

SEASPRAY PERDIDO KEY OWNERS ASSOCIATION INC.

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Board of Directors Meeting Minutes for the Meeting held on Thursday, September 27, 2018, 6:00 p.m. Community Room, Unit No. 123 (East Building)

1. President Calls the Meeting to Order

The meeting was called to order at 6:02 p.m. by Mr. Emmett Kern (President).

2. Proof of Notice for the Meeting

Cynthia reported that an agenda/meeting notice was posted in the official posting locations, emailed to the Board of Directors and owners and posted on the owner's website by Tuesday, September 25, 2018, in compliance with the condominium documents and Florida statutes.

3. Establishment of a Quorum/Attendance of the Meeting

All five of the Board Members (Mr. Kern, Mr. Barry, Mr. Smith, Mr. Prewitt and Mr. Lankheit) were present constituting a quorum. Mr. Kern and Mr. Lankheit and were present in the Community Room and Mr. Smith, Mr. Barry and Mr. Prewitt were present by telephone/teleconference. Owners in attendance were Mr. and Mrs. Hofer, Unit No. 213 and Mr. David Thoms, Unit No. 625 (in person). Also present via teleconference was Mr. Dan Smith of Cornerstone Engineering (Association's Engineer) and in the room was Ms. Lirette, the general manager.

4. Committee Reports:

Insurance (Brad Prewitt)

Mr. Prewitt reported that Rick Long of Fisher Brown and Brian Squire of Hayes Insurance companies were provided SeaSpray's insurance proposal guidelines, Mr. Dan Smith's professional opinion on SeaSpray's EIFS status and a copy of the latest insurance appraisal. The list of markets in each agent desires to shop is due back to the Association by November 1, 2018. Thereafter, the Insurance Committee will review the lists and determine the markets for each agent fairly as defined in the guidelines. The market determinations will be forwarded to the agents by November 15, 2018.

Mr. Prewitt confirmed all received a copy of the Becker letter regarding a potential refund from Citizens Insurance for overcharging of premiums. After discussion, Mr. Prewitt motioned that the Association approve the services of Becker to seek refunds from Citizens, and Mr. Kern seconded. Approval was unanimous. Mr. Kern signed the agreement and Cynthia will deliver to Becker. Mr. Thoms left the meeting at the conclusion of this business.

Finance & Budget (Harry Smith)

Monthly Financials: Cynthia reviewed the monthly financials and reported that overall revenues over expenses were greater than budgeted for the month and due mostly to an increase in rental commissions, we once again had more income than expenses for the month. Mr. Smith advised that continuing on this trend may result in taxable non-membership income for the year.

BP Fund, Betterments List, Consultant Meeting: Mr. Smith advised that a strategy may need to be developed to avoid a taxable situation for the Association if it appears the BP Fund monies will not be spent

by the end of the fiscal year. All were encouraged to secure proposals for the items on the betterments list so that the list and choices could be finalized soon. A rated list of betterments ranging from 1-5 (1 being the highest priority and 5 being the least priority) was established at the last meeting. Items that would be funded by the operating or reserve budgets were removed as well as items that would not be considered at all. A revised list was created with these factors and shared with the Board of Directors and reviewed at this meeting. After discussion, Mr. Kern motioned that the items ranked No. 1 and 2 that were less than \$10,000 be approved for purchase and Mr. Lankheit seconded. After review of the items and further discussion, the items (plus one rated No. 3, motion amended) were unanimously approved.

Components Condition Review & Reserve Study: Mr. Smith reminded all that a draft Reserve Study should be received from BECI by October 12, 2018. A review of the study should be conducted as soon as possible and comments forwarded to BECI for a final study that can be used for the development of a budget. Both Operating and Reserve budgets will need to be considered in the final BP fund spending decisions.

Finance Committee: Mr. Smith reported that he has three owner volunteers that have joined the Finance Committee: Mr. David Thoms (625), Mrs. Deb Wood (923) and Mr. Bill Davies (425). A first committee meeting was held on September 14, 2018.

Facilities, Maintenance & Landscaping (Bill Barry)

Balcony Concrete Repairs & Walkways: Mr. Dan Smith of Cornerstone Engineering was invited to join the meeting to provide information to the Board of Directors and answer questions. After establishing the quorum, Mr. Smith was the first item of business, out of agenda order, so that the Board could continue with the meeting without his attendance and he didn't have to wait.

Mr. Smith reported that he completed balcony inspections of all of the balconies at SeaSpray and submitted a report. He added that overall the balconies were in good condition. After managing the repairs to the balcony of Unit No. 422, he thought there would be more repairs needed like it. He found that there were only two balconies that have similar conditions (Units 822 & 722) and only one of those will likely have to remove all tile (based on previously suggested 25% rule) and is for Unit No. 822. He recommended that only the balconies that have loose concrete from spalls be considered urgent repairs and that all other needed repairs identified be completed with the planned systemic project next fall.

The urgent repairs (ceiling concrete for Unit Nos. 201, 401, 501, 506, 601, 801 and 615) total about 371 square feet and can be repaired with stages from the exterior (no unit access) at about \$2,000 per drop. There are a total of 3 drops where work is needed. He estimated that the cost for these repairs would be about \$16,000. Another consideration is removal of the loose concrete, sealant installation and patch painting for about \$2,000 until the repair work can be completed next year (Cynthia secured proposal from Valcourt).

Dan proposed dates for bidding, contract signing and construction start and the Board of Directors asked that bidding be completed by the end of February so that the cost of the project is known before the end of the fiscal year and this could be compared to the Reserve Estimates. Construction start was also requested to begin in August 2019.

Dan also discussed waterproofing of the balconies and walkways. He advised that the Board may want to consider a simple coating system on the walkways that would be easy to maintain called Sika Flex. It is much more affordable and includes only two waterproofing acrylic coats, they are called ATC, Acrylic Traffic Coatings and he has seen good wear and success with it. Maintenance staff can easily refresh after wear and eventual fading (approx. 5 years down road, depending on traffic). To get the 5-year warranty, we would have to remove any existing coatings and get to concrete base. Also, he said that instead of adding material to the walkways for proper sloping in east building, we remove all coating to the concrete, mill and slope. He said there are specialty contractors now working in the area that are doing this with special equipment (lower cost than past) since the need has been so high. He advises doing some flood testing to verify the slope. He estimates using this system, the cost for repair and waterproofing of the walkways and stairs

would be up to about \$350,000 for all 3 buildings. He recommended that a SeaSpray team visit Ocean Breeze. They used the Sika Flex system after milling to the concrete and are happy with it. Another option discussed was the installation of pavers. Dan reported that pavers would provide a great alternative to coating, were low maintenance and the space between the pavers offers drainage, unlike coatings. He recommended that a site visit be conducted at Lighthouse Condominiums in Gulf Shores and that SeaSpray seek the opinion of the staff there on this option.

He advised that before tile is installed on a balcony a waterproof membrane should be installed first. This membrane must be covered within 90 days of installation by tile because sunlight will degrade it. He advised that if a coating system is being used on the balcony instead of tile, a different waterproofing measure of a urethane coating would need to be installed to waterproof the concrete. After inquiries, he advised that the membrane waterproofing could be installed over the urethane coating but not vice versa.

Lastly, Dan reported that he would finish the inspection of the walkways and that a report would be sent soon.

Balcony Lighting: Per the Maintenance Committee Report circulated, Mr. Barry will be looking at some of the fixture options with Mr. Smith. Cynthia also trying to secure some grant monies for wildlife friendly lighting for SeaSpray.

Fire System Maintenance Contract Renewal: After discussion of the proposal received, Mr. Barry motioned that the Board of Directors accept and contract with AFPS for 5 years for fire system maintenance and monitoring as proposed and Mr. Lankheit seconded. All approved. Cynthia was asked to sign the contract and return to AFPS on behalf of the Board of Directors.

Marina Ladders: Mr. Barry was asked about his research on marina ladders and he reported that there were many options. He advised that he would narrow down the options to a few and send the information to the Board of Directors for their review and comments. Mr. Barry left the meeting at this point.

Rental Program (Cynthia for Jodi Hofer)

Cynthia reported that the Rental Program is doing well and at this time, the fiscal year of income is projected to exceed the budgeted income by \$26,000. A new unit was added to the program. Mrs. Hofer advised that the Rental Program website needs more security and a newer/fresher look. The increased expense would be about \$100 per month, making the monthly fee for Streamline \$450 and a one-time fee of about \$2,500 was needed for updates to the site. The Board agreed to the expense.

Marina (Emmett Kern)

Dock Lighting, Electrical Issues: Mr. Kern reported that three owners were notified of the issues their equipment were causing to the overall dock electrical system. So far responses were received from two. He will continue to work with the owners and Tony to get the issues resolved.

Reservations of Public Slip Rules: Ms. Lirette reported that overall the users of the marina appreciated the reservations and knowing that the slip they were using would be theirs to use during their stay. All slips were not used so a 100% occupancy test on Slip Reservations has not been conducted.

Marina Ladders: See comments under Facilities, Maintenance and Landscaping Committee above.

Future Plans (Dan Lankheit)

Mr. Lankheit reported that he has not met with his committee yet but planned to soon. He asked Mr. Kern that the name of the committee be changed to Future Betterments and Mr. Kern and all agreed to the name change. He asked the Board Members if they thought the addition of storage on SeaSpray's property would be an improvement they would consider before he and the committee spent time on it and all agreed that it would be a good addition/project.

6. New Business

Mr. Lankheit reported that he spoke with the JubileeScape personnel and in discussion learned that the irrigation pipe needs to be replaced. He asked that the irrigation systems be included in the Reserve Budget/Reserve Study. Ms. Lirette to request this be added to the draft study that will be delivered on October 12, 2108.

7. Old Business

Ms. Lirette advised that she received an email from Epproach, the contractor that is partnering with Cox to provide managed WIFI, informing us that their home office is located in Wilmington, NC and Hurricane Florence caused a delay in implementation; however, completing installation by the end of the year was still achievable.

8. Adjournment

Having no further business to discuss, Mr. Kern motioned to adjourn, and Mr. Lankheit seconded. After unanimous decision, the meeting was adjourned at approximately 8:30 p.m.