



Palm Worth

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Palm Worth, Inc.
Annual Meeting of Members
Tuesday, February 19, 2013
Palm Worth Clubhouse
2850 South Ocean Blvd.
Palm Beach, FL 33480

1. CALL TO ORDER

Meeting called to order by Jim Apostolico, Board President at 7:05 PM.

Board members present:

Jim Apostolico	President
Juanita Leary	Vice President
Glenn Keller	Treasurer
Tom Wallis	Secretary
Linda Brennan	Director
David Gerwig	Director
Marian Day	Director

2. PROOF OF NOTICE

Secretary, Tom Wallis verifies that he has received and verified the proof of notices of the mailings for the annual meeting

3. DETERMINATION OF QUORUM

Tom Wallis reports that there were 53 Shareholder/proxies therefore a quorum was met.
Marcy Cresswell, LCAM is present along with Robert Bucchere, LCAM

4. ELECTION OF DIRECTORS

Jim Apostolico announced that because no new members ran for the Board there will be no election and the current Board members will continue to serve on the Board

5. READING AND APPROVAL OF MINUTES OF PREVIOUS ANNUAL MEETING

Motion made by Tom Wallis to waive the reading and approve the February 21, 2012 annual meeting minutes. Second by Linda Brennan and approved by all

6. REPORTS OF OFFICERS

A. The secretary Tom Wallis makes the following motions :

1. The Board of Directors of Palm Worth, Inc. be authorized to use Hafer and Company for auditing firm to perform 2012 annual audit and prepare 2012 taxes. Second by Jim Apostolico and approved by all

2. The Board of Directors of Palm Worth, Inc. retain Laurie Manoff as the corporate attorney until 2013 annual meeting. Second by Glenn Keller and approved by all
3. The Board of Directors of Palm Worth, Inc. be authorized to cross fund the reserve accounts to the operating accounts, if necessary during 2013 and to borrow operating funds from the reserve funds if necessary. Second by Juanita Leary and approved by all
4. Treasurer's report given by Glenn Keller is attached.
5. COMMITTEE REPORTS
BEAUTIFICATION COMMITTEE –Highlighted by Juanita Leary, report was e-mailed to shareholders and is attached to the minutes
CITIZEN'S ASSOCIATION REPORT – given by David Hobson and is attached to the minutes
WINDOW COMMITTEE – no report given
6. MANAGERS REPORT – Report was given by Marcy Cresswell and will be attached to the minutes
7. PRESIDENTS REPORT – Jim Apostolico presented the managers' report which is attached to the minutes
8. SHAREHOLDERS QUESTIONS/COMMENTS –Michael Mellquist discussed the need for full time maintenance. J.C. Lanier discussed Board term limitations.
9. ADJOURNMENT – Motion to adjourn at 8:20 p.m. made by Glenn Keller, second by Michael Mellquist and approved by all

Minutes submitted by:
Marcy Cresswell, LCAM
Gem Property Management
February 25, 2013

Palm Worth, Inc.
Treasure's Report for the Year ended
12-31-2012

The attached 2012 financials are coop prepared year end numbers. A full audit report should be completed in Apl.

Total income for 2012 was \$306,630, with \$302,901 of that being maintenance assessments. The difference was spread between late fee income, King Coin income and miscel. charges income. Total expenses were \$279,376, giving Palm Worth a revenue surplus of \$27,254.

The following expense items were over or under budget by more than \$1,000:

Items over budget,

Water & Sewer,	\$5,995
Pool repairs & supplies	3,370
Landscape	2,391
Cable TV	1,442
Lawn maintenance	1,775
Annual fees	2,219
Sub total	17,192

items under budget,

electricity	\$1,035
Trash	1,448
Gas	2,691
P/T Maint. & cleaning	2,535
Elevator & phone	2,596
Tree trimming	1,581
Bldg Repairs	2,055
Contingency	15,500

Legal	3,950
Telephone	1,014
Insurance	6,228
Sub total	40,633

Net result: \$23,523 under budget

The Balance sheet for Palm Worth on 12-31-12, had total cash of \$366,388. Of that \$266,889, was reserve dollars, \$11,230 was prepaid assessments, leaving \$87,582 in the operating account.

At year end accounts receivable were \$35,475, against which we had a reserve for bad debt of \$28,141. When we meet with our auditors we will examine with them the amount we should carry in the reserve for 2013. There were three shareholders past due 30 days or more at year end; two remain past due. The majority of the past due is from one shareholder. Payments are being received monthly from the bankruptcy trustee and the shareholder is making the monthly maintenance assessments.

Palm Worth maintains nine reserve accounts. The balance sheet shows the amount in each account. The amount placed into these accounts is determined by the Board at the annual budget meeting in the fall. This past year, there was only one withdrawal, \$5,135, for the parking lot seal coating.

Respectively submitted,

Glenn Keller
Treasure, Palm Worth, Inc

The Committee continued to monitor the Landscape Contractor, Phoenix, to ensure that the Palm Worth landscape and lawn were being maintained. The ongoing problem with the numerous varieties of the White Fly Insect that have invaded the island were addressed not only with preventive treatment of a granular systemic but also a liquid spraying of the ficus. Our Coconut and Alexander Palms were infested last spring and an injection to the palms with a deep root systemic insecticide was applied. We are in the midst of having all the palms deep root treated for the spiraling fig white fly and deep root fertilized at the same time. This will be done on an annual basis. All the ficus, including the hedge around the pool, will be treated every 6 months as preventive maintenance. We, as well as Marcy, continue to keep Phoenix informed of our concerns.

The Committee was assigned the job of soliciting bids to replace approx. 110 feet of fencing along the south property line that had deteriorated and was not repairable. This also included a new gate on the east end. Bulldog Fencing was awarded the contract and they proved to be extremely knowledgeable and helpful in obtaining the complicated permit.

The ocean dune became a problem area when the EPA Representative was inspecting our new fence and notified us that the invasive plant, Scaevola, was taking over our dune and needed to be removed and replanted with sea oats. In order to cooperate with EPA and avoid any fines we contracted with Phoenix to undertake this major removal of the invasive plant and planted 260 sea oats as well as several additional Sea Grapes. There was some damage to the new plantings as the Hurricane Sandy hit the beach approx. a week after the planting.

Our attempts to try a planting of shrubs on the north side - east end - was not successful. Therefore, we removed those plants closest to the ocean and had sod laid in all those areas that were bare. In addition, the sea grape hedge along the north property line continues to be a problem. We are continuing to research ideas from several plant growers as to how to solve this problem area.

The fountain area and specifically the lowest small pool needs to have repair stucco work done. We have contracted with an expert in stucco work to redo the cap of the pool. At this time, we will drain the atrium pools, clean and repaint them.

The Kellers have agreed to head up our Wish List for Palm Worth. There has been specific interest in again addressing the front of our club house facing So. Ocean Blvd. and planting along/closer to the road (as allowed) to give us more privacy and options for opening up the area outside the sliding glass doors of the party room. In the past, our committee had several landscape drawings worked up. We will have one of the landscape plans available at the Annual Meeting for the shareholders to review.

Submitted: Vickie Gerwig, David, Gerwig, and Juanita Leary

Managers Report - February 2013

I have been the onsite manager at Palm Worth for about a year and a half now. I am involved in and take pride in all aspects of the day to day operations as I realize how important your investment is to you whether you are here or not. I strive to handle any and all shareholders issues and concerns expeditiously. Acting as mediator is sometimes an integral part of my job.

I worked diligently with John over the summer to improve his time management skills. We came up with a daily schedule which makes sure all tasks are done each day, week, or monthly as needed. John likes the list and it seems to be working for him...and me.

Additionally over the summer, the revised Rules and Regulations were completed and distributed in each apartment, all window maintenance was done, batteries in smoke alarms were changed, the A/C in the clubhouse was fixed and several of the patio furniture chairs were restrung.

I closely monitor the building repair expenses and utilize John and Kevin's skills wherever possible.

I negotiated the Thyssen Krupp elevator contract for a 30% reduction which was effective immediately.

I carefully monitor all invoices that come in to insure proper billing and on occasion have had invoices adjusted or written off

We continue to be diligent in our collection procedures and enforcing late fees which have reduced the amount of monthly delinquencies. I would like to remind everyone to make your checks payable to Palm Worth. The bank will no longer accept checks made out to Gem Property Management.

I want to thank Robert, the Board and all of you for trusting in me after Robert was injured and I was sort of dropped in your laps. I hope to continue to be part of Palm Worth in the coming years.

Marcy Cresswell
Building Manager

PRESIDENT'S ANNUAL REPORT

PALM WORTH COOPERATIVE

FEBRUARY 19, 2013

The Board of Directors and I want to welcome all Shareholders to the 2013 Annual Meeting.

I would like to begin this report by thanking all of my fellow Board Members for their work and efforts during 2012. Each of these Board members have specific responsibilities and work many hours ensuring that Palm Worth is run smoothly and is financially stable. I thank each of them for their contributions.

2012 Work

I hope you found Palmworth looking as beautiful as ever, on your return this year. During the summer, John Self worked very hard to make our interior walkways looking as good as ever. This saved us a considerable amount of money as opposed to a very expensive reconditioning by a contractor. Also the south side was brightened up with a new fence and gates. This improvement should give us many years of service.

Please continue to check the webpage, Palmworth.net to see information on Palmworth. You will find past minutes, Bylaws, etc. We will continue to update it, so that all new information will be available to each of you as quickly as we get it. I thank Mike Moffit for all his work with the website.

Financially, Palm Worth is in excellent shape. Our annual audit of the books again came in with a good report. Our budget has remained the same and that is why your monthly maintenance is the same for three years. This is due to the Board doing its best to stay within or below our budgeted amount for our projects in 2012, reducing segments of the budget in 2013, and covering other projects with our reserves for this year. Out of 67 units, we have only one foreclosure which we are pursuing with legal action.

2013 Work

In 2013, we are considering replacing the water shut off valves in each apartment. This is to keep the plumbing system current, and up to date, and for improved safety against water leakage. We are also looking at replacing more of the concrete railings that are in bad shape. Probably around 25 need replacement, mostly on the West end and Stairwell. A building over 50 years old needs continual monitoring for deterioration and to keep up with repairs as they are needed. The building takes a major beating from salt and wind by facing the ocean. There is a cost for this and we are constantly reviewing the required maintenance to ensure the building withstands these elements.

During 2012, we lost two of our long time shareholders, Ruth Overheiser and Frank Durkin. Ruth and Frank were fixtures at Palmworth, and will be deeply missed. Our sympathies go out to Ruth's daughter

Cindy and son Bob, and to Frank's wife, Karen. We want to also extend our sympathies to all shareholders who have lost close family members during this past year.

Now some special thanks to our Board members, our friends at GEM Property, John Self, Kevin Brocius, and our Committee Members.

Board Members:

Juanita Leary – Juanita is my Vice President. She has been a tremendous to me and the Board. Besides her duties as Vice President, she is the Chairperson of the Beautification committee, her work to keep Palmworth looking great with fantastic greenery and just a beautiful spot to live, is greatly appreciated.

Tom Wallis - Tom is the Secretary of the Board and oversees the Minutes of each Board Meeting. He also works with Marcy on the proprietary leases, the stock certificates and the trusts. Tom also did a great job updating the House Rules. Wally has been a stalwart on the Board for years.

Glenn Keller - Glenn is the Treasurer of Palm Worth. Glenn works closely with Marcy and Amanda Shade, our Accountant, on our budget and monthly financials. Glenn's knowledge and expertise in financial matters, is a great asset for us all.

Linda Brennan – Linda is one of our directors. She has served in many officer positions on the Board. She helps us to deal with the legal matters that we face at Palmworth, and does a great job working with contracts.

David Gerwig - David oversees the landscaping committee and is responsible for choosing the beautiful flowers and shrubs you see here in Palmworth. This takes a lot of time and effort and his work is appreciated by all. David also helps with issues dealing with the building and the Parking lot.

Marian Day – Marian just completed her first year on the Board, and what an asset she has been. Always willing to help, she kept the flowers looking great while most of us were away for the summer. Marian also oversees the Social Events here at Palmworth.

Gem Property

Robert Bucchere - Robert is Vice President of Gem Property, the property manager at Palmworth. He has handed over his onsite duties to Marcy Cresswell, and GEM is contracted to be our Property Management Company through 2014.

Marcy Cresswell – Marcy came to Palmworth from GEM Property. She is one site here every day, Monday through Friday, to make sure the Property operates properly. Marcy is quickly becoming a fixture here, and is a tremendous asset to myself and the Board. Thanks for all you do, Marcy.

John Self - John works diligently to ensure that Palm Worth remains beautiful. We all appreciate him and thank him for all that he does. John will have an operation on his foot in February, and will be out for about 6 weeks. We surely will miss you John, get well and get back.

Kevin Brocious – Kevin joined us last year, and has done a fantastic job. Kevin has become a friend to all of us, and works with John, during the season. He is a real asset, and always has a pleasant smile.

Committees

Palm Worth does a lot of its work through its committees and the volunteers who give their hours to this community. Our shareholders who volunteer are an important part of why this building retains its beauty and works so well. This helps us to keep our costs down and encourages all of us to know our neighbors.

Beautification Committee

David and Vickie Gerwig and Juanita Leary are responsible for choosing the beautiful flowers, newer shrubs, poolside containers and the containers around the clubhouse. David and Vickie go out to nurseries and choose these plants and have them delivered. Juanita and Vickie have worked closely with our landscapers to ensure that our grounds stay healthy and beautiful throughout the year. We also don't want to forget all of the volunteers who have helped to water the plants around the pool. Thanks to each of you for this very important work.

Social Committee

We have had many successful parties this past year revolving around the 50th anniversary of Palm worth. They include cocktail parties, a bus trip to the casino, and a Dinner at Coco Pazio. I thank each and every one on this committee for their creativity and work throughout the season. Special thanks go out to Sue Keller, Carol Boyle, Kit Hanvey, Sue Apostolico, Barbara Koehl, Shirley McKinney and Jeannie Wallis. The Golf Tournament run by Tom and Jeannie at the Par 3 up the street was also very successful. The Christmas Party, the Valentine's Party, the socials at the pool, all of these events contribute to knowing your neighbor.

Citizen's Association

Special thanks to David Hobson, Bill King and Mike Mellquist who have worked closely with the Citizen's Association this year. All three of these gentlemen attended each of the meetings and represented Palm Worth throughout the season.

In closing I would like to thank all of our shareholders for their help and support this past year. Palm Worth continues to be magnificent building in a spectacular setting. This can only be accomplished by the efforts of the entire community and so many of you have been a part of that. This is why the building is in good shape and we continue to be financially stable.

Jim Apostolico

President

Palm Worth Cooperative