

Eaton Harbors Corporation
Annual Shareholders' Meeting
Meeting Minutes

Dated: Saturday, May 21st, 2011 – Eaton's Neck Fire Department

Directors Present: Edward Carr, President , Joseph DeRosa, Vice President
Stelanie Poalillo, Secretary, Barbara Raisch, Paul Rittenhouse Directors

Directors Absent: Steven Hershenhorn, Douglas Whitcomb

Others Present: Ken Kraska, EHC Administrator

Shareholders Present: P & J Adair, M Cantoni, T D'Antonio, T Dwyer, A Golub, M Greenblatt, G Hoppe, M Law, Mr. & Mrs. Mass, D Mendelsohn, Mr. & Mrs. Morris, Mr. & Mrs. Panachella, T Pandelakis, M Peyser, T & M Polletta, W Raisch, L Rodetis, N & E Sellar, W Thomas, D Urquhart, T Vincent, P Vogt, D Whitcomb, B Willman

Ed Carr called the meeting to order at approximately 10:20 a.m. A quorum of four directors was present at the start of the meeting. The directors received a total of 93 proxy forms representing 618 shares or 52.64% of the 1,174 outstanding shares, that said the required quorum of shareholders was present in person and/or represented by proxy and the business of the Corp commenced.

- Summary of EHC undertakings during this past year – Ed Carr provided the shareholders with a list of the board's accomplishments for the fiscal year June 1, 2010 to date. Each item was discussed in detail and questions from the shareholders were entertained.
 1. Surveyor hired to perform survey of the Sluice wetland. Map created and filed with both Huntington and Suffolk County. A request for a new Tax Map number was made. Copies provided to all adjacent neighbors.
 2. Approvals granted to repair the sluice by the DEC and Army Corp. An application was also made to the Town of Huntington.
 3. Approvals granted by DEC and Army Corp to replace the boat ramp with a new concrete ramp.
 4. New wooden fence installed on east side of sluice property.
 5. Brush cutback specs created for roads, and request for bids made. Work performed.
 6. Record amounts of snow removed from roads.
 7. Beach Road, Bayberry West, and part of Cherry Lawn repaved per specs.
 8. Catch basins and drainage pools cleaned system wide.
 9. Notices of Lien filed with Suffolk Clerk on all delinquent properties (arrears).
 10. Plan created for entrance improvements by Beautification Committee
 11. Civic Committee held Bratfest, Chili-Chowder Festival, Holiday Party, and planted flowers at entrances.
 12. Insurance Committee assisted with new annual contract for EHC.
 13. EHC subdivision maps reproduced and added to website.
 14. EHC mailings customized with individual shareholder info. Customized parking tags mailed.
 15. By-Laws updated, and posted on website.
- Summary of Fiscal Accounts – A review of the shareholders in arrears was made. It was noted, assessments due from shareholders as of April 30, 2011 totaled \$139,523 consisting of \$85,392 in aged receivables over one year old. The shareholders were supplied with an updated detail listing as of May 19, 2011 reflecting a total due of \$137,946.47. The administrator reviewed statement of financial accounts. As of April 30, 2011 the Corp had a total cash balance of \$174,816, comprised of \$111,385 in the General Fund, \$24,375 in the Road Fund and \$39,056 in the Sluice Repair Fund. Combining the total cash with receivables of \$139,523 and the book value of the land owned of \$12,354, the total assets of the Corp were \$326,693. Accounts payable consisted of \$549 leaving the Corp with a net asset value of \$326,144.
- Presentation of the Proposed Fiscal Budgets – A report detailing the actual versus the budgeted expenses for the 2010-2011 fiscal year was distributed to the shareholders. A line by line presentation was made with an opportunity to ask questions. The Board indicated the proposed budget for the 2011-2012 fiscal year would be held to the same as the previous year \$41,090 or \$35 per share for the 1,174 shares outstanding, and \$122,400 or \$850 per property for the 144 shareholders utilizing the Corp roads to access their property. A shareholder commented that Corp could save money by emailing the monthly newsletter. Ken Kraska stated, not all shareholders want electronic copies. The Corp's current cost to mail is \$55 per month for postage up to 200 items, and about 50 cents per item for the printing. The Corp mails approximately 180 pieces and based on the amount mailed any saving would be negligible. Those shareholders who would

like to receive an electronic copy in addition to the mailed copy should contact Ken. While on the topic electronic delivery, Ken stated most public corporations use a web based system to capture proxy votes and with board approval he was looking to implementing this type of system for the Corp. Another shareholder asked how long they can expect to pay the current \$850 annual road fee. The board responded they are about a third of the way through the major paving and they expect to spend approximately \$100,000 per year until entire 3.1 mile system is complete. Based on the current rate this may take an additional five to seven years. Once the entire system is repaved the assessment will be set so that the Corp can accumulate and bank a portion each year. This should help ensure future major repaving can be completed without a spike in annual assessments.

- **Prioritized Road Work** – The board presented a detailed list of prioritized list of work.
 - Widen Roadbed and remove crest near #71 Winkle Point to relieve flooding.
 - Realign North Harbor & Cove intersection per survey provided by 33 Cove Road owner.
 - Use crane to install deep cast rings to address drainage issues: near #24 Cherry Lawn, near #70 Winkle, near #51 Locust
 - Repair Curbs - Locust as necessary from Bayberry to Cherry Lawn, #42 Winkle Point, Northwest Corner of Bayberry & Locust, #24 Cherry Lawn, #62 South Harbor, and pothole repair on Winkle Point north of Bayberry.
 - Repair 100 feet of shoulder on east side of New Harbor near Cherry Lawn intersection.

A question was raised regarding the width of the roads. The board stated the current standards are twenty feet for the major roads and seventeen feet for the secondary. A shareholder from Winkle Point Road indicated they were approached by a neighbor who asked they sign a petition to not widen the dead end portion Winkle Point south of Bayberry. Ed Carr indicated that with the past rain storm the shoulder of this road was muddy and appeared to be crumbling and was difficult to pass when delivery and landscaping trucks were parked. One of the shareholders who signed the petition stated they are now unsure and would like to retract their signature from the petition until they can fully assess what needs to be done. The board stated they will add this item to the next board meeting agenda.
- **Public Session For Shareholders** –
 - Margaret Law - Asked the Corp publish all the specific dates of each meeting rather than the generic “third Thursday” or “third Saturday in May” and perhaps make adjustments should the regular meeting date fall on a holiday or in a break period. The board agreed and instructed the administrator to publish the dates in the monthly mailing as well as on the website. Another suggestion was to send out an email reminder. Margaret also mentioned the fire department flushed a hydrant on Beach Road and now the curbing around it appears to be undermined.
 - Mrs. Walker – Mentioned during the past winter some trees fell, and the power was out for several hours. There are still a few dead trees such as one near 135 Old Winkle Point which may pose a future hazard. Another shareholder asked who to contact regarding trees which threaten the power lines. The board stated they should contact LIPA.
 - Barbara Willman – Inquired about the deer issue and asked if anyone heard anything further. The board responded that the authorities were advised and anyone who notices suspicious activity should contact the police.
 - Pam Vogt – Mentioned there is a group of fisherman who walk from the EHC beach, and fish from her property at the end of Winkle Point. They are supposed to remain below the high tide line since she owns the land above. The board indicated this was beyond their jurisdiction and suggested she contact the local police if she believes they are trespassing on her property.
- **Shareholder Vote for Directors and Budgets** – The administrator asked the shareholders if there were any additional proxy forms which needed to be included. One shareholder tendered their form. With a quorum of shares represented the results of the vote were tabulated and read.
 - General Fund Budget passed with a vote of 573 shares for, 15 shares against and 15 shares abstaining.
 - Road Fund Budget passed with a vote of 64 shareholders for, and 8 shareholders against.
 - The following directors were voted in for the 2011/2012 term :
 - Edward Carr-1,093, Joseph DeRosa-475, Steven Hershenhorn-537, Stelanie Poalillo-632,
 - Barbara Raisch-587, Paul Rittenhouse-483 and Douglas Whitcomb-476

A motion to accept the results of the vote was made by Barbara Raisch and second by Stelanie Poalillo, a unanimous vote was recorded and the motion carried.

There being no further business to discuss a motion to adjourn the meeting was made by Joseph DeRosa and second by Stelanie Poalillo, a unanimous vote was recorded and the motion carried. The meeting adjourned at approximately 11:30 a.m. The next scheduled annual meeting will be held next year on May 19, 2012, and the next regular monthly meeting will be held on Thursday, May 26th, 2011 at 8:00 p.m. at the ENFD.

Respectfully Submitted,
Ken Kraska, Administrator