

Barefoot Beach Resort of Indian Shores Condominiums Association, Inc.

Special Board Meeting

Date – February 8, 2016

Time – 5:00 PM

Place – Clubhouse

Attendees – Bruce Bornick, Denise Reilly and Eric Olsen were present, Kim Porte and Harry Artz attended by teleconference. Also present Linda Pisano – Associa Manager. About 12 property owners were also present and on the telephone.

The meeting was called to order at 5:05 PM. Bruce moved to approve the Minutes from the January 11, 2016 Board Meeting. Denise seconded the motion, a vote was taken and all were in favor of approving the January Minutes.

Treasurer's Report – December Financials were distributed to the Board prior to the meeting (see attached). Harry reported that our Operating Cash was down because we paid the final roofing fees in December. Harry explained that all our funds originally with BB&T have been spread across several banks to ensure we are under the \$250,000 FDIC limit at each bank. This was begun in 2015 and is now complete. Also, the banks chosen all pay a higher interest rate than we were previously earning. During 2015 we earned about \$4,500 in interest more than we would have had we not moved the money.

Harry made a motion to accept the December 2015 Financials as presented by Associa, which now allows them to officially open 2016. Eric seconded the motion, a vote was taken with all in favor of approving and closing out the 2015 Financials.

Manager's Report – Linda reported that the contract with Commercial Laundry has been signed and that the new equipment will be arriving on Wednesday, February 17th. She also said that we would be receiving credit for the machines we recently purchased.

Harry made a motion to suspend the laundry reserve allocation due to the outsourcing of this expense. Kim seconded the motion, a vote was taken with all in favor.

Committees and Special Actions

Landscape Plan – Bruce said that he is finalizing bids to provide for this year's landscape improvement project.

Windows and Doors – There is a question about the interpretation of section 5.4.3 of the Declaration, which covers Apertures (i.e., windows and doors). The Board has requested an interpretation of this section by our lawyer so we can be clear about who is responsible for Windows and Door repairs. We will provide a clarification by email as soon as we receive it.

Boat Slips – Boat slips have been selling since Summer 2015. The Boat Slip Association is also in place. Bruce and Denise are two of the five member Boat Slip Association. Denise stated that the By-Laws require that the Barefoot Beach Condo Association approve all boat slip sales. They also state that only owners can buy a Boat Slip. BBR Condo Guests or Rental Patrons can also use an owner's Boat Slip or rent a Boat Slip from the Rental Office the day, week, or month. The Boat Slip Association signed a separate contract with Associa to handle the financial aspects of that Association.

Easement, Ramp and Fence – Bruce reviewed the history of the perpetual easement with Salt Rock Grill that gives BBRCA use of the area near our maintenance shed (4 foot wide strip of land) and gives Salt Rock an equivalent strip of land in the back of the Clubhouse near Gulf Blvd. Last month we reported that the owner of Salt Rock Grill had poured cement for a ramp on a small portion of our property. Denise will speak to Richard Zacar, our Attorney about this matter.

Commercial Property Appraisal for the Clubhouse – To make intelligent decisions about what to do with the Clubhouse we need an appraisal. We are in the process of selecting an appraiser. Denise is a realtor and works with appraisers and will provide some contacts to Linda. Linda will get bids from two or three commercial property appraisers and provide them to the Board for a decision.

Other Business

Bruce gave the floor to Bill Priakos, condo owner and owner of the onsite rental company (BBVR). Bill stated that he would like to purchase the Clubhouse and use it as a storage facility, which is what has been done for the last 9 years. The Condo Assn did not own the Clubhouse until June 2014 at the completion of the Mediated Settlement with the Developer. Bill had a lease with the Developer, which is now expired. Bill is considering buying 11 boat slips and wants to trade 6 Boat Slips for the Clubhouse. Denise said she thinks it would take 85% owner agreement to sell the Clubhouse. Bruce said a Commercial Appraisal would have to be done before a price could be agreed upon. If we did consider selling it, we would prefer cash for the Clubhouse, not Boat Slips. We also confirmed with the lawyer that we could lease the Clubhouse to BBVR. Bill is interested in a 5-year lease with two 5-year extensions.

Note was made of the following facts to be considered with regard to the Clubhouse:

1. Clubhouse is currently zoned for storage with a limit of no more than 70 persons.
2. An 85% owner approval is needed for a sale.
3. The Clubhouse was not renovated in 2004-2005 when the BBR condos were renovated.
4. The Maintenance staff uses the storage room on the end of the Clubhouse as their Maintenance Shop.
5. The appraised value of the Clubhouse is unknown at this time, but likely to be approximately \$300-\$400K. We are working on obtaining a commercial appraisal.
6. There is limited parking associated with the Clubhouse which makes it difficult to sell or lease to a business.
7. If we sold the Clubhouse, the land would remain with the Condo Assn.
8. The cost to insure the Clubhouse is currently about \$5-10K per year. We may be over-insured. We have asked for an analysis from the insurance company.
9. The current rent does not cover our expenses. Any future lease should cover all our expenses.
10. The Clubhouse could be renovated to provide amenities such as a small gym and a gathering place for owners and guests to use when it is too cold, too hot, or raining outside. I would provide the only indoor gathering place other than individual condos.

Bruce made a motion to adjourn the meeting, Denise seconded the motion, and all agreed to adjourn at 6:34 PM.

The next monthly Board Meeting will be held at the Clubhouse on Thursday, March 17, 2016 at 6:30 PM

Barefoot Beach Resort Treasurer's Report December, 2015

Summary Of Operating And Reserve Account Balances

	December Balance	November Balance	
Operating cash	29,581.94	92,954.45	
Prepaid Owner Maintenance Fees	24,036.40	25,080.30	
Reserve Funds Balance:	589,677.15	641,937.31	
Unallocated interest in reserves	46,901.49	46,589.85	
Month Net Income / (Loss)	(7,537.70)	10,649.14	
YTD Net Income (Loss)	39,549.50	47,087.20	
Prior Year Funds	127,716.42	88,166.92	
Delinquency Report Owed Total	17,354.42	17,437.82	
Delinquency Report Owed >120 days	8,523.93	7,559.36	(3 accounts)
Line of Credit Outstanding (prime+.5%)	5,000.00	(5,000.00)	
Developer Loan Outstanding (4.25%)	0	49,310.27	

Monthly Financial Statements

1. Overrun for December due to timing of Maintenance Salaries
2. Closed BB&T #1325 reserve account with remaining funds placed in a 15 month Associa supported USAmeribank Reserve account CD yielding 1.11%
3. Paid off Developer loan and Line of Credit (error in posting LOC balance (\$5,000) to be fixed Jan 2016
4. Continued favorable financials through December end of year
5. Increase in prior year fund due to closing entry for 2015 underrun

YTD Financial Statements

1. 2015 underrun \$39,549.50
2. Want to approve financials to close out year

2016 Discussion

1. Roof Reserve balance at end of year negative (\$58,272.80) as approved to replace 3rd roof. Can fix as part of 2016 Reserve Study. Final payment made to Southern in December.
2. 2016 included use of prior year funds in the amount of \$25,000 and we correctly assumed would come from 2015 underrun
3. Associa supportive of suspending the 2016 Laundry reserve monthly allocation of \$722.35 (\$8,668.18 annually) based on new Laundry equipment contract. Need to approve.
4. Audit proceeding with Miranda Marlecki at a cost of \$4,650 (budgeted \$5,000)
5. In process of moving \$185,000 from Everbank to USAmeribank to increase interest from .56% to 1%.
6. Melissa (Associa) suggested we establish accounts at Union Bank (their new preferred bank). Need to discuss plan to move banks, and subsequently move lock box, and remaining BB&T accounts.