

Meeting Minutes

Barefoot Beach Resort of Indian Shores Condominium Association, Inc.

Date – May 19, 2014

Time – 5:30 pm

Place – Indian Shores Municipal Building, 4th Floor

Attendees – Bruce Bornick, Gary McMakin, Denise Reilly, Kim Porte and Bill Priakos (by phone)

Owners also in attendance – Harry Artz, Paul Sottile, Jay Clark, Al Doig, Mary Eifft, Jill Hordern

Angela Balent – CPA - Reached by phone at approximately 5:50 p.m.

The meeting was called to order at 5:33 p.m. Bruce made a motion to approve the Minutes of the April 21st and April 28th Board Meetings. Gary seconded the motion. Discussion was called for, however no discussion was needed. A vote was taken and both sets of Minutes were approved unanimously. Bruce announced that in addition to mailing minutes to owners, we will also post them to our new website.

Mid Year Budget Revision

Bruce stated that this Budget Revision is likely the one time in the life of our Association that we would be required to revise our budget mid-year. The mid-year revision was required because of the financial impact of the Mediated Agreement with the Developer (details of which are thoroughly covered in the May 21, 2014 BBCA Meeting Minutes). Another small impact to this mid-year budget revision was the addition of the third maintenance employee in November 2013. Keith Doseck was hired in November 2013 just after the 2014 Budget was completed. This new budget revision properly accounts for the third employee going forward.

Harry Artz (D113) brought up several budgetary questions via email, which we were able to share with Angela Balent, our CPA, prior to the meeting. She was also available by phone to address these questions regarding legal fees, maintenance wage expenses, and the bad debt expense. In Harry's experience with other condo associations that he is involved with these areas seemed unnecessarily high. It was pointed out by Angela that these increases reflect a conservative approach to the budget for the next six months. Angela further explained we have been suffering from cash flow difficulties and it has been difficult to pay our bills. We really need the next six months to build up our cash. Over the last five years previous BBCA budgets have lowered our condo dues, but these year after year of lower dues slowly drained the Association of all its cash resources. Harry stated that he was not aware of the cash difficulties and said, we have to pay our bills so this makes sense. Angela added that the 2015 Budget will be presented in the fall and we could consider reductions in those areas that Harry pointed out.

Management of BBCA Titled Condos

Paul Sottile suggested that we approach the lenders involved with both of these units to foreclose because at that point the lender then becomes responsible for the maintenance fees. Denise said in her experience as a realtor she deals with this a lot and it can be quite a complex

process. She has seen this process take several months and about the time you hammer out a solution with one bank representative, another steps in and no communication passes between the two departments and then you are back at square one with no results. It is definitely possible, but an extremely slow process. Denise said she thinks one of the condos actually has two lenders involved. Harry suggested that we should pay the legal fees necessary and have the lawyer push through to finalize the foreclosures. Bruce asked if Denise would look into starting this process and she said she would. Bruce said for now he recommends finding a condo management company that can represent the association in renting out these condos currently titled to (but not owned by) the Association. Today, BBVR is managing these units for BBKA; however we should not place BBVR in a situation where they must choose between renting an owner's condo (their customer) versus renting an Association's condo. Gary McMakin made a motion that we hire a condo management company (other than BBVR) to handle the rental of these BBKA titled condos. Bruce seconded the motion, as explanation preceded, the vote was taken and there were four yes votes and one abstaining.

UPDATE - Denise has provided the following additional information regarding the two bank-owned properties that BBKA rents out. BBKA cannot sell the units, but we can lease them out, there are mortgages on both of these units and the lenders are in first position to be paid what is owed on those loans. The lenders involved are the ones that have the power to foreclose and then sell the units. The attorney already told us that the Association could not do anything on these units unless the lender had filed a lawsuit. If a lawsuit hadn't been filed our attorney could not do anything. Denise looked up both units and there are case numbers for both units indicating the lenders have filed suits on these units but have not moved forward to foreclose on these units. The association attorney has contacted the Judge's office in Pinellas County that oversees these foreclosures. Our attorney requested a case management conference which would include the lenders and the judge. This judge's job is to try to clear up the foreclosure backlog that the county currently has. Our attorney has told us that this could take up to six months but they are hopeful that the judge will encourage the lender to move forward and file foreclosure proceedings on these units. If the lenders do take possession the association would be able to collect one year of assessment fees from the lender from the past due amount due the association. This is what the law states. The lenders would then be responsible for the monthly assessment moving forward until the unit is sold. This is why lenders sometimes put off foreclosure proceedings. In most cases the lender will put the unit up for sale as soon as they get ownership because they want to get this liability off their books. Denise will continue to check with the attorney and update the owners in future minutes and through the website.

Property Maintenance

B-112 Mold Remediation and Restoral – After receiving three estimates we selected a company to begin work on May 5th. Keith was not satisfied with the work performed by the first company so he stopped them from working after only a few hours and we switched to another mold remediation and restoration company (one of the original three estimates). This second company did a very thorough job ensuring that all molds were removed and the air in condo was "scrubbed" to ensure no mold became airborne. They used plastic to seal off the work areas. Keith has taken pictures of all the steps along the way and we will add those to the owner's full report upon work completion. The work should be complete by 28 May.

D- 102 Palmetto and American Roach Issue – This subject was discussed briefly at the meeting but a full report follows here for informational purposes.

On May 1, 2014 Geiger Pest Control resolved the excessive bug issue in D Building and provided the following report of the actions performed:

- **D Building Units Treated:** D-101, D-102, D-103, D-111, D-201, D-202, D-203, D-211, and Second floor Laundry room.
 - Sprayed 25 gallons of *Termidor* solution around the exterior of the units
 - *Delta Dust* in wall outlets in the kitchens and bathrooms
 - *Roach Bait* behind the stoves, refrigerators, and under the sinks
 - *Premise foam* behind kick plates in the kitchen that were accessible
 - Applied *Phantom/Generol* behind stoves, dishwashers, refrigerators and along all base boards throughout the unit
 - All units had areas behind the stoves, refrigerators, and dishwashers and in utility closets that had holes, cracks, and voids that needed to be repaired or sealed. All dishwasher areas need to be sealed between the drywall and the floor (¼ to 1 inch gap). Advised Keith (Barefoot Maintenance Staff) these are areas where roaches can enter the units.
 - Advised Keith to keep water in the drain traps if units become vacant
- **D-101** (*the unit that was vacant for multiple years*):
 - Musty Odor in Unit, water damage on the wall of the right side of shower
 - Keith put a bleach solution down the shower drain
 - Behind the dishwasher there was a large hole in the concrete block wall
- **D-102**
 - Put Delta Dust in all wall outlets in addition to the treatment description above
- **D-103**
 - Water damage behind the stove around the electric outlet
 - Heavy mold under kitchen sink
- **D-111**
 - Mold behind the stove
- **D-201**
 - Sever water damage on the right side of shower
 - Bottom of kitchen window needs to be sealed
- **D-202**
 - Water damage on right side of shower
- **D-211**
 - Mold and water damage under the bar sink in living room
- **D Building Second Floor Laundry room**
 - Large hole in the concrete block behind water heater
 - Pipe entrances need to be sealed

Keith is addressing any of the work required in these units that was not performed on May 1, 2014. Where necessary he is coordinating with unit owners. We recommend all owners closely

inspect their units for holes and cracks where bugs can enter from the outside. We recommend owners seal these openings to prevent these potential bug issues.

Indian Shores Intracoastal Drainage Filters – Bruce spoke very briefly on this subject at the meeting and the following is included for informational purposes only.

Bill is investigating the Town's filters located on our property and requesting additional information from the Town Engineer: (1) Why are these filters on our property and why so many? (2) When were they installed? (3) Where is the contract? (4) Why do we have to bear the cost of cleaning these filters? (5) What is the true frequency that these filters need to be inspected and/or cleaned?

Clubhouse Repairs – Once the Clubhouse is empty the Association can begin repair work to place the Clubhouse into the hands of the owners for their use. First step will be a formal inspection and assessment of work required to make the Clubhouse safe, operational, and attractive for use. The owners present are concerned that BBVR has damaged the floor of the Clubhouse and should be responsible for its repair. Owners should know that the Developer did not renovate the Clubhouse so many parts of the Clubhouse may need attention. BBVR may have damaged the floors of the Clubhouse, but those floors were in poor shape to begin with. None the less BBVR (Bill Priakos) had informed the Board and owners at the April 21, 2014 Board Meeting that he will voluntarily end the lease and will be vacating the Clubhouse by early July. Bill had informed the Board several months ago that he intended to pay for the flooring repair. The removal of the damaged parquet flooring and possible restoration of the terrazzo flooring have already been discussed in previous BBVA Meeting Minutes. Bill added that if the terrazzo flooring could not be restored, he would pay for tiling the Clubhouse floor.

Pavers for the Gazebo – Bruce stated that we hope to be able to install pavers in the Gazebo area. The cost is approximately \$10,000. We are checking to see if the funds are available.

Roofing Assessments, Estimates and Repairs – Bruce stated that B building and the Clubhouse are in the worst shape but all roofs are in need of resurfacing. We do not need to replace the roofs. The recommendations coming from four independent roofing vendors are to apply a new coating of Bitumen (tar sheets) along with spot replacement of some water damaged plywood roofing (mostly B Building). We have received additional estimate details and references from both the Magnum and Munyan Roofing companies; however, the price difference was significant enough to warrant an additional quote. We will seek a fifth quote. We are also looking into getting input from an independent roofing inspector.

Property Manager Maintenance – Our Property Manager, Keith Doseck, provided the following update on property maintenance issues prior to the Board Meeting:

- Landscaping – Minor landscaping maintenance is ongoing all year round. Note that some plants do well at different times of the year based on the position of the sun and where they are located on the property. The same type of plant getting sun in one area might look great compared to another in a shadier spot.
- Walkway Repainting – Work continues on the walkways weather permitting – Ongoing.
- Low Level Lighting Repairs – Work will continue into the summer months – Ongoing.
- Sewer/Water Issues – No additional information at this time.

- Gazebo Repairs – Keith has been working on building boxes to cover the mounting brackets on the Gazebo posts – Ongoing.

Committees and Special Actions

Audit – It was mentioned that for a second year the Board had been encouraged by several owners to hire an outside firm to perform an audit. The Board agreed to do this and contracted with Bashor & Legendre, LLP to perform an independent audit. Denise reported that the April 30 completion date will be delayed slightly due to the Mediated Agreement and related Budget Revision. There are letters that cannot be signed until the Revised Budget is set.

Mid-year Budget Revision Discussion and Vote – As questions pertaining to the need for a Midyear Budget change were brought up and discussed by the owners present (see paragraph at beginning of these minutes) to the Board and Angela Balent (by phone). Denise made a motion that we approve the 2014 Revised Budget provided to all owners by mail. Kim seconded the motion; a vote was taken with five Board members voting to approve the Revised Budget.

BBCA Board Meetings by Teleconference – In 2013 and 2014 the BBBCA Board has made use of a free digital teleconference service (Instant Conference) to conduct Board meetings at times when all the Board Members could not be present for in-person meetings. We have found that there is sufficient activity to warrant this meeting method. It helps achieve the efficiency required to accurately and rapidly exchange ideas and conducts Association business in a timely manner. Bruce recommends we extend teleconference service to all the owners on a regular basis so they have more opportunities to attend Board meetings. Teleconferences with more than 10 participants (which we expect to be the case) would cost about \$10 per month. It was agreed that this was a good idea and should be implemented in the near future. Bruce will upgrade the service to provide for 10 or more participants.

New Barefoot Beach Website – Bruce was thanked for all his work on the new website. After reviewing the offerings from numerous web hosting companies (such as BlueHost, Green Geeks, Inmotion Hosting, Wix, Web, Hub, iPage, and GoDaddy) Bruce selected HostGator as the Association's new web hosting company based on its excellent industry reputation for customer service, reliability, low cost, high bandwidth, and ease of use. Here is a list of completed actions regarding the New Association website:

- Procured a domain name through GoDaddy.com for two years at a cost of \$31.34.
- Our new website address is: www.barefootbeachresort.org
- Procured one year of service from HostGator.com for \$101.66.
- Currently paying an additional \$8.99 per month for the use of the HostGator Website Setup Wizard (this cost will be temporary)

For budgeting purposes, BBBCA should plan on a yearly cost for website operations of \$125.00. Owners should visit the website regularly for Barefoot Beach Resort updates. We will continue to send Board Meeting Minutes and other condo information via U.S. mail as required by Florida Statutes. The purpose of the website is to provide an easily accessible location for all BBBCA information and to provide an area where owners can exchange ideas. Owners can provide comments, questions or feedback via the website Owner Blog page.

- Owners can send email to the BBCA Board: bbcaboard@barefootbeachresort.org
- To access the website owners should place the following URL in the address box of your web browser (IE, Safari, Chrome, or Firefox): <http://barefootbeachresort.org>

Parking Pass Replacements – Some owners continue to request replacement passes for lost parking passes at an alarming rate. One owner has made 5 requests in the past 9 months. These requests require our maintenance staff to coordinate the purchase and delivery of a new pass. The time spent on these parking pass replacements by the maintenance staff costs us money in terms of lost maintenance time. As stated in the Parking Policy, the charge for a replacement parking pass is \$5.00. Bruce recommends modifying the policy as follows:

“After an owner requests 2 parking pass replacements, the cost for the 3rd or additional replacement parking passes is \$25.00.”

The owners and board members present could not agree to a recommended solution, so it was suggested to discuss this item further with other owners on the website Owner Blog. One person suggested that owners should tell patrons in advance that their credit card would be charged if the pass was not left in the unit. We will discuss this at the next board meeting.

Perpetual Easement with Salt Rock Grill – The owner of the Salt Rock Grill, Frank Chivas, has signed and notarized the Perpetual Easement documents. Our BBCA President, Bruce Bornick will sign and have notarized the same copy so we can get them recorded with the county.

Clubhouse Usage – Consider starting a blog entry on the website requesting owners provide ideas for use of the Clubhouse.

Boat Slips – We have contacted the Developer to obtain more information on how he plans to market and sell his boat slips to our owners. Jay Clark stated that he had been in contact with the Developer also, but wondered if the Association had more information regarding rules about installing a lift. Questions were also raised about the electricity availability and water hookups and responsibility for payment of these services. Bruce stated that these are all good questions requiring immediate attention and suggested that we form a Boat Slip Committee. Paul Sottile stated that the yearly maintenance fee on all the boat slips would amount to approximately \$400 per year. As the boat slips sell this will require additional mailings and payment booklets and he wondered why are we bothering? Bruce stated that Boat Slip mailings would be tied to each Barefoot owner that owns a Boat Slip and who already receives mailings so in the end there would not be any notable increase in administrative costs associated with the Boat Slips. All agreed the sale, rental, and establishment of Boat Slip-related support activities is an issue that needs immediate attention.

Mediation Agreement Actions

- 15 April – Completed...Signed loan documents for \$100,000 loan with BB&T
- 21 April – Completed...Met with the owners to present the results of the Mediation Agreement
- 22 April – Completed...BB&T approved the loan and deposited \$100,000 into our account
- 29 April – Completed...Survey Commercial units including the Boat Slips

- 1 May – Completed...Wire transfer of \$100,000 to Developer's attorney
- 6 May – Completed...Revised Budget
- 8 May – Completed...Mail the Revised Budget to the owners along with an announcement of the next Board Meeting (where we will vote on the Revised Budget)
- 19 May – Completed... Board Meeting to approve the Revised Budget
- End of May – Completed... Provide revised budget information to BB&T for new coupon books and BB&T mails coupon books to the owners
- *Ongoing – Complete coordinating with the Developer and his Lawyer to ensure all the conveyance instruments that are required to transfer the properties (Clubhouse, Gazebo Area, Fishing Dock and two adjacent boat slips) from the Developer (Section 3.6 of the Mediated Agreement) to Barefoot Beach are drafted and acceptable*
- 31 May – Revised Budget goes into effect (to meet the terms of the Mediated Agreement)
- 1 June – Owners begin to pay new dues amount based on the Revised Budget

Association Management – Now that the legal issues with the Developer have been resolved (Bruce stated that we were not able to change management companies during the lawsuit), we plan to revisit the hiring of a cost-competitive local association management company. We would like a company that can visit the property several times per month. Bruce suggested we go back to the original 2013 committee results and refresh those estimates. Harry recommended we look into Resource Management, Inc. who is used at his other condominium property. Denise pointed out that she believes they were one of the finalists in the 2013 committee work. As part of this action we need to establish an Association address such as a P.O. Box. Currently we use our association management company address. Once we establish an address, we need to update the Association property deeds to reflect the address change.

2014-2015 BB&T Board Elections – Some members of this year's board do not plan to run again. Bruce said he does plan to run and hopes several other Board members return to provide some continuity. Any owners interested in helping manage the very successful Barefoot Beach Condominium Association, please think about running for the Board. It is a very interesting and rewarding role that can contribute to the success of Barefoot Beach ownership. Details about how to submit your nomination for the Board will be announced later this summer.

Questions or Comments from Owners Present

Several questions and comments from the owners present were addressed and included in the minutes above. In addition, there were a few other owner inputs as follows:

Paul Sottile mentioned that he noticed the maintenance staff assisting in the movement of linens. This is a clear misuse of our employees. Bruce stated that this was the first he has heard of this and of course this would be addressed and stopped immediately.

UPDATE – Keith was made aware of the linen issue by Bruce and has assured the Board that this will not happen again.

Mary Eifft stated that most waterfront owners have replaced the original plastic patio furniture with different styles. She asked if there are guidelines for the color of the patio furniture. Does

it have to be white? Bruce said we would research the condo docs to determine if there are any specific guidelines.

The meeting concluded at 7:05 p.m.

The next Board Meeting will be held by teleconference on June 16th at 5:30 p.m. The teleconference number is 605-475-5920, then dial pass code 7026708#. All owners are welcome to call into the meeting.