BEFORE THE FOUR SEASONS OF ROMAR BEACH

CONDOMINIUM OWNERS' ASSOCIATION

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IN RE:

FOUR SEASONS OF ROMAR
BEACH ANNUAL MEETING

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The following proceedings were held at Orange Beach United Methodist Church, Brooks Fellowship Center, 28751 Canal Road, Orange Beach, Alabama on May 4, 2024, commencing at approximately 9:00 a.m.

A P P E A R A N C E S

BOARD MEMBERS:

KENNETH BROWN, PRESIDENT
RICK SANDERS, VICE PRESIDENT
IKE LEWIS, MEMBER AT LARGE

ALSO PRESENT:

MR. RYAN HOMAN, THR MANAGEMENT

FOUR SEASONS OF ROMAR BEACH ASSOCIATION ATTENDEES:

John Burchfield

Joe & Shirley Proctor

Donna Jackson

Cherry Lindamood

John & Alice Ozier

Scott & Jill Slusser

Robert & Paulette Moore

David & Jewell Shepherd

Donna Williams

Ike & Dottie Lewis

FOUR SEASONS OF ROMAR BEACH MEMBERS - CONTINUED

Wiley & Patricia Barbour
Sandra Cooke
Tom & Rita Carroll
Milton & Martha Pate
Chris & Kathryn Clegg
Pam Herzwurm
Patrick & Martha Paulsen
Martha Mann
Ed & Carol Buelow

THE COURT REPORTER:

DENNISE S. WOLSTENHOLME, CCR

MR. KENNETH BROWN: Good morning, everyone. This is a nice surprise. We've got a good turnout here today. Let's go ahead and get -- Rick Sanders will do our invocation.

MR. RICK SANDERS: Lord, we come to you today asking you for your guidance, wisdom and support in this meeting. Guide us through the meeting today and all the decisions we make. Also, as we leave and go home, I hope you take them home safe in Jesus' name. Amen.

ALL: Amen.

MR. KENNETH BROWN: We are going to do this after the invocation. This is Dennise. She's our stenographer. She takes the minutes for this. She has a heck of time getting our minutes. When you stand up to speak, please say your name, your unit number -- and it's okay, you're not going to insult us up here -- turn toward her and talk to her because she really needs to write all this down, and it makes it much easier for us when we do all of our other business. And Dennise can stop at any time and tell us to repeat ourselves. So y'all just make sure she understands us.

I am Kenneth Brown, 404 West. I'm the President. This is Rick Sanders, 802 West, Vice President; Ike Lewis, 501 West. David Granberry was on our Board. He sold his unit yesterday. So he's not here today. David had served with us for -- what did we say, 12 years. And David, we wished him well yesterday. He came to our Board meeting yesterday, conducted business with us and David is off the Board. He is one of the two positions that will be elected today. When we get down to there, we'll go over it again. But there's going to be two positions for three-year terms elected today. And the other member is Rick Ruskey, lives in St. Louis. He did not make the meeting today. So that is your Board of Directors.

We will now call this meeting to order, and Ryan has confirmed that we have a quorum; correct, Ryan?

MR. RYAN HOMAN: Yes.

MR. KENNETH BROWN: We do have a quorum. So this meeting will be open.

Ryan sent out earlier the copy of the minutes of the meeting from last year. I hope everyone had a moment to read them. I need a motion to approve the minutes from last year's meeting?

MR. CLEGG: So moved.

MR. KENNETH BROWN: And I need a second.

MS. DONNA JACKSON: Second.

MR. KENNETH BROWN: We have a motion made and seconded. All in favor of approving the minutes, please just raise your hand. So moved. It carries.

We now have that. We'll move onto the new owners. I've got a list of new owners here. Let's see what we've got here. As our property moves through its own life, we've have three new members and so many people. I know it's hard to realize who's here and who's not. We're insulting no one. Scott Slusser, S-L-U-S-S-E-R, 502 West. I know I butchered the name.

MR. SCOTT SLUSSER: That's fine. It's Slusser.

MR. KENNETH BROWN: Slusser?

MR. SCOTT SLUSSER: Yes.

MR. KENNETH BROWN: And your first name?

MR. SCOTT SLUSSER: Scott.

MR. KENNETH BROWN: Well, welcome to our happy family, man. We're glad you made it.

MR. SCOTT SLUSSER: Thank you.

MR. KENNETH BROWN: I've got Cedar and Sarah Robinson, 503 East. Are they here today? Of course not. They've got a name I can pronounce.

Donna's here. I know I've seen Donna. Donna Williams, owner of -- we've got two Donna's. Here's Donna Williams. Donna is one of our multiple owners -- 402 East, 602 East, and she just purchased 502 East. So she's a three hitter here for us. So we're happy to have Donna here, and we'll recognize her.

And then we've got Sandra Cooke, owner of 504 East, and she just purchased 701 East. She's been moving furniture in, a beautiful place.

Do we have all the new owners? Did I carry everybody. Is there anybody here that we did not recognize? Are there any other new owners here? Okay. Well, we certainly welcome our new owners and any input you have -- new eyes. This is like the board members that come on today. We need new eyes and different visions. We've been here --

I've been here 20 years, and I might not be seeing the same thing somebody new does, especially the new owners and people like that. So y'all give us advice on what we need to do to improve. And we all strive to do one thing, make our property as good as it can be -- to hold it's value, attract new renters, and attract our families. So y'all just help us with what we need on that.

We're gonna move this meeting right on along. I like short meetings. I'm just gonna tell y'all. Let's do business and go.

We're going to introduce Dixie Taylor of Current Tides.

MS. DIXIE TAYLOR: Good morning.

MR. KENNETH BROWN: She's coming this way. She's going to give us some information on vacation trends is what Ryan said.

MS. DIXIE TAYLOR: Yeah. So for those of you who don't know, Current Tides is a service management company here in Gulf Shores and Orange Beach. We manage about 78 properties at this point in time. And we've been around since 2019, so we've been through some curve balls for sure.

But I just wanted to take a moment to say thank you for having us here this morning, and again we are a sister company to THR Management. And so the same things that's on the ground that you get here with THR, you can also benefit from at Current Tides.

So we again are a full service management company which means that we keep everything in house. We keep everything in house from laundry to maintenance to our inspectors. Everyone is known by name. We don't outsource our cleaning to any companies. Maria's Cleaning, LLC, we just work with Maria. So that way we know, you know, who is in our properties as well as how well it's maintained. We have a very large staff for the number of properties that we manage.

So as far as Current Tides goes, there are some fliers to just give a little bit more information about our rental program as well as my business cards on the front table.

But I think the thing most people want to hear about is, you know, the booking trends for vacation rentals. So I don't know if any of you have seen the way trends shift over the last year. You know, 2021, 2022 were banner years for rentals. And unfortunately we've seen those numbers begin to slowly decline. But that doesn't mean that vacationers aren't coming. They're just waiting a lot later to book. So we've seen booking trends where guests are booking five to seven days prior to arrival. They're waiting to see if the weather's nice. They're waiting to see if their kids can get out of school. So unfortunately that leads to a lot of heartburn for us on the rental side just waiting for their support. So if anybody, you know, has felt those struggles, just know you're not alone.

The market as a whole in Orange Beach is slower to take off this year, but we don't foresee that that will last too long, probably a rental season or two at these slower rates, and then the rental market will likely catch up again with sales.

So I'm not going to take up too much of your time this morning. Does anybody have any questions? Great. Well, thanks for the Current

Tides owners in the room. We appreciate you, and enjoy your meeting. Yes?

MR. DAVID SHEPHERD: One question. What is the normal rental period -- four days, three days, seven days?

MS. DIXIE TAYLOR: So great question. And it is controversial. Unfortunately, vacationers used to stay seven nights which was a sweet gig, but unfortunately as trends have changed, the standard is about a four-day rental, although some guests stay as few as two nights which I know is controversial. And three is a good average to try and get the maximized revenue on your property.

Any other questions? Well, thank you all so much for your time and enjoy your meeting.

MR. KENNETH BROWN: Thank you so much for bringing that. Just one point we will make, and we've tried last year or the year before to do a three-night minimum rental. We fell short by one vote. We have to have 75 percent of the vote of the owners to change that particular rule. So we had it. It came up. There was a lot of discussion about it. We fell short by one vote on making a three-night minimum.

If the group will talk about that and bring something to the Board, we will certainly consider it and bring it -- I think things like that ought to be voted on by the whole unit. I mean, we cannot do it as the Board of Directors. So it's going to be up to the Association to do that. Whatever is beneficial to the people that are heavily into the rental program, that's fine. You know, whatever needs to be done because it will not effect the people that are single owners. So that will be considered. So y'all talk among yourselves. If you want to bring it back up next year at our annual meeting, we'll certainly consider putting it on the agenda. Thank you very much for that.

We will now introduce our favorite guy, Scott Harris from Whitehaven Insurance. This is the guy that leaves the property with most of our money. This is the guy. Don't look at the Board.

Scott and Bruce do a great job. I don't know how long y'all have worked with us, but you're the only one I can ever remember.

MR. SCOTT HARRIS: I can tell you, 2005.

MR. KENNETH BROWN: Right after Ivan. He's the one that hit us with a million and a half dollar insurance after Ivan, but everybody did.

UNKNOWN OWNER: Scott, I'm still waiting for a rebate.

MR. SCOTT HARRIS: Hey, good morning. Man, the last two years, it's been a tough one. You know, rates go up 200, 300, 400 percent. So I guess everybody is aware we -- officially the bleeding has stopped. So I always talk about the how's and the why's, and I'll move through it quickly. Like I said last year, it's just always -- You know, the last two years it's been a supply and demand issue. I mean, the demand for insurance has been high. And, you know, the number of carriers we've been able to access to write this beach has been low, so prices have gone through the roof.

So what we've seen since January -- You know, January is the biggest pivotal month of the year because that's when all your insurance carriers buy their insurance -- reinsurance. Last year it was a terrible January. This January was really good. The rates didn't go up for the carriers, and the reinsurance market relaxed restrictions on your carriers. So what we've seen sort of in the last 60 days is rates have gone down. There's a lot more carriers.

In y'alls case, y'all renewed in March and your premium went down 10 percent. That equated to about 80,000 less than last year. I say that, the market is still really, really, really hard. It's still so expensive, and there's still so many restrictions.

One thing that's still an uphill battle, the carriers deductibles, especially fire and water damage deductibles. This industry they don't charge enough premium to pay water claims. So what they've done is most associations the size of Four Seasons has a 50--- to $100,000 water damage deductible. Okay. Y'all have $100,000 deductible for water losses.

So in the past I really haven't talked much, you know, 5, 6, 7, 8 years ago -- I haven't really talked much about your personal policies, but we're going to talk a lot about it right now.

So the personal policies -- because these big deductibles have become very, very important, okay, and I tell the brokers all the time. Oh, yeah, we've got water claims. I said, you don't even know water claims. You don't even hear about the $2,000 little water claims. But with $100,000 deductible your personal policy -- your HO-6 policy has become very, very important because now those little water losses or big water losses -- when I say big, 10 to 20,000 can be your responsibility for the interior unit. So the HO-6 homeowner policies have become very, very important.

If I was buying an HO-6 today, I would buy a minimum of 20--- to $25,000 worth of building coverage. So that's your flooring, your sheetrock, your cabinets. Okay. You do whatever you want to do on your personal property. You can buy the lowest limit available. But just remember the HO-6 also covers your loss of rents and your loss assessment. But here's probably one of the biggest pieces of the puzzle that -- You know, we've kind of glossed over it in the past, but the liability of your unit. Okay. Just remember you're walking into your unit. The liability is the unit owner's responsibility. And sometimes, you know, we're talking about rates, and talking about this and that and the other, and we don't think about some of the ramifications of not having liability, and let me give you an example.

So we had a water loss in an association about month ago. It involved four units. Only one unit had an HO-6. And the unit where the loss originated, he didn't have liability. That's fine. So the Association's covered. An adjuster comes out there and he's gonna cover the damage for the building -- not the contents for the unit -- but the building.

Well, the carrier -- this is a very unique situation, very unique -- the carrier feels like there may be some negligence on the unit where it originated. And they may in turn decide to subrogate against that unit. Well, guess what, if they do, he doesn't have any liability, he's got to fight that battle on his own. And, you know, liability like they always talk about, the liability for your -- you know, your general liability and your directors and officers, it's as much about them hiring an attorney and representing you to fight your battles as much as any. If they subrogate against this guy, he's on his own. He's going to have to fight that battle with the insurance carrier.

So my point is right now, the HO-6 is probably the most important policy on this beach for a unit. Any questions about the HO-6 that I can answer? And I'm always amazed at how few people don't have it. Yes, sir?

MR. DAVID SHEPHERD: HO-6 is going to cover personal liability?

MR. HARRIS: Yes, on the interior of your unit. So if I come to your unit, I'm just coming to visit or maybe one of your tenants, and I slip on an ice cube at the front of the refrigerator and decide to sue you, that's what we're talking about.

Now, there's a lot of ways to get that liability. I mean, you can extend it from a primary residence maybe, or you can buy a standalone liability but an HO-6 -- I'm sorry?

MR. DAVID SHEPHERD: Umbrella policy, personal umbrella? You can buy an umbrella that's excess of the underlying limits. I would definitely recommend that for sure, especially if you're doing some long -- short-term rental for sure. But yeah, your homeowner and HO-6 is going to include that liability. And typically the max liability that you can buy through the HO-6 is a half a million dollars. I saw a question.

MR. TOM CARROLL: What did you say your recommendation was for the amount that we should have?

MR. SCOTT HARRIS: Well, if it was me, I would be buying a minimum of 20--- to 25,000 for the building coverage, so that's your flooring, your sheetrock. I mean, we don't see too many water losses --

MR. TOM CARROLL: It's liability in excess of that --

MR. SCOTT HARRIS: Not for damage in your unit. But the liability where it could come into play -- let's say and, you know, we don't run across too many situations where the unit owner is actually negligent. I mean, for a unit owner to be responsible for damage, you know, from a water loss to units below, there's got to be intent, and that never happens. Or the insurance carrier has to feel like you did a real poor job of maintaining your unit like the hot water heater is 25 years old or something like that. Because of the lack of maintenance, that's why the water loss occurred. That can be construed --

MR. TOM CARROLL: Do you know that some companies, some insurance carriers here in the area stopped selling these policies?

MR. SCOTT HARRIS: Oh, yeah.

MR. TOM CARROLL: Okay. So that's what's happened to me. So I don't have one because when I called about it, and they didn't have a recommendation as to where to go.

MR. SCOTT HARRIS: Well, we've got three or four markets that will write you that policy. So just give us a call. You know, there's carriers out there that will write that policy.

MR. TOM CARROLL: How do I get in touch with you?

MR. SCOTT HARRIS: I left a card up front.

MR. TOM CARROLL: No way. That's too easy. You came prepared for this question.

MR. HARRIS: Just call me.

MR. TOM CARROLL: Thanks so much.

MR. SCOTT HARRIS: You're welcome. Anymore questions about the HO-6?

MR. ROBERT MOORE: When I was reading through our policy, the whole complex, we have a general liability.

MR. SCOTT HARRIS: Yes, sir.

MR. ROBERT MOORE: Okay. Do all the ones that rent, do they have to provide a general liability back to the Board, you know, somebody got hurt or drowned in the pool or whatever?

MR. SCOTT HARRIS: Typically not. So the Association carries a general liability policy for all the common areas and limited common areas. So a lot of people don't think about your balconies. So your balconies is what we consider a limited common area. There's a responsibility in there for both, the unit owner and the Association. So under general liability as a unit owner, your name is additional insured to the Association's liability, okay, and that's the general liability and the 15 million dollar umbrella liability that you buy in excess of that. Okay. So even though -- so once you're outside your unit, the unit owners are covered because you're named as additional insured, okay, outside your unit. But inside that unit, that is solely the responsibility of the unit owner. Okay. Questions?

Your insurance went down 10 percent in March and be careful of hearing some of your neighbors say, well, mine went down 20 percent; mine went down 30 percent. I'm telling you, every situation out there is different. I looked at -- I compared y'alls to -- your property -- compared y'alls to a couple of associations that we renewed here in the last week, and your rate is right in line with everybody out there. Okay. And I'm not belittling your increase, but what, it went up 250 percent since Sally in premiums. Every circumstance is different. I mean right nextdoor to you is different. We've got some associations out there at a thousand percent.

I went to a meeting yesterday and because of last year -- because their Sally claim was still open -- they paid a rate that you wouldn't even believe, and they renewed this year. The Sally claim is closed. They got all new doors and windows. They recoated the building. And the more work they actually did, the actual rate has come down. So just -- you're in good shape as far as rate per hundred. Okay. You didn't go up as much as some. But, you know, there's some that are actually coming down now 20 and 25 percent, so don't panic.

MR. RICK SANDERS: Would you mention the deductible buy-down?

MR. SCOTT HARRIS: Yes, sir, I will. So these carriers, your main property carrier -- so your two buildings are insured for 30 million dollars and some change. So when they quote, they give us 5 percent -- 5 percent of that 30 million dollars. Okay. It's million and a half dollar deductible if Hurricane Sally comes back today.

Well, last -- I don't know, ten years y'all have been buying that deductible down to $25,000.

So if Sally comes back today, your deductible is $25,000. And I applaud you for that because on that HO-6, that personal policy, when Sally hit most policies included $5,000 worth of loss assessment towards the deductible of the Association. Most of them have reduced that to a thousand. So in y'alls case you really don't -- are not going to have the big assessment from the next storm. Let's hope we don't ever have another big storm.

And I applaud you. And every association out there that is buying that deductible down and had it during Sally, they are not walking away from it. It's an expensive policy. But I promise you it pays within 60 to 90 days of the storm. Y'all know these carriers how they work. They're going to drag it out as long as possible. That buyback pays, and that's money that keeps you up and running. And it saves you from having to go down to the bank and borrow money to keep up the money.

I feel like this hurricane season we're getting ready to go through is probably the most important hurricane season we've ever been through because if we have a season like last year, I think we're going to see -- I think you could be down another 25 to 50 percent next year, if we have a decent season. If we have a season like they're predicting or we have a Hurricane Ian, then it's going to level out or go up. You know, this season is so important.

But let's assume -- and I'm just going to go ahead and put that out there -- let's assume that we have a good season and you come up for renewal in March and your rates go down 30 percent. Y'all are doing an appraisal on the building. One downside to this industry is with inflation, the reconstruction of these buildings keeps going on. And when you update that appraisal, it's probably going to go up 25, 30 percent. So, you know, if I had to start doing some budgeting, I would probably take my current number and just stay there. Okay.

Questions? Well, I left some cards. Please call me if you want to talk about HO-6 or what's going on down here with the Association's coverage. And I always appreciate y'all having me.

Any questions? I'm out of here.

MR. KENNETH BROWN: Thank you, Scott. We look forward to, and they've worked with us for years. They do real good. It's a complicated business. They make it simple for us simple-minded people that are not in the insurance all the time -- you're leaving? If y'all need him, he left his card. Y'all call him.

MR. SCOTT HARRIS: Please do.

MR. KENNETH BROWN: He mentioned this HO-6. That's up to each owner. I personally -- it's hard to believe that somebody doesn't have liability at all. That's everybody's business. You own the door; you own the building; you do what you need to.

We did have water damage twice. Now y'all are probably aware of this, but I will bring it out. Thanksgiving we had a leak on a hot water heater, just like what he was mentioning. And I need to preface this by saying, y'all remember our building is approaching 40 years old, 40 year old building. Had a hot water leak of all things Thanksgiving. Not a lot of people down here then, and it affected seven units. Gravity is always good because the person that caused the leak doesn't have any damage. It's the guy below it. It went all the way to the floor. We got it taken care of. We had one owner that used his own contractor. He was on the spot. We used Emerald Coast Carpet Cleaners. They come in with drying units. We immediately -- we, the Association -- tried to get on it immediately to dry the units, stop the damage immediately, stop the water. And the Dixie contractor comes back and they've done the sheetrock and the painting and brings the building back to standards.

If you choose to use your own contractors, you're on your own. We can't help you. We don't know who they are. We didn't hire them. We don't know what extent they're doing the work to your building. So I'm waiting to hear from this owner -- I'm not going to call your names, and I don't really know if he's here; I really don't know the man -- but me and him talked several times about it. We had seven units involved. We took what we paid on those six units that we fixed, and we averaged it, and that's the check we gave him.

If this wall is damaged, and he paints the whole building, I ain't paying for it. You're not paying for it. We have no control over it. Dixie does a good job. So he settled with them and he took it. And I think we were shy almost $2,000 from what he billed us. But we did not pay for that because we had no control over it. He actually wanted us to send the money to the contractor, and I told him, no, I didn't even want to know their names. It's nothing to do with the Association. That's his private stuff. So y'all be careful on that. We're going to try to respond as quickly as we can as businesslike as we can. Everybody's property is important. But if you hire your own contractors, we will reimburse what we need to. We're not going to pay his whole bill.

We also had a leak in the west building just in the last few weeks. I think it was -- I think it was 604 leaked. He got 504, 404, 304 and 204. It did not make it to the ground floor. It was the valve underneath his shower unit, and it leaked down. And 404 is my unit. I never came down. They called me. I said -- had it fixed like I always do. They came in. They dried it. They fixed it. My unit looks absolutely perfect. I have no problem with Dixie Contracting. If I had not been called, I would not have known my unit was even damaged. So that's, you know, we've had a leak in both buildings. So be aware of that.

You're all on your own with whatever you do with your insurance with Scott and all. This is something that we're going to have to deal with in the subrogation with the age of our building, and water's gonna come south every time it leaks. So if you're on the 9th floor, you're in good shape.

MR. DAVID SHEPHERD:

UNKNOWN OWNER: Unless the roof leaks.

MR. KENNETH BROWN: Oh, yeah. Now we have the roof taken care of right now. Are y'all having a problem? We've had pretty good luck with our roof here lately, but we'll stay on top of it. And we have a lot of surface area up there, a lot of surface area.

Y'all have any other questions? Yes, ma'am.

MS. PAULETTE BROWN: Who do you call if something happens?

MR. KENNETH BROWN: The guards immediately. If Greg's on the property, he's supposed to take care of it or the guards. If you don't feel happy with it, you call Ryan. He's on our paycheck. You call him, THR Management. And either Emily or Ryan or somebody will get up with you, but do contact somebody immediately. If you have to absolutely -- you can call any of the board members, not me, any of these others, you call them. The guards are supposed to be in contact with us. They have our numbers, and if there's really a problem like that, they will respond to that. The main thing is to kill the water -- it's a water problem -- and stop the water immediately to mitigate the damage. Yes, ma'am?

MS. DONNA JACKSON: Do you have a rule that if people hire outside contractors there should be a rule that they have to be licensed and bonded? I mean, could you --

MR. KENNETH BROWN: Why?

MS. DONNA JACKSON: Because --

MR. KENNETH BROWN: If they make you happy, it doesn't matter to me. I'm just being honest.

We're not recommending contractors for our people.

MS. DONNA JACKSON: But that keeps you from hiring shysters.

UNKNOWN OWNER: That's your problem not theirs.

MR. KENNETH BROWN: Yeah, you should be careful who you hire.

MS. DONNA JACKSON: I'm saying y'all should say that you would prefer when people -- I'm not saying make it mandatory you can't do that -- but recommend that people get contractors that are licensed and bonded.

MR. KENNETH BROWN: Greg probably knows more about that than all of us combined through the years, and that's why we've settled out on the people we're using. We're using IC Coatings who handles the big stuff of doing our stairwell --

MS. DONNA JACKSON: I'm not talking about -- like I can hire my brother to come do it and he's a shade tree mechanic, do you see what I'm saying?

MR. KENNETH BROWN: Yes, ma'am.

MS. DONNA JACKSON: And he would not have any license --

MR. KENNETH BROWN: I had my sliding doors worked on, Alabama Glass is who Greg told me to use. I use -- the plumbers we use is the ones Greg recommends. And we use them for almost all of our work. And so if you'll get with Greg, he'll tell you who we have used and had success with.

MS. DONNA JACKSON: Thank you.

MR. KENNETH BROWN: Did I box up the answer; do you understand? I mean, we don't know that this is all the contractors. I'm sure there are some bad ones down here.

MS. JEWELL SHEPHERD: She's just saying maybe we can put out a suggestion to the owners, please use a licensed and bonded contractor. That's all that she's saying.

MS. DONNA JACKSON: No. I use everybody Greg says too. If you don't have the kind of insurance on your apartment or condo you need to probably -- nothing.

MR. KENNETH BROWN: Okay. Any other question about insurance? Have we covered that pretty good? And if you have any questions, talk to the people who really do know. We do recommend Whitehaven because that's who we use on the property. They can lead you to who can do that.

We will now do our financial part on this and we will introduce Kristen from Avizo. Avizo is our audit.

MS. KIRSTEN ROBERTSON: Kirsten, Kirsten Robertson.

MR. KENNETH BROWN: Kirsten, I'm sorry.

MS. KIRSTEN ROBERTSON: I think you guys -- you're typically used to seeing Carly every year. She still performs your audit. She just had a little vacation planned this weekend so she wasn't able to come. If you do have any specific questions, I'm going to revert you back to the Board first, because they can then direct you to Carly. So I'll just give you a quick little overview.

On page one you see our Auditors' Report. You guys did receive a modified opinion which is the highest opinion you can receive. Everything looked great. You had no findings. All good and well there.

On the bottom of our Auditors' Report, you can see a section that says Disclaimer of Opinion. This is on the future major repairs and replacement support on the last page. We don't really audit those numbers, but we do provide limited procedures on that, and it explains a little better there so we do look at it.

If you flip to your next page you have your Balance Sheet. So this is where it has the balance of your assets and liabilities. You can see your 2023 compared to your 2022.

And then on the following page it lays out all of your revenues and expenses and breaks them down into categories. And you can also see 2023 compared to 2022.

This year you guys did have excess of revenues over your expenditures. So when this happens your Association votes to adopt a resolution, IRS Section 706-04 which basically allows you guys to move all of this excess member income to be applied to the following year so you don't have to pay taxes on it this year.

MR. KENNETH BROWN: Y'all aware of what she's saying? This is a tax move that we do every year.

I will need a motion from the floor to transfer this fund for tax purposes.

MR. DAVID SHEPHERD: First.

MR. KENNETH BROWN: And a second?

MS. DONNA JACKSON: Second.

MR. KENNETH BROWN: We have a motion and a second. I need a show of hands of all that approve this move? So moved. Thank you.

That was always simple, but we always like to get a good report card. Thank you for that.

Now we have Crow, Shields and Bailey. This is our accounting firm that handles our day-to-day money and writes the checks and does all of our business. This is Amanda Kimsey.

MS. AMANDA KIMSEY: Good morning, everybody. I hope y'all can hear me. I'm Amanda Kimsey with Crow Shields Bailey. We handle all the bookkeeping for your Association, and you guys are in great shape by the way. I just wanted you to know.

A couple of things I'm just going to hit on. As of yesterday your main balances for your operating account was a little over a hundred thousand. Your reserve is $972,000 which is very,

very nice and healthy. And then you have your assessment for your stairwell which, you know, you guys are -- they're doing the work this year. So you collected the money, and now they're starting to do the work so that will get paid out this year.

A couple of things just to talk about, your insurance which Scott talked about was -- y'all budgeted a million. I think it came in at 800,000. So you guys were below budget which is awesome. And you guys did not have to take any money -- borrow from your reserves to pay for that. You paid it in full. A lot of people are not doing that. They're financing it, and finance charges are almost 10 percent. So I applaud you guys for paying that assessment and getting it paid and paying that insurance in full because it's a big deal.

Your overall utilities across the board budget numbers, you guys are in line. There's nothing that's glaring. And then you guys had a couple of -- some landscaping stuff done. Everything is on budget. Avizo just left. They haven't billed you yet, but you're still on budget for your accounting. Window cleaning, that happened and pretty much everything else is pretty on line. There's nothing that's major over the budget. And luckily we don't have to raise dues. So account for your insurance assessment because you're paying that. You do pay that assessment. Do you have any questions? Yes, sir.

MR. DAVID SHEPHERD: When I was looking at the sheet, I noticed that in January there was a huge security amount dedicated towards security. Was that remodeling that building?

MR. KENNETH BROWN: No, no. I can address that. The number you saw for security is the guards. That's the salary of the guards. We negotiate that price every year. Rick has done a good job helping us beat them down. That is one of our escalating costs is labor. And that is absolutely for the guards. That is no building improvement. That is a totally different category.

MR. DAVID SHEPHERD: Y'all do that every January?

MR. KENNETH BROWN: Yes. And we contracted them for a year.

MR. DAVID SHEPHERD: Well, you guys are doing a great job, a very good job up there. That's why we're in such good shape, Rick. We appreciate all of y'all.

MR. KENNETH BROWN: There is an amazing amount of moving pieces in this organization, and we've got a good team doing it. And Crow Shields & Bailey have done us a great job.

I will now call -- we need to approve the 2024 budget before the meeting. So I have a motion to adopt the budget as proposed?

MR. CHRIS CLEGG: So moved.

MR. KENNETH BROWN: And I need a second?

MS. DONNA JACKSON: Second.

MR. KENNETH BROWN: We have a motion and a second on the budget. I need a show of hands of those that approve. So moved. It is approved.

Y'all have any other questions for Amanda, anything on the bookkeeping? Of course they do the numbers. We do the reason why they got those numbers. So if y'all need to ask us questions, we are going to have that time. We're going to have questions and answers and y'all can hammer us. And we're going to try to explain where our money's going right now.

Chris, you've got a question for Amanda?

MR. CHRIS CLEGG: Yeah. I don't know if this is the right time, but are you going to explain the SBA loan again?

MR. KENNETH BROWN: We'll go over it, yes, we will. Yes, we will.

MS. AMANDA KIMSEY: So you guys know that all the moving parts of the front desk. Linda Hinds is the actual bookkeeper in my office that handles -- she's the person that if you have a question about your statement; you have a question about, hey, did you get my check. I just want y'all to know, if you're mailing checks and it could be the postal service. Bless their hearts. I know they're working to death, but it's usually 10 to 15 days before we're receiving checks. So just so you guys know, if you're mailing it and you mailed it on the 1st and it doesn't show up by the time your due date is, please call us and say, hey, did you get my check. Because sometimes -- I got a check that I mailed out in October of 2023 to a vendor, and he called me a month later and said, Amanda, I have not gotten my check. And I had to void that check and write him a new one. Well, last week his check came back to me from October of 2023, just so you know. The postal service -- bless their hearts -- they're working to death but sometimes there are some slow things going on with the postal service.

But please feel free to give us call, email us, you know, let us know if you have any questions, change of address, email addresses, any of that stuff. Don't hesitate to give us a call. Thank you, guys. I appreciate you letting me be at your meeting today.

MR. KENNETH BROWN: Thank you, Amanda. We really appreciate what y'all do. Amanda comes in as the main kicker, but Linda Hinds is our go-to person. She's the one that I talk to all the time and handles all the bills. And y'all just handle it. It's just like dealing with the bank. Y'all just talk to them if you have a problem and just work it out. They seem to do an excellent job for us, and we really appreciate them. We appreciate them as a longterm bookkeeper for us.

Ryan, we'll let you do your report now if you would, please. If I have to introduce him, y'all have a problem.

MR. RYAN HOMAN: How is everybody doing. I just want to give a couple of updates on the property. This year, if y'all noticed, we hired a new landscape company so you'll be seeing their trucks around the property. Landscape Workshop is who they are. So in an attempt to help clean up the front, last year we had a lot of issues with the current company. And then on top of it, we had C Spire tearing up the front every other month it seemed like. So we had some new sod put down recently, and everything is starting to come together. The goal is obviously within the next two weeks to have everything looking in tiptop shape. So just be on the lookout for the new landscape company.

Elevator update, last year we did major elevator renovations on the back side and the shafts and all the moving parts in the elevator. It did take awhile. We still ran into issues with the elevators as I'm sure most of y'all knew for a little bit throughout. I feel like we've got all that under control with Bagby now. It just took some tweaks with some of the new components that they put in to get everything running. We had more issues, I feel like, with the east side elevators at the time. But as of about 2 1/2 to three weeks ago, we got a plan with Bagby and Greg, and they seem to be running fine. I feel like they fixed all the little kinks that were in there from the work they did. So we're crossing our fingers hoping we're good for awhile with the elevators.

We are in the middle of just getting quotes from companies to see what it would look like to refresh the inside of the elevators. But we're still in the middle of getting quotes for that just so you know. Obviously they're original. Most of them are original elevators.

And then just one more thing just around the property if you'll notice the -- I'm sure you have noticed -- the east building awning has been damaged. And it's actually been damaged for awhile. It turns out there is a very long wait for that awning material right now. But the frame of that porte-cochere was damaged as well by -- a trash truck ran into it at the end of last year. And so the goal right now is we're just kind of -- they were waiting so long on everything and the awning wasn't destroyed. It wasn't terrible, you know, like massive rips in it. So we opted to leave it there rather than have no awning for spring season. They are in the middle of rebuilding that structure. They're going to rebuild it off site. And their plan is they are going to bring the new structure and the awning hopefully at the same time.

They'll have that entryway shut down to the east building for approximately two days when they do it. And so you'll have to enter by the pool on the east building to get to the elevator, but we're hoping on just two days. They are going to build that structure offsite and bring it with the new awning and do it all at one go. So we're in the middle of that. We're probably realistically at least three to four weeks out I would imagine. It's hard for them to give me a time, but just talking to them I would assume we're still a handful of weeks out. Yes?

MS. DONNA JACKSON: Can somebody send a message about when the front entrance is going to be closed because --

MR. RYAN HOMAN: Absolutely, absolutely. We'll get that email out as soon as we know a date. You know, we'll get an email out to owners just to let y'all know that this is going to happen. That way if you've got renters coming in, you can let management companies or renters know, absolutely.

I think that's about it unless you guys have something else you wanted me to cover. That runs down pretty much everything we had going on right now.

MR. KENNETH BROWN: Y'all have any questions for Ryan?

MR. RYAN HOMAN: Yeah, go ahead.

MS. CHERRY LINDAMOOD: I noticed the inspection on our elevator expires today.

MR. RYAN HOMAN: Yes.

MS. CHERRY LINDAMOOD: What's the status on that?

MR. RYAN HOMAN: We should be receiving new tags. You know, I'm expecting them almost any day.

MS. CHERRY LINDAMOOD: So it has been inspected?

MR. RYAN HOMAN: Yes. So we should be good. We're expecting new tags almost any time. I expect them probably next week. And if we don't have them by Monday, we'll reach out to the State and see. But we're expecting them next week. Good question though.

MS. CHERRY LINDAMOOD: Thank you.

MR. RYAN HOMAN: Anybody else?

MR. KENNETH BROWN: This is your best time to take your shot at Ryan now. It's a free shot.

MR. RYAN HOMAN: Y'all have my cell phone.

MR. KENNETH BROWN: I would like to just mention that on the elevator repairs, that was not a choice. We were mandated to do that. Of course elevator security is paramount, no question about that. It's an amazing network of -- Bagby and the inspector and what they can tell you to do. Let me tell you, you've got to do what they tell you to do or you can't get your certificate. You did real good noticing that certificate. When we did the work I was hoping they were gonna back it up and issue the certificate at the end of our repair. When we met all their qualifications, they came and inspected it -- they did not. We finished it in the fall, and they put it back in May again. But we're in good shape. Bagby has assured us we'll get the certificates. So we're working on it.

Also on the awning, I'll mention this that Ryan was talking about. Republic garbage truck hit it, simple as that, and he bent the outside edge. People in the west building might not even know this because if you don't go in the east building, you really don't ever see it. It's not critical bad. But it's about $14,000. And they have already paid us. We paid half of that already to the awning company to get them started. So we've got the money in pocket for that.

Everything that you think costs something, it costs way the heck more, $14,000. They are going to replace the end on it and the awning. So we'll have that done as soon as possible, as soon as possible. And we will let people know when the work is happening just as soon as we can to make it convenient for everybody.

MS. DONNA JACKSON: I've got contractors coming in right there at 103, like big things.

MR. KENNETH BROWN: We'll work with you the best we can. I'm afraid it's going to be here later than sooner. The awning people are terrible. It's amazing to me. And a lot of times they want the old awning to be the template. I would have thought they would have had it in the computer. This is the same awning company we've used before over in Pensacola. But they want to go back in -- and sometimes they take our old awning to get an exact match. But anyway, we're working with them, and we're aware of it, and we want to make it as easy as possible. Sometimes we just drag through it.

Now, it's my job to tell y'all what's going on with the stairwell and where we're going on it. We are really doing very good. It's been a process. It's been a process.

Our main concern was, we have four fire escapes, east building -- the west stairwells of the east building was the worst in that building.

And the east stairwell -- both of them go to the pool. The ones going to the pool were the worst. The one in the west building going towards the pool which is the east one is by far the worst of the four that we had. Very little problems with the west in the west building. It wasn't -- and the problem there is humidity. We have a lot of humidity coming off of that pool and off of the Gulf. And there's a wind tunnel through there, and it keeps a lot of moisture in there.

Our main concern looking at it was safety of the building. We know of condos built in Florida. We're aware of that. And we don't want that to happen to us. We're not going to be the one that does that. So we hired Larry Oliver who is a structural engineer, works all up and down the beach, heck of a nice guy. I'm not a smart guy, but I can talk to him five minutes and realize he's sharp. He knows his business. He is a very good guy.

The main thing is and what helped my feelings the most is our stairwell is not weightbearing. It has nothing to do with the structure of our building. If you take the stairs out, the building is just as safe as it was with without it. So that was a big relief to me first. And then we get into, what's it look like, and what are we going to do.

We discussed it with him at length, and the idea was to take all four of them out and put in aluminum. Our handrails are not to specs now, and that changed since our building's been built. So we're going to have to change the handrails, the stairs. All the landings are good, but they're gonna have to chip back so far to get into good concrete to bolt the aluminum stairs to.

So that was what we originally planned on doing, and hence the $325,000. That was their bid on doing it all, four stairwells, painted, finished, done. They couldn't get a permit. When they started working on it, the fire marshal would not give them a permit. This was probably what, November and December. This went on for a long time. Larry talked to them. Adam Keenum, David Keenum who are the owner and son of IC Coatings. Nobody could make any headway with it. They gave them several proposals.

He said we had to have two stairwells even though we only had four units per floor, and we would have active stairwells at all times he would not allow it.  Sounds like politics to me, but we couldn't get a permit.  They even went so far as to say they were going to fabricate offsite stairwells and bring in one a day.  Do one floor a day and leave it open at night.  He wouldn't allow that. The only thing he would allow would be scaffolding on the front of the building to allow two escapes at all times which was going to add to our cost a minimum of $100,000.  So we told him we're not doing that.

So we went back to one of the other things we discussed last fall was rebuilding.  And that is what we're doing now.  They come in with welders and secured -- and most of the damage is on the bottom three floors.  The bottom three floors is where the rust was the worst.  They have come in and done the work, heck of a mess right now. Sandblasting is one of the nastiest things you can do, but necessary to get down to new metal.  We are going back with a new paint that is rust inhibited, wasn't allowed years ago, or wasn't developed years ago. We're trying to do it right so we can get longevity out of this.

We met with Larry yesterday -- day before yesterday -- and went over again where we were. The welders are offsite. The welding is done. And I really believe the sandblasting is finished in the west -- the east building is being painted from the top down. The east building is being finished now. When they paint, we're done. We're not changing the guardrails. We don't have to do that because we're replacing the stairs.

They are painting it now. The cleanup is going on in the west building and they will start painting it. We're hoping -- they are saying two weeks. I'm hoping this month. You know, if we can get them off property this month, we'll be doing good I think.

Our money is looking like we're going to be okay on our budget. We wrote them a check for $136,000 for the first payment, and that covers all the west building welding and all the hours to this point in time.

Adam Keenum -- no, David Keenum who is the owner of IC Coatings sent an email to us saying that -- he's mentioned it's 60 to 70 percent done. I think we're a little further than that. And I think he dated it on the end of last month. We'll get the painting done.

Our ultimate goal is to put doors, eight doors in the building, the first and second floor next to the stairwells with louvers in them to allow air to go in. We have fans on the top and let's get airflow through these things so that it doesn't stay as humid and rust as fast. I don't know how it wasn't originally done in the building, but it wasn't. But the louvers, the engineers have told us is what we need to use.

I don't know if y'all realized how hard the doors slam coming in and out of the pool especially on the west building. It was a vacuum in there. I've got grandkids down here. They can lose an arm from that door when it slams. It scared the crap out of me. So we're going to put louvers in there. We've got the fans at the top to get circulation through there.

Larry gave us good news. He said when y'all get through, they're going to be better than when they were brand new. He said, we're talking 15, 25 years. That is long enough for me. I'm telling y'all, that's long enough for me.

So we're trying to finish it out. We're getting down to the nickels and dimes. We're going to do our very best to stay under budget. Everything costs more than what you think. I'd like to think we can push through for $136,000. We're going to be close on it. But we're going to take care of it, and we're looking at y'all and telling y'all we are going to try to make it work with this assessment that has already been paid. Everything is good on that.

The assessment was due the 1st of May. Just a note, and it's just business handling 71 owners. We're about $67,000 shy right now of meeting the full assessment. But we certainly anticipate that to come in, and it will. And that will also build up our reserve to, we hope, around a $1,500,000 -- no a million --

MR. RICK SANDERS: $50,000.

MR. KENNETH BROWN: A $1,050,000, yes, one too many zeroes. I've never see the reserve over a million dollars, so we are getting in good shape.

Scott, did tell us -- we're due to have a new appraisal on our building. Our last building appraisal was, I think it was $33,000,000, wasn't it. And the thing is, it's good and bad. It goes up, then our taxes go up and our insurance goes up. But our property values are going up. So it's nothing we can do about it. We're in the river and we're swimming. But we're about to do a new appraisal, and it will be reflected on our insurance and our taxes.

So that's the stairwell as I know it. We're working with it. Like I say, it's changing into something we didn't start, but we are going to have a new finish on it. I'm really extremely confident we're going to have a good finish on it. And our workers here -- I don't know who the welders were -- but if you look at the welding they've done, it looks great. The seams look good, everything looks good. And they assure us that this is going to be as good or better than it was when it was brand new.

So I'll take any questions y'all have about the stairwells? And I appreciate everybody's patience. If we don't do things like this -- In our meetings we hear the horror stories about the buildings, how many associations down here are in trouble. You heard them mention a minute ago some of these places are even financing their insurance. That's not good. I mean that goes real bad. And we'll get to the SBA loan and talk about it in a minute. We're staying our head above water and we're financially strong and it's because we send out the insurance assessment, and we pay it in full. And we do the buy-down so if we have a catastrophe our losses are not near what the other people's are. So we don't have to offset it and come up and say, hey, everybody's got to pay $20,000 to get somebody on the property to work. That's what the reserve is for. If we have an event -- and we're speaking hurricanes mostly on the beach -- we can move immediately. Cash does talk. When people have a good financial record they can bring people. And IC Coatings -- this is where the Board is right now. If we have a hurricane, it ain't gonna be ServePro. That was a nightmare after Sally. And we're not going down that road again. IC Coatings is on standby, and they will be here immediately. They have people in the area. After a hurricane the first thing of course is to, if possible, get power back to the building. So we've done all of our due diligence on doing what we can. We can't prevent mother nature, but we're about as good prepared for it as anybody can up and down the beach.

Now, on the SBA loan which is now about $682,000. This is the loan that was taken out after Ivan. And the men who are on the Board now will look at you and tell you that it was a mistake to ever take the loan. Y'all hold on to your britches because if it hits, we're gonna do an assessment. We aren't gonna take out another loan. That is not a good way to go. We're paying on a loan right now that we got what, about ten years left on it. It's not any advantage -- when I first got in this, I wanted to pay that thing off because we were paying more interest than we were principal. Well, now we're on the other side. Was it a 2 percent, 3?

MR. RICK SANDERS: 3.

MR. KENNETH BROWN: 3 percent loan. A 3 percent loan is unheard of, so there's no advantage for us to paying it off early. And if we get in a bind our reserve can pay it off tomorrow. But we don't have to. That's the government. So we're paying more on principal than we are interest. And we're right now at $682,000 or close to that is our balance on our SBA loan. Does that answer your questions on that?

MR. CHRIS CLEGG: Yes.

MR. KENNETH BROWN: We are definitely paying way more on principal than we are interest. So that's the SBA loan. And we do make monthly payments to that out of our Association. So we're paying that down.

MR. CHRIS CLEGG: I guess a little clarification. There's a balloon at the end; correct?

MR. RICK SANDERS: No.

MR. CHRIS CLEGG: There's not a balloon at the end.

MR. RICK SANDERS: No. We've got basically ten more years of payments. And right now the payments are $4500 a month or something like that. 70 percent of that payment is going to principal now, and it should pay off within about ten years, nine years. No balloon.

MR. KENNETH BROWN: No real advantage for us. It's better to have our money in the bank and making interest than that. We're making money on the interest. So right now we're in good shape on that part.

Like I said, there's a heck of a lot of moving parts. When I got on this Board I had no idea, and kudos to Rick. Ike's one of the newer guys with me. We're all learning. But there's a whole lot of history we can build on to make it a little better. And if y'all talk to people that are in our Association and have ideas, Lord knows, share them with us. We're all in this together. There ain't nobody better or worse than anybody else. We're all doing the same thing.

Any other questions?

MS. KATHRYN CLEGG: I've got a question about the entryway or the -- on each floor, the common area, who will be cleaning that up when the work is done on the stairwell, because you know, it's just gotten a lot of that fine dust and whatnot there?

MR. KENNETH BROWN: Look, we're probably going to leave today because of the dust in my unit. It's horrible.

MS. KATHRYN CLEGG: I just didn't know in general who's responsible for cleaning?

MR. KENNETH BROWN: IC Coatings will clean up to a point, and then Greg and them will come in behind them and make sure that all of it's clean. But all of that and even probably the walls need to be cleaned. There's dust everywhere. IC Coatings that's who's doing the work. And the sand yesterday, hauling it out, and man, it is that deep. When people walk across our floor, you can see their footprints. So we've got a major cleanup coming.

MR. RICK SANDERS: And just so you know, as soon as we get through with the stairwell project, we're going to start painting floors again. That's going to start again.

MR. KENNETH BROWN: We certainly didn't want to do that, and then have them come in and tearing up the hall and stuff. So, yeah, we held off on that.

We did the windows outside that needed to be cleaned. That wasn't effected by this. But all the floors have to be cleaned. And the ones -- we're going to get back to our painting. We paint so many floors a year to keep them up. And if there's a need arises or something happens -- and we have mentioned to people before if you use contractors -- if you're doing work in your unit -- have them protect that common area floor. Generally they're rolling stuff in and out. It's gonna chip our paint and make it look bad. So do talk to your contractors. Make sure they do what they are supposed to do.

And, Donna, this is definitely the people that you hire in. Because see, we don't do the inside contract. If you remodel your unit, we don't know who you used. And we need everybody to take care of it because it belongs to all of us.

Any other questions? Yes, ma'am.

MS. PAM HERZWURM: You said the windows were cleaned, the exterior?

MR. KENNETH BROWN: Pardon?

MS. PAM HERZWURM: The exterior windows on both buildings were cleaned?

MR. KENNETH BROWN: Are they not finished?

MR. RYAN HOMAN: I hope so.

MS. PAM HERZWURM: I have a big old sandblast on one of mine that has been there for two years. So I don't know if they just missed my middle living room window.

MR. KENNETH BROWN: Is it abraded or dirty?

MS. PAM HERZWURM: It looks like a bird flew into it. It looks like sand splat, and it's been there two years. And I know we have the windows cleaned every year.

MR. RICK SANDERS: They cleaned them last week so I don't know. I don't know how they would have missed it. I watched the ropes go up and down. They climbed all the windows. What's your unit?

MS. PAM HERZWURM: 702 E. It's that very middle living room window. It's not going to end my world, but it would be nice not to see that. So maybe -- should I talk to Greg maybe?

MR. RYAN HOMAN: Yeah. I'll call Greg for you.

MS. PAM HERZWURM: Okay.

MR. RYAN HOMAN: And we'll get it figured out, and I'll find out the details and see what we can get done.

MS. PAM HERZWURM: I mean, I would do it, but my climbing days are over. Thank you.

MR. KENNETH BROWN: Any other comments or anything that we need to talk about? This is y'alls time for a free shot at me and the Board. Anything we need to talk about? Yes, ma'am?

MS. CAROL BUELOW: I will add, I've got one of the garden windows in the master bathroom, and I don't think they've ever touched those either.

MR. RICK SANDERS: That would be true. That would be true. Ryan, you know, the garden windows in some of the bathrooms?

MR. RYAN HOMAN: Yes.

MR. RICK SANDERS: I don't know if they've cleaned those.

MR. RYAN HOMAN: I don't know if they've ever cleaned those. I don't know if there's an issue. I can chat with them about it. I know that Skyline does the window cleaning, and I just have to have a conversation with Greg and then call Jason about it too.

MR. KENNETH BROWN: Okay. Ryan is going to check on that for us and see about the window cleaning because we paid the money, and they need to do the job. I have never been down here when they do the window cleaning, so I assumed they were doing their job.

Okay. Let's look over this -- we have a unique situation. We have got a nominating committee we're going to bring up in a minute and let them talk. Alice Ozier is our chairperson, and she has got two members with her. We have had, for a pleasant surprise -- we've got six people for nominations. I'm going to let them stand up and address y'all and just give a little brief history of yourself. And then we will announce -- Alice, she will give the recommendation. We will have the vote. The vote will be counted by Ryan and Amanda from Crow Shields & Bailey. And we're electing two people -- Rick -- I'm sorry, I should have said this earlier -- Rick is rotating off, and David Granberry who sold his unit yesterday is rotating off, three-year terms, two people. That's where we are today.

Pam, you're the first one on there. Would you like to stand up and say something to address the group?

MS. PAM HERZWURM: Sure. I'm Pam Herzwurm. We have owned -- our family has owned a unit -- at Four Seasons since 1993 which is when my parents originally bought it. So I've kind of grown up there. My kids have grown up there. We just love it. I'm a retired English teacher. My husband has been a medical device recruiter for probably what, 40 years. So we just saw that there was a chance to, you know, put our name in -- or put my name in -- for the opening just to keep up the great work that the Board has been doing for so long. So that's me.

MR. KENNETH BROWN: Pass that to Cherry Lindamood.

MS. CHERRY LINDAMOOD: My name is Cherry Lindamood. My husband and I own 201 West. We've been there about seven years, I guess. He's a farmer up in West Tennessee, so that's why he's not here with me. I'm recently retired, retired December the 1st. I spent 38 years in the corrections field. I was a warden for a number of years, about 15. And then I spent time developing a mobile training team. And the last thing I did was on the audit team. And the areas that I audited were like fire safety, physical plant, maintenance, those kinds of things which is why I noticed that the elevator was out. I look at those things. Like I can't go by a fire extinguisher without checking that either.

But the reason I would like to be on the Board is just exactly what Kenneth said. I think we have a beautiful property, and I want to do what I can to keep it that way. We do rent. And one of the comments that folks often make is how nice the property is; how well it's maintained. And I would just like to do my part to continue that, so thank you.

MR. KENNETH BROWN: Thank you, Cherry. I know Donna is sitting right here. Do we have Sandra Cooke here?

MR. RICK SANDERS: She's right there.

MR. KENNETH BROWN: Sandra and Donna and Jerry.

MS. SANDRA COOKE: I am Sandra Cooke. I live at 504 E, and I now have 701 E, and I live here permanently. And I can always be around if anybody has any questions or to relay anything to the committee. And I look forward to working with you.

MR. KENNETH BROWN: Thank you very much, and Donna is right here.

MS. DONNA WILLIAMS: Good morning. My name is Donna Williams, and we do own 602 East and 402 East and as of yesterday, Dr. Granberry's unit 502. And I personally want to say -- I know he's not here -- I want to thank him for his dedication for the last 12 years for the Board. He was dedicated with great service to that.

I am married to my husband, Matt, for 40 years. We live in Madeville, Louisiana and our daughter and future son-in-law live there as well. So I'm vice president of a company called Poolcorp. We do distribution of swimming pool products. I've been there for 17 years. And I also sit on the industry board for swimming pools. So they do anything from preventative drowning and also all the regulations and codes. So all those codes at the swimming pools that Four Seasons have to maintain and be in compliance with, that's actually the organization that writes those codes.

But the main reason that I'm here today is because I love Four Seasons. So when I came there in 2000 -- to look at that first unit -- stood on the deck on a January morning, and it was cold and it was raining and I fell in love with that place. So then 2020, what happened next, COVID and when I stood on that pier and there was no one else around because the beaches were closed, I said this is the place to be. So then we went through Sally and then some of you have seen the beach buggy around. The pope-mobile has a pope-mobile. Well, my stepfather has a pier-mobile. So he lives for coming out and fishing on that pier. And in February of '23 my daughter -- her boyfriend proposed to her on that pier at night. It wasn't a big fanfare, no photographer, but he proposed to her there. So I'm telling you that because I'm telling you I love Four Seasons. And yes, I'm very grateful to have three units there. And I didn't -- I am grateful for every dollar I've ever made. And the fact that I've put that money into Four Seasons is very important to me. But I also know that no matter how you ended up with your unit, you're just as grateful as you are to have it. And you also want it to be maintained and cared for, and so I believe to whom much is given, much is expected. And I have been asked to serve on this Board, and I'm taking that opportunity to do so because we need to keep up the legacy of Four Seasons just like these people have. And I know many of you, and I know that you want the same thing, so thank you.

MR. TOM CARROLL: Is your business in Alabama?

MS. DONNA WILLIAMS: No, let me clarify. I sit on the Pool and Hot Tub Association.

MR. TOM CARROLL: In Alabama?

MS. DONNA WILLIAMS: No, it's the nationwide association for pools. I sit on the Board as a volunteer just like this Board. I was just mentioning that as part of the swimming pool industry.

MR. TOM CARROLL: Do you rent any of your units?

MS. DONNA WILLIAMS: I rent one unit, and I don't rent the other one. I made a decision during COVID that I was going to enjoy that unit with my family. And I will be renting. I do rent the other one.

MR. TOM CARROLL: So was your purchase of Dr. Granberry's unit contingent on the fact that he can come back any time?

MS. DONNA WILLIAMS: Actually to answer your question --

MR. KENNETH BROWN: I assume that was probably the same question David had.

MS. DONNA WILLIAMS: Actually his son will be a guest there July 4th weekend.

MR. TOM CARROLL: That's great.

MS. DONNA WILLIAMS: Yes, he will be.

MR. KENNETH BROWN: Is Jeffrey here?

MR. SCOTT SLUSSER: Right here. Jeffrey is my first name, but I go by Scott. We're -- my wife and I, Jill, we're the newbies to the group. I think we've owned seven years -- maybe seven months. We're blessed with four children that are all now teenagers. So we're enjoying this kind of season of life. But likewise, you know, just loving the condo. I think we vacationed in Orange Beach for probably 20 years, started coming down from Cullman, Alabama when my oldest was really little and have always sought an opportunity to own. And so we were blessed, you know, late last year to actually go and buy 302 West.

My background's in marketing. So, Kenneth, when you mentioned about the opportunity to have sort of fresh eyes. I don't have the history and knowledge of the unit. With some of the background that I have, I think from a marketing background, I run marketing for a company that has 900 employees. We sell government software based out of Atlanta.

So demand generation, lead generation, brand management for the organization. And so I think -- that's my experience. But the reason why is really to contribute with the organization, the owners association and be a part of it and kind of do our part. So that's basically it.

MR. KENNETH BROWN: Hand that to Alice, please. In all fairness, we've got five people here, Christa Alexander is not here. We looked at her resume', quite impressive. Alice Ozier is the head of our nominating committee. She's had one of the hardest jobs -- and I'm going to speak for just a second Alice and then you can have it -- she's had one of the hardest jobs I've ever seen anybody get down here because we've never had this many qualified people. I would love to serve with anybody on this Board. We've never had the cream of the crop like this come up, and it's really very good. We're in a very good position, so whichever two come in, the other four please help us and give us information. This Board is five people, and it's an awful lot for five people.

Alice, I didn't mean to steal your thunder.

Come on up, and we thank you for what you've done, but come on up and talk about your committee.

MS. ALICE OZIER: First of all I'd like to introduce my committee. I'm Alice Ozier, 203 West; Wiley Barbour, who's sitting in the back back there and Donna Jackson. And we met yesterday afternoon for about an hour and a half, and it was a very difficult decision. And anybody who really put forth their application to serve on this Board deserves our deepest appreciation because it's a lot of work. John and I sat in on a couple of board meetings over the last few years just out of curiosity, and it's a whole lot of work, y'all. It is. Those of you who put -- I don't know whether you know how much work you're asking for, but it's a whole lot of work, and they do a great job of keeping us going. And you can tell from some of the reports how detailed some of the things are. And how they got us through Sally. I mean, there's no -- no way to say how much we appreciate all that work because it's tremendous. Christa's not here. I was going to give a little summary of her application. I'm not sure I can read all of this on my phone. Her resume' is -- she's got a lot of telecommunications association, past president of the Georgia Telephone and Broadband Association. Technology services confirmed by the Mississippi Senate in 2020 as a member of the Lauren Rogers Museum of Arts council, Mississippi Business Journal and she is an attorney.

And her reason she would like to serve on the Board is she said, my legal background and Board experience coupled with my love for Four Seasons would make her an asset to the Board. Her family -- her grandmother was a preconstruction owner, so that's how long her family has been here since before it was built. And so it's her grandmother's, and now it's passed on down to her. And one of the hardest things our committee had to do was -- we really don't know any of these six people. I have met two or three of them through the years. But as far as actually knowing them, all we had to go by was just what was written on our piece of paper. And so you've heard them speak and you've heard their qualifications just like we saw yesterday. We just came into it cold yesterday. And we came up with two names, but that does not mean we rejected the other four. It was just all -- we will be very fortunate for any of these people to serve on our Board.

The two names that we finally decided on -- and believe me it's not a mandate; it's just a recommendation -- but Christa Alexander because of her history. We came up with her and Donna Wilson because of her -- everything. And it was just -- but that does not mean that they are -- those are our suggestions. You are free to vote for any of the four, and I believe any of us on the committee and any of the senior board members will be happy with whatever results y'all come up with because it's your decision. But thank you very much.

I will say that one reason -- Ken said this was the hardest job. I don't think it should have been that hard. One of the reasons I said yes to it, because it was a sure fire way for me not to be nominated. Thank you.

MR. KENNETH BROWN: Thank you, Alice. We appreciate what y'all do. Being on the Board of Directors does require -- we have annual meetings which everyone is invited to attend. We had a meeting yesterday prior to this. We have quarterly meetings, and we always meet on a Friday. Our next meeting will probably be August the 2nd or the 9th. We'll decide that in our meeting. After this meeting we'll have a board meeting. And we invite y'all to come. We encourage input from the owners. That's the only way we know what to do. Alice and them had a very tough job, and I do appreciate everybody that put their name out. This is a qualified group. We'll be glad to work with any of them. Me and Ike will take this thing and go forward and see where this thing goes.

We're going to vote now. They are going to -- They have not handed y'all the ballots yet?

MR. RYAN HOMAN: No.

MR. KENNETH BROWN: All right. We're ready for the ballots.

I made a terrible mistake. We take nominations from the floor. Is there anybody here that wants to jump up and get in the mix? Now is the time to do it. We take nominations from the floor. Anybody is welcome any owner -- you know, it's kind of strange. Looking at our bylaws, you don't even have to be an owner down here to be on this Board. That's strange isn't it? I would have thought that was a requirement, but it's not. Anyway, any other nomination from the floor?

Yes, ma'am?

MS. JEWELL SHEPHERD: Can they introduce themselves one more time, so we can remember their name.

MR. KENNETH BROWN: They would like a name and a face together. Please stand up. Sandra Cooke, Donna Williams, Jerry here and Pam here. And Christa is not here -- Christa Alexander.

As always we appreciate this church offering this facility to us, and we pay them some money. Not mandatory, but if y'all would there will be a bucket up here for you to put a donation in if you would like to contribute to this. I will say we guarantee them so much money. And we are going to do them right. But if y'all would kick in a little something in the pot up here for the church because they give us a good facility and a nice place to meet.

Also Emily up here has parking passes. If anybody needs to purchase parking passes, she brought some with her just for your convenience. So she'll take care of that.

All right. Those two things said, we're fixing to get down -- First of all while they're counting, Ryan and Amanda are counting the votes -- we are going to talk about our parking passes. All of y'all should be familiar with the fact that Memorial Day and the 4th of July, both holidays, are reserved one parking spot per unit. We have 71 owners and 95 parking places. So we are going to wind up giving out the second pass in a drawing. Everybody should get one with the crowd we have here today. What did you say, 13?

MS. EMILY KACHNIC: 13.

MR. KENNETH BROWN: 13 parking passes will be drawn for Memorial Day, and 13 will be drawn for 4th of July. We've changed it up this year. We are giving you the passes. You don't have to buy a pass. The pass is free. Your family can use it. Your renter can use it. You can burn it. We don't care. It's yours. That's a gift. Your requirement is just going to be filled out. We're not going to give it to your renter. We are not going to give it to anybody in your family. It's your responsibility. You're going to leave here with it in your hand, and it's got to be on the car to come in. No excuses. No changes. Don't call Greg and say I won one, and we lost it. If you lost it, you lost it. We're making it simple on Greg. We're making it simple on Ryan. We are all adults. Does that sound good? If you win, we'll put it in your hand. Do with it whatever you want to. Any questions on that? We've had problems before wondering about, you know, owners feel free and renters have the ability to buy one. We are not going to do that. Everybody gets one. Fair enough. Okay. We're going to do that just as soon as they get the votes counted.

MR. TOM CARROLL: What are the dates, specific dates?

MR. KENNETH BROWN: I'll have to ask Ryan. Do you know the specific dates?

MS. EMILY KACHNIC: I know that the one coming up is May 24th through May 31st. So it's a

Saturday to Saturday, whatever that holiday falls between. And July is the same, Saturday to Saturday for the 4th of July.

MR. KENNETH BROWN: We do a full week of this, Saturday to Saturday. You know how a holiday falls in a seven-day period. We always give a full seven days. Did you get those dates?

MR. TOM CARROLL: I got them. Thank you.

MR. RICK SANDERS: It will be in an email.

MR. KENNETH BROWN: Yeah, it should be in an email. It will come out.

Okay. This meeting is going to wrap up pretty quickly because we're going to do the vote. We're going to see who the two board members are. Whoever is on it, y'all got to stay, we have to have a short meeting because we have to set our August meeting. And then we're going to do the raffle on the parking places for those two weekends. Y'all understand everything about the parking passes?

Now, this is y'alls time. Any other questions and answers, any recommendations? Yes, sir.

MR. WILEY BARBOUR: Has there been any consideration to increase the monthly dues and eliminating some of those assessments by accumulating a surplus?

MR. KENNETH BROWN: Did everybody hear what Wiley said?

MR. WILEY BARBOUR: That's a question for the new Board.

MR. KENNETH BROWN: I understand. I understand. Did y'all understand what Wiley asked. Has there been any consideration about increasing the dues -- a hundred dollars a month?

MR. WILEY BARBOUR: Basically.

MR. KENNETH BROWN: That's just a target figure?

MR. WILEY BARBOUR: Yes.

MR. KENNETH BROWN: If we increase $100 a month, we're talking about $85,000 a year, and that would really help our operating fund. It would not mean -- it would not prevent any insurance. But the day-to-day operations we've been watching here, everything has went up. Our water bill this past month jumped up unbelievable. But we need the pools. So we -- we can budget it out through the year. That is something the Board will certainly take up, and I would love to hear discussion from y'all. I think the last time we raised our dues -- shoot, it might have been ten years ago. Do you remember, Wiley, when we last went up on our dues?

MR. WILEY BARBOUR: No, I do not.

MS. PAM HERZWURM: I think it was more recent than ten years ago.

MR. RICK SANDERS: At least once in the last ten years, I think.

MS. PAM HERZWURM: Yeah.

MR. KENNETH BROWN: That's something to be considered because of the escalating costs of everything. We're trying to keep our operating budget somewhere around $150,000. We're a little shy of that right now, but our parking -- and I don't know if y'all are aware of this -- our parking system we went to a couple of years ago generates $100,000 for this Association. Without it we would have already been under -- it makes us good money, and that's one reason we haven't had to go up on the dues.

The parking permits this year is down by $10,000, but we think it's going to come in. We're targeting right at $100,000 for it. But the consideration of raising the dues -- we've got some of the lower dues on the beach right now, I think, for like-size units, but that's something we will certainly consider. Right now -- we're not going to do it right now.

And hopefully -- we did the outside of the buildings the last year or two. We've done the elevators. We are doing the stairwell. I hope we can hit an easy spell. I would like to see us hit an easy spell -- and I'm not talking about major stuff -- but the day-to-day operating has certainly went up, Wiley. It certainly has. And right now our budget -- we're approaching -- Well, we made the first quarter, and we're pretty much on line with our budget this year. But we will consider that. Any comments on that? Do y'all think -- I know the assessments are tough. I know they're tough. I pay them just like y'all do. I will say this. I don't rent. This comes out of my pocket. If you have rental, you can take it off of your income. Some of the people down here don't have that option -- by our choice. I mean, that's just the way it is. So if we go up on that, we'll do it only when it's necessary. But we're not going to get in a bind. We're not going to get in a bind. If we look like we're falling down too much, we will do that.

MR. RICK SANDERS: I got a question for owners that rent. Are your calendars looking like they were last year as far as rental goes; are they about the same? What I saw in the parking pass revenue they looked down. I wondered if y'all were seeing some kind of decrease?

MR. KENNETH BROWN: Last year was a strong year, wasn't it, for renters?

UNKNOWN OWNER: Year before.

MR. KENNETH BROWN: Year before? Year after COVID?

UNKNOWN OWNER: Year before last.

MR. KENNETH BROWN: Looks like a lot of traffic on the beach.

Wiley, did that answer your question at all? And we will consider it.

MR. WILEY BARBOUR: Have you ever considered being a politician?
MR. KENNETH BROWN: I really want to hand this microphone over to Ike, and I can't talk him into it. Yes?
MR. DAVID SHEPHERD: I would like to interject that maybe rather than raising the monthly dues, maybe go up a little bit on the parking? Because we are not paying that. The renters are paying that, and the renters are causing --
MR. KENNETH BROWN: I know this past year the renters are paying and no problem. We are in line. And that's one of the things we try to do is to stay in line with the competitive people down the beach, you know. We're not Turquoise Place and we're not Caribe, and we're never gonna be.
MR. DAVID SHEPHERD: Just a suggestion.
MR. KENNETH BROWN: I understand. That's one of our sources of revenue. And it's certainly passed along without us taking it right on the chin. I understand. We had a little bit of doubts because -- we had no idea we could make that much

money off of parking passes, had no idea.

But those are the type suggestions we need to hear. We're going to hold it down as much as we can without getting financially in a bind.

I take it Mr. Ryan is coming up here to give us the results. You have the vote?

MR. RYAN HOMAN: Yeah. The results came back, and it is Donna Williams and Christa Alexander won the majority of the votes. Those are our two new Board members.

MR. KENNETH BROWN: Donna stand. And Christa is not here. Christa and Donna are our new Board members.

(Applause.)

Welcome to the Board. There will be a short meeting when this meeting is closed. Thank you.

And thank y'all for putting your names up. We really appreciate y'all. Are you the only full-time resident, Sandra? I didn't know you were a full-time resident until you said that. It's great to have eyes on the property.

Because you didn't get elected, does not mean you don't call us. You see stuff that I don't see because I don't come down here as much as I'd like to.

Thank you, Amanda. You're welcome to stay, but you don't have to. Amanda, from Crow Shields & Bailey.

(Applause.)

MS. DONNA JACKSON: I've been a condo owner for longer than anybody. I mean, longer than I care to admit my age. But I think y'all have done an outstanding job.

(Applause.)

MR. KENNETH BROWN: Thank you. We've taken a lot of guidance from people who gave us good advice. One of smartest things -- I don't know if y'all realize this -- one of the smartest things we ever did was take a global settlement after Sally. That put us a light year of all of the other units up and down. It put us financially strong. They gave us one check. We were done with them. And I will tell y'all this. We made money off the hailstorm. I've never made money off a hailstorm. We made good money off the hailstorm. I mean, sometimes it works. Sometimes it doesn't, but we've been real fortunate.

MS. CHERRY LINDAMOOD: I want to say how disappointed I was that we did not have our get-together last night. I look forward to that every year.

MR. KENNETH BROWN: I want to get feedback on that. I really do. We talked about this coming and going. In the years past we've had a social the Friday night before. We didn't know exactly how it was going to work this year. And it's my fault on this because with David resigning or coming off the Board and selling his unit, he was extremely emotional. We wanted to do a little something for him in recognition. And when we got down here yesterday, he wasn't even staying on the property. He was going right back home. And he gets real emotional, and he left our meeting kind of abruptly. We wanted to talk to him a little bit. But due to the circumstances, we didn't have the get-together last night.

Now, Ryan mentioned that some of the Associations have a lunch after this meeting and have a social then when they have people that have come to the meeting. Y'all tell me. What y'all -- the social is fine with us. We can do it just like we've done it in the past, the Friday night before in our room at the property or we can do a lunch. What do y'all want to do? Y'all tell me.

UNKNOWN OWNER: Friday night.

UNKNOWN OWNER: Friday. It was a great way to meet people, because here you're in the meeting.

UNKNOWN OWNER: And you can drink and go back to your condo.

MR. KENNETH BROWN: We'll have it next year for sure. Yes, ma'am?

MS. MARTHA MANN: Can you set next year's meeting now so we have a date to plan for next year?

MR. KENNETH BROWN: I have never thought that far ahead in my life.

MS. MARTHA MANN: Just so I can plan to be here and before a renter gets in.

MR. KENNETH BROWN: We always set the Board of Directors meeting the first or the second Friday in May, and then the meeting is the day after. On our calendar we set it every month according to how the Board of Directors do. If somebody -- We'll give you at least three months warning.

MS. MARTHA MANN: That's not enough.

MR. RICK SANDERS: You could pick the date --

MR. KENNETH BROWN: We're going to set the annual meeting at the August Board meeting. That's a good point, and then we'll have it all on our calendar. But it's always been on either the first or second --

MS. MARTHA MANN: Well, it's changed before too. When I thought it was one week, and then it was the next week, and I was scheduled for the wrong one.

MR. KENNETH BROWN: Okay. And a good attendance is appreciated and needed. You know, that's where we get our ideas.

They're coming up with our parking passes. We'll have Ike pull the numbers. Ryan will read them. They are going to write on these -- am I understanding this right, you're going to write on the tickets and give it to them today?

MR. RYAN HOMAN: Yes. First, Ike is going to pull the first parking passes for Memorial Day week, okay. 101 East. And you can pick them up from me at the table as soon as we're done. We'll have them all marked -- 902 E.

MR. KENNETH BROWN: Raise your hand when they call you.

MR. RYAN HOMAN: 702W, 504W, 502W, 502E, 501W, 401W, 402 East, 201W, 602W, 103 East, 701E. That's all of them. That's all for Memorial Day.

And so I'm going to pull -- we're going to pull for 4th of July week. Just so you guys are aware, the people who will have an extra pass -- 702E, 904E, 304E, 504E, 601W, 302W, 102W, 203W and last but not least 602E.

MR. KENNETH BROWN: Okay. Everyone heard that pretty good. Anybody not get one other than me? Welcome to the club. You are not going to see me on a holiday weekend anyway. Y'all done?

Okay. Everybody knows about the parking passes. Pick them up from Ryan over here on the corner, and we thank y'all for coming. And thank those that ran for the office. We thank y'all for all that you do for the property. Talk to us and let us know what we can do to do better. Donna, your check will be in the mail tomorrow. We appreciate you being on the Board. I need a motion to dismiss.

MR. CHRIS CLEGG: So moved.

MR. KENNETH BROWN: A second?

MS. DONNA JACKSON: Second.

MR. KENNETH BROWN: We consider this meeting adjourned. Thank y'all for coming.

(The meeting was adjourned approximately 10:50 a.m.)

STATE OF ALABAMA )
COUNTY OF BALDWIN )

C E R T I F I C A T E

I, DENNISE S. WOLSTENHOLME, Certified Shorthand Reporter and Notary Public, do hereby certify that the above and foregoing proceedings was taken down by me in machine shorthand and the questions and answers thereto were reduced to typewriting under my personal supervision, and that the foregoing represents a true and correct transcript of the proceedings.

I further certify that I am neither of counsel nor of kin to the parties to the action, nor am I in anywise interested in the result of said cause.

DENNISE S. WOLSTENHOLME, CCR
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Notary Public, State at Large
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