

Condominium Owner's Association

Meeting Minutes

February 13, 2020



Caribe
THE RESORT

Held at Caribe Resort, Building D, 28107 Perdido Beach Blvd., Suite 100 in Orange Beach, Alabama.

Rick Legendre - Let the record show that the meeting is starting at 12:45 pm with the approval of the ownership.

John Evans – Opened in Prayer

Rick Legendre – Led the Pledge of Allegiance

Rick Legendre – Recognition of new owners. Are there any last minute proxies to be turned in? In the future, if you have a proxy – please turn it in early so the Caribe staff does not have to scramble last minute. We have a quorum of 346 in attendance or by proxy. There is a board election this year. Let me introduce to you our board members. I am Rick Legendre; I have been at the Caribe for fifteen years. The wife and I are both retired. I have been on the board for five years. I enjoy serving.

Lester Boihem – I am original owner for around eighteen years. I own units in each building, so there is no preferential treatment. I hope to keep us in technology & that everyone agrees that our tech is the latest and greatest. My hope is that Caribe has the best tech on the island.

John Evans – I have been an owner for five years. It is a privilege to be here. We love this place dearly, and, I hope everyone has an enjoyable experience like I have.

Larry Wireman – I developed Caribe. I love this place. I've been here for a long time. We appreciate all of you folks. I've done this for a long time; please call me if you need anything.

Rick Legendre – Max Himmel is not present due to back surgery. We have one individual running for the board.

Charles Hollis – I am an owner in D1214. I am running for the board. I am a retired major from the US Army. We have been owners at Caribe for 6 years. I have served on the Board of Directors several times at the Biloxi Yacht Club. Caribe is my happy place.

Rick Legendre – There are six names on the ballot, you vote for five. Please take the time to vote now, and pass the ballots to the middle. Stan Szapiel is our general manager. If you could, please introduce the staff.

Stan Szapiel – Introduction of staff.

Rick Legendre – If anyone wants to go witness the vote count, you are welcome to do so. Did everyone receive a proof of the meeting notice? Has everyone had a chance to read the minutes from last year?

Mark Lollard – B608 – Motion to disperse reading of the minutes.

Frank Nettles – D712 – Second the motion

Rick Legendre – I need a motion to and a second to pass the minutes from last year.

Reggie Kincaid – D601 – Motion to pass minutes.

Frank Nettles – D712 – Second the motion

Rick Legendre – Any amendments of the minutes? None heard. Minutes accepted. Matt with Grant Sanders & Taylor is present to give a breakdown of the audit for 2019.

Matt Taylor – Thank you for having me. I am the CPA in Gulf Shores, Alabama. We have completed the audit. Everyone should have a copy of the report in your package. On pages one and two is the independent auditors report. Stan and Amy do a good job keeping your books straight. As of December 31st you had a little over \$2M in the bank in operating and reserves. We did use a little money. Assessments receivables show \$87K at the beginning of the year. There is only one unit with a lien on it by the board. When the unit closes, the dues will be collected. On the balance sheet under liabilities, there is deferred revenue of the telecom assessments. That is the remaining amount of the project to be collected in 2020. You have \$2M in equity versus the \$2.2M last year. Under the revenue, expenses, and changes in member equity, you will see the see a special assessment at the top of the page in the amount of \$546K. That number matches the telecom expense at the bottom. You have earned \$24K in interest rates last year in comparison to \$5.5K in previous years. Centennial disperses money to corresponding banks, so interest rates are up. The water expense is up due to maintenance on the lazy river. You are showing a deficit of \$170K compared to last year's profit of \$70K. There was a decrease in cash of \$176K. The footnotes are the same as prior years. On page 9 – we are increasing our reserve funding & the total is currently at 7% working towards 10% for Freddie Mac/ Fannie May. Any questions?

Rusty Murdaugh – C1113 – There is a substantial increase in Caribe Realty & Caribe Inc. Why is that?

Matt Taylor – Caribe Inc. is doing the telecom upgrades, so that is why the increase. Any other questions?

Rick Legendre – No questions, would anyone like to make a motion to approve the audit?

Frank Nettles – D712 – Motion to pass the audit.

Everett Cote – D912 – Second the motion.

Rick Legendre – Audit Accepted. It is time for officer reports. Stan, will you give a brief property market update?

Stan Szapiel – In 2020, 53 units sold to new owners. There is an average of 4% increase in property values. The two bedrooms spiked. The market is healthy. We continue to see prices go up. We had 48 properties in 2018 transfer. We have 21 units for sale right now across all three buildings.

Rick Legendre – Any questions? If any owner or real estate agent wants to add to this, please feel free to.

Everett Cote – D912 – What was the 3 bedroom increase?

Stan Szapiel – We saw 3% for the three bedroom and 1% for the media room units.

Rick Legendre – Lester, please give an update on the telecom.

Lester Boihem – Please pick up a card showing the channel listing. Our team did a great job of installing. We have the best TV system on the beach. IT has told me that B & C building are fully done. Since then, trouble calls for TVs have gone down. Sorry D building is not completed yet. We have a conference call Monday with Dish & IT should be done within a week after installs start back up. Thank you all for listening to us for our recommendation to go with the Hoppers and Joeys. We have the latest and greatest and I hope everyone is pleased with the internet speeds. We are geared up for the future with higher speeds.

Rick Legendre – Any questions? I think the best thing with the Hopper is the microphone.

Lester Boihem – If Dish will cooperate, David, how long until install?

David Honsvick – IT – We are looking at 5 – 6 days of labor. If you have a more advanced system, we will take care of those select few after we are done with the other units.

Rick Legendre – Let's move onto new business.

Darlene Leblanc – DPH07 – Motion to accept the budget.

Billy Agullard – D104 – Second the motion. Why is the water higher?

Larry Wireman – We can't find the leak. The water bill also went up at Cobalt. We don't know why.

Rick Legendre – Unanimous budget accepted. We will be replacing all cardio equipment in the gyms. Management has looked at buying all new equipment for \$150k plus maintenance. We recommend leasing over a five year period. That way, we do not have to worry about maintenance, and we will get new equipment after five years. We have agreed during spring break to start a pilot program for wrist bands. It will be complicated. Stan, would you care to elaborate?

Stan Szapiel – During spring break, we don't get any college kids. We get high schoolers. This year, we deal with Baldwin, Mobile, and primary Louisiana schools separated this year over three weeks. We propose different wrist bands for guests and owners. Daily wrist band passes for daily visits. This will save the property from damage and stress. We will police this. This is the only time of the year that we get extra security on property to minimize the volume of kids. If we can put a dent in the amount of kids on property, then this should help.

Frank Nettles – D712 – What is the cost of doing something like this?

Stan Szapiel - \$2800 total for the wristbands, and a little higher labor cost. But, if we can get cooperation of the owners and the guests, then it will speed along the process.

Rick Legendre – When plans are finalized, how will they know?

Stan Szapiel – Our owner's website will have all of the information at www.cariberesortowners.com. We will also notify everyone via email and letters.

Sandra Sims – D1007 – Will owners who are living here have wrist bands? And their guests?

Stan Szapiel – Yes.

Darlene Leblanc – DPH07 – For renters, are they only allowed to get wrist bands for the amount their unit sleeps?

Stan Szapiel – Yes. Only the total amount of people in the unit will have wrist bands.

Colleen Winkler – D211 – Is there a limit for owners?

Stan Szapiel – No, but they will be limited so you cannot have house parties. We have over 200 cameras on property vs. the 100 last year thanks to our employee of the year, Sarah. Our goal is to have eyes on every corner of the property.

Rick Legendre – Let's move on to general discussion. If any of you had the opportunity to be here during the holidays, the decorations looked great. Thank you to Amy, Kim, and maintenance for your hard work. I've also been asked to mention to please consider using furniture pads on the legs of your furniture if you replace your flooring. That would help tremendously.

Rusty Murdaugh – C1113 – How many months of the year are you doing the wrist bands? Can you call from a cell phone ahead of time if not on property?

Stan Szapiel – We are doing this only during Spring Break. This is a pilot program. We are just trying to minimize the impact. Yes, you can call ahead of time from a cell phone.

Dale Matherne – D313 – We have a unit at Turquoise and have to wear a wrist band.

Rick Legendre – We are testing the waters.

Stan Szapiel – We are looking at a new key system for the doors. That may give us the same accessibility like Turquoise in the future.

Lester Boihem – In order to use the RFDI wrist bands, we will need to upgrade the locks.

John Kopp – C1209 – How are we policing the dog situation?

Stan Szapiel – There is a 25 pound weight limit for dogs. We are running up against ADA and federal laws. We have to make reasonable compliance for service animals. We can only ask guests two questions. It is frustrating to allow dogs in property for guests. We have had potential lawsuits due to denying service animals – not emotional support animals.

John Kopp – C1209 – But, how are we policing it? Dogs are in spaces they're not supposed to be.

Stan Szapiel – Every dog has a lime green lanyard. Feel free to call security if you see a dog in an area it's not supposed to be in. We can track where the dog came through. Everyone signs off on the rules.

Sandra Sims – D1007 – Thank you for installing the auto doors in the D building. Thank you to Jeff for also fixing my door so it doesn't knock me down.

Hersh Kumar – CPH15 – Are there any plans for gas like Turquoise Place? What about the new buildings?

Larry Wireman – We could have anything we want, but we keep the dues low. Turquoise Place has gas, and that is why their dues are tremendously high. If Trump gets elected, I will build the two new buildings. If he's not elected, I'm going to sell everything I've got! (Laughter from crowd)

George Goodman – B1212 – Is anything being done to control the number of cars on property?

Larry Wireman – I have permission to build another parking lot. That's the only thing I can do.

John Harmon – D205 – Can we add another fishing dock down in front of D building? Can we fish down there?

Rick Legendre – Those docks are separate from the association.

Cheryl Richerson – CPH16 – Is anyone looking to see if every dog has a green leash?

Stan Szapiel – Yes. When dogs don't have the green leash, we direct them to the sales office and kick out the dog if not compliant.

Rick Legendre – Please call security to handle the dog situation.

Jennifer Bass – D510 – I have noticed a lot of pets that are very large. Nobody cleans up after the pets. Please clean up after them.

Sandra O'Connor – B501 – Please clean up after your pets. I'm a dog lover, just please clean up their mess.

Jim Price – D512 – I've been here since 2004. It is a great place? It isn't perfect, but close to it. Can we get a separate owner's gate? Other than that, these gentlemen have done a fantastic job.

Billy Aguiard – D104 – I walk around before every meeting. Besides the normal wear and tear, I want to thank the maintenance staff. It looks better today than it has in the last three to four years. Can we get some tables and chairs on the other side of the Lazy River deck?

Stan Szapiel – Yes.

Owner – ? – The gift shop needs to be stocked better.

Brian Collins – D815 – The vehicular situation in front of the lobby doors is frustrating when people abandon their cars. Can we get a sign to say no unattended vehicles in front of the lobbies?

Rick Legendre – Thank you for the positive comments. And, I don't mean to be little the comments or concerns, but we are in great shape. Thank you to management and Larry.

Richie Kincaid – D601 – Thank you for planning this first class event.

Denise Morgan – C506 – Can we have a director of owners? Can you set up something that could be voluntary?

Darlene Leblanc – CPH07 – Thanks for the event. Today's luncheon was awesome. One concern: We had a problem with proxies potentially due to Mardi gras. Can we look at when Mardi Gras is to plan the meeting?

Kevin Cross – B605 – The only improvement I'd like is to add one or two extra outdoor grills.

Everett Cote – D912 – Caribe is a phenomenal place. The only question/ recommendation – could we get some hedges in the entry way?

Ann Humphrey – D502 – Can we do a Facebook Page/ Group for owners?

Rick Legendre – All existing board members were re-elected. Can I get a motion to close the meeting?

Lebron Creech – C1005 – Motion to close.

Darlene Leblanc – CPH07 – Second.

Meeting Adjourned