

Spruce Creek Property Owners' Association, Inc.
Board of Directors

MINUTES of September 12, 2006 Regular BOARD MEETING

Present at the Spruce Creek Country Club Palm Room at the noticed time of 7:00 PM, September 12, 2006 were all five directors, Alan Baltz, Laura Munro, Tim Plunkett, Wally Ritchie, and Dawn Sautter. Approximately 50 members of the Association were present.

President Plunkett presided and called the meeting to order at approximately 7:15PM.

The minutes of the August 29th special meeting and August 8th regular meeting were unanimously approved with the corrections noted by Dawn Sautter.

The Treasurer reported that as of the end of August, Overdue Accounts Receivable was approximately \$74K (4.7%) of the 2006 assessments and \$28.5K from 2005 and prior year assessments. Strong letters will be going out demanding payment and informing those members that their accounts will be turned over for collection if arrangements are not immediately made. Expenses as of the end of August were approximately \$25,600 over original budget (3.6%) with the largest single item being Public Works expense that were \$116K YTD versus \$55K budgeted.

The property manager reported the further drainage work has been halted. Invoices are being prepared including the recently approved special assessment and cover letters. The office layout has been rearranged to be more functional and increase work area. Committees and staff are working on the 2007 budget.

A contract for pest control was discussed. Bids were submitted ranging from \$7,000.60 from Tru-Green Chem Lawn. Six vendors submitted bids ranging from \$7,000, \$7,800, \$9,500, to the present vendor's bid of \$14,880.

Mike Hay gave a brief report on the work of the Reserve Study Task Force.

Peter Jacobs gave a brief report on the Finance Committees work toward the 2007 budget and the budget process. This year, the budget process is being zero-based.

Tony Crawford from the Airport Committee gave a brief report regarding a recent runway incursion incident involving a guest who raced up and down the runway.

Lorraine Wahl gave a brief report for the Update Committee.

Mike Hay gave a report for the Safety and Security Committee regarding the implementation of the gates and the two final proposals before the Board from the selected vendor T.E.M. The committee is recommending proposal #1.

The Secretary gave an update on the Land Development Task force.

A request from the Eagle's Crest Condominium to reduce their assessment from 20 to 12 was discussed due to only 12 units being built on the land. The Secretary explained that the assessments on each lot are a matter specified in the Declaration and cannot be reduced without amending the Declaration. It has been discovered that there are lots for which the assessments have been reduced in the past without amending the declaration and this has resulted in approximately \$50,000 of assessments per year not being collected. A member pointed out that a reduction in an assessment would raise the proportionally assessment of other members and would require approval of mortgage holders as well as members. The Board discussed the need to review the issue of these assessments and obtain a legal opinion. A consensus was reached that the Treasurer and Secretary should review the matter and meet with the Attorney.

Dawn Sautter discussed the Sable Creek issue and the need for follow-up with the owner in Sable Creek to restore the natural area to prevent erosion.

The painting of the Windsor Court wall was discussed.

Upon motion made and seconded it was unanimously **RESOLVED**:

That the Board accepts Proposal #1 from T.E.M. and authorizes the President and Treasurer to execute the contract with any non-substantitive changes as may be appropriate.

Upon motion made seconded and unanimously passed the meeting was adjourned at approximately 9:20.

Wallace Ritchie
Secretary

Note: Minutes of the meeting are not official until approved by the Board at a subsequent Board meeting. These minutes were approved with corrections at the October 10, 2006 Meeting of the Board.