:

- Air Conditioner in Recreation Center must be replaced
- Landscaping at the 48 acre park and all entrances must be re-landscaped due to damages sustained by two Category 3 hurricanes and back to back hundred year flood events
- Grounds Maintenance contract must be added to budget to maintain new landscape
- Pool Dome needs replaced
- Computer System needs upgraded with new hardware and software
- Beach House needs rebuilt

Other items that members have requested to add to the budget are:

- Additional Gym Equipment
- Gym Expansion
- Recreation Center Remodel
- Aerobics Instructors
- Gym Instructors

Tim reviewed the past assessment amounts at Holley by the Sea. These amounts are reflected in the chart below. The developer was still in control of the association until 1998. Developers will historically keep fees low during their period of control to assist in the sale of lots. Tim pointed out that had we increased our fees a minimal 5% per year our assessment amount would be around \$300 per year and we would have almost \$2.3

million extra in our reserve/replacement account. This \$2.3 million would have gone a long way in paying the shortfalls we are facing today.

Year	Actual HOA Fees	5% Increase
1995	175	175.00
1996	175	183.75
1997	175	192.94
1998	185	202.58
1999	185	212.71
2000	185	223.35
2001	200	234.52
2002	200	246.24
2003	190	258.55
2004	190	271.48
2005	190	285.06
2006	250	299.31
Total	2,300	2,785.49
Reserves		2,292,483

Tim then addressed the amounts of assessments that other associations in our area pay for their common facilities. The chart below details the name of the association, the assessments they pay and the amenities they enjoy:

Association Name	Annual Assessments	Amenities
Biscayne Point	\$250	Deeded access to beach, dock, gazebo/pavilion
Fountainview	\$500	Community room & pool
Heritage Park	\$540	Deeded access to beach, community room, pool
Hidden Bay	\$360	Deeded access to bay, dock & pool
Homeport	\$363	Deeded access to beach & dock
La Fontaine	\$480	Deeded access to beach & gazebo/pavilion
Lighthouse Pointe	\$180	Deeded access to beach, dock, picnic area & playground
Magnolia Harbor	\$375	Deeded access to beach & dock
Marsh Harbor	\$405	Deeded access to beach
Parker's Landing	\$720	Gated community, pavilion/gazebo, picnic area, playground, pool & lake
Pine Ranch	\$250	Deeded access to beach, dock, gazebo/pavilion
Pritchard Point	\$240	Deeded access to beach & picnic area
Sound Hammock	\$406	Deeded access to beach, dock & pool
Spanish Trace	\$200	Entranceways
Village at Navarre	\$660	Deeded access to beach, dock & pool

Tim noted that Holley by the Sea enjoys an overwhelming number of amenities – far more than any other neighborhood in our area and that we have been paying a very low assessment for all of these amenities.

The meeting was then adjourned for the board to consider these items and an Open Forum was held for all residents to speak on the issues for two minutes. Approximately 20 members spoke, some in favor of improving our neighborhood, some against any improvements at all and some were in the middle.

The board will meet each Tuesday during the month of September at 6:00 p.m. at the Recreation Center. All members are welcome to attend.