



HARBOUR TOWNE SPECIAL HOMEOWNERS MEETING

JUNE 5, 2010

OPENING COMMENTS:

Steve Bradbury, President, called the meeting to order at 9:00 a.m. June 5, 2010 in the Harbour Towne Clubhouse and welcomed all attendees to the special homeowners meeting. The meeting was called to discuss and vote on re-allocation of unused funds of approximately \$140,000.00, from the Central Bank breakwater loan commitment, originally established to fund procurement of the wave break project, to fund the initial phase of the stair tower refurbishment project. Steve introduced the Executive Board Members present at the meeting; Spencer Thomas- Vice President, Darrell Barber- Treasurer, and Dan Galvin- Communications. Also introduced were representatives of Pressley Property Management; Ron Pressley – Association Manager, Maria Pressley, and Debbie Hicks.

CERTIFICATION OF QUORUM and PROXIES:

On behalf of the secretary, Diane Roush, Ron Pressley certified that there was a quorum of owners present at the meeting and certified the proxies received for the meeting. Steve Bradbury read the names of those individual for which unclaimed proxies had been received.

DISCUSSION:

Some of the metal stair towers in the complex have deteriorated to the extent that they are aesthetically displeasing and if left unaddressed could eventually become structurally unsound. This deterioration has been exacerbated by the design of the landings, which are concrete slabs poured in a non perforated metal pan. This allows water to permeate the concrete and come in contact with the metal pan which causes the deterioration. The level of deterioration varies from stair tower to stair tower depending upon the age of the stair tower (the west side are older than those on the east side) and the number of permanent residents utilizing a specific stair tower. Ice melt is routinely applied to stair towers utilized by permanent residents while ice melt is applied to other stair towers only as needed to accommodate owners' requests.



Three stair towers have previously been re-furbished as prototypes for future refurbishments. The 1st prototype involved the E100 and W100 stair towers, and included removal of the existing concrete pan landing and replacement with reinforced concrete treads. The use of concrete treads and elimination of the pan allows passage of water between the treads and has worked acceptably on these 2 prototypes. Unfortunately the deterioration of the metal was not addressed when the concrete treads were installed. The 2nd prototype involved the E900 center stair tower and included removal of the existing concrete pan landing, addition of additional trusses to the stair tower frame at the landings, and installation of a fiberglass pan. Also included were the removal of deterioration on the stair tower and painting with an epoxy based primer followed by a marine grade epoxy finish coat. The fiberglass pan has proved to be problematic since it is susceptible to water collection /ice formation and exhibits surface wear. The painting has held up very well. Costs to refurbish additional stair towers via the 2nd prototype approach were expensive at projected cost of approximately \$28,000 per tower.

Using the information from these prototypes, the Executive Board has pursued alternatives and arrived with the recommendation outlined in the attached handout which was distributed at the meeting. Factors leading to the Executive Boards decision were 1) the concrete tread system allows for easy replacement of damaged or deteriorated treads in the future 2) stainless steel bolts and nuts will be used to preclude rusting and facilitate easy replacement and 3) use of concrete treads and elimination of the pan allows passage of water between the treads. Multiple bids have been received and considered for the various phases of this project with the contractors listed on the handout being selected on a qualification and costs basis. With a projected refurbishment cost of approximately \$13,000 per tower the \$140,000 in reallocated funds should be sufficient to refurbish between 9 to 10 stair towers depending upon the actual cost.

Based on surveys of the stair towers in the complex, performed by Mill Creek Builders, the Executive Board, and Pressley Property Management the following stair towers have been recommended for refurbishment during this initial phase, since they represent what it is felt to be the most pressing needs. Additional stair towers would be refurbished in subsequent years as the availability of funds and needs dictate. This list is ordered in alphabetic/numerical order and does not reflect the actual order in which the stair towers will be refurbished.

E300/E400



E400/E500

E700/E800

W100 end*

W100/W200

W300/W400

W500/W600

W600/W700

W700/W800

W800/W900

* requires cleaning and painting
only

To fund procurement and installation of the wave breaks, in 2008 a \$850,000 loan commitment was secured through Central Bank. This amount was based on the premise that each owner would pay their pro-rated share of the cost of the wave breaks through a 7 year quarterly payment plan. More owners that projected paid their pro-rated share in a lump sum upfront payment versus the 7 year quarterly payment plan, thus allowing the Association to procure and install the wave breaks while accessing only approximately \$710,000 of the loan commitment. To date approximately \$470,000 of the loan on the wave breaks has been repaid leaving a principle balance of approximately \$240,000 which is being paid through the quarterly payments of those owners who opted for the quarterly repayment plan.

If the reallocation of the funds is approved, the loan for the stair tower refurbishment would be separate from the wave break loan and at an interest rate of between 5-6% versus the 3.25% current interest rate for the wave break loan. Payment of the stair tower refurbishment loan covering the above initial phase would be made from the maintenance reserve fund already



paid by the owners within their quarterly assessments and would not require either an increase in assessments or a special assessment. Refurbishment of stair towers beyond this initial phase would not be funded by this re-allocation and may require an increase in assessments or a special assessment.

VOTING:

At this juncture the ballots from those in attendance at the meeting or represented by proxy were collected and tallied. 73 ballots were received, with 70 votes being in favor of the reallocation and 3 votes being against the reallocation. Since a 50% majority of owners or 96 owner votes are needed for a decision of this type, the Executive Board elected to have mail in ballots sent out to those owners who were not either at the meeting or represented by proxy.

Meeting Recess:

Since a 50% majority of owners or 96 owner votes are needed for a decision of this type, the Executive Board elected to recess the meeting until such time as mail in ballots could be sent to those owners who were not either at the meeting or represented by proxy, returned, and tallied. The meeting will reconvene on Friday July 2, 2010 at 3:00 p.m. in the Clubhouse finalize the ballot tally

Mail in Ballots:

Mail in ballots were mailed to those owners who were not either at the meeting or represented by proxy on June 10, 2010 with a requested return day of no later than June 25, 2010.

Reconvening of Meeting:

The meeting was reconvened on Friday July 2, 2010 at 3:00 p.m. in the Clubhouse. Present at the reconvened meeting were ; Steve Bradbury, President (via phone) , Spencer Thomas- Vice President, Darrell Barber- Treasurer, Diane Roush - Secretary, Dan Galvin - Communications, and Ron Pressley - Association Manager.

Mail in Ballot Count:



43 mail in ballots were received on or before the June 25, 2010 deadline. 42 of these mail in ballots were in favor of the reallocation with 1 vote being opposed to the reallocation. 7 mail in ballots were received after the June 25, 2010 deadline and therefore could not be included in the final vote tally.

Final Vote Count:

Combining the attendance, proxy and mail in ballots received on or before the June 25, 2010 deadline, 116 total votes were cast with 112 being in favor of the reallocation and 4 being opposed to the reallocation.

The reallocation has therefore passed.

Adjournment:

With no further business to discuss, Dan Galvin made a motion that the meeting be adjourned. The motion was seconded by Darrell Barber, all were in favor, and the meeting was adjourned at 3:10 p.m.