

Board of Directors Meeting

Held on March 18, 2023 at 9am at Caribe Resort, 28103 Perdido Beach Blvd, Suite B100 in Orange Beach, Alabama

Introductions: Rick Legendre, Lester Boihem, Joe Mendola, Larry Wireman, John Evans, Stan Szapiel and John Marc Price

Rick: Calls meeting to order at 9:10AM.

Lester: I'm making a motion to go into the executive meeting session.

Joe: I second the motion.

Motion Lester out of session

Larry: Request to ask who is not in favor of the budget?

Rick: I second the motion - All agrees.

John Marc arrives to executive session

Rick: I appreciate John Marc and Stan for working on this insurance claim.

Rick: Discusses Arthur J. Gallagher meeting that John Marc, Larry and Rick attended.

John Marc: McCarron is saying that there is a 25% increase in insurance at a minimum. McCarron will hopefully have their insurance bid by the first of the week, hopefully on Monday, March 20th.

John Marc: Discusses parametric option of insurance, explains \$500k to \$700k coverage to have a higher option. Which will reduce the premium and wind.

Rick: Parametrics based on wind speed, location of incoming storm, etc. The cost is higher if the wind speed is slower.

John Marc: We have spoken to six different insurance companies, majority have stated there is an expected increase from 50% to 70%, if 30% increase it will all be a win.

Larry: The first 10 million is the most expensive that we have to cover. McCarron is working on that as we speak.

Joe: What about self-insurance?

Larry: We expected a 25% increase last year and it came out to 75%.

Larry: I cautioned Kevin McCarron to not have another massive increase in premium coverages or we will change carriers.

Stan: We have a 47% increase budgeted.

John Marc: Several major players have gone from the market but will be replaced.

Rick: AJG was helpful to better understanding parametrics.

John Marc: Maybe a parametric is a good option if we can get it for \$400k - \$500k.

Larry: The lower the wind speed the higher the parametric cost.

Stan: Hurricane Sally was 126 miles an hour sustained wind at Caribe.

Rick: Wind speed is also a variable in parametrics.

Larry: Most hurricanes sustained winds are not as long as Hurricane Sally.

Joe: What were the sustained winds and the peak wind?

John Marc: NOAA actuals had 126 sustained winds and category 3 for peak winds.

Rick: Thank you John Marc.

John Marc departs

Stan: This meeting will have a paper count vote similar to the annual meeting vote.

John Evans: How many people will be present?

Stan: We are set for 120 people.

Rick: Agenda will be about vote only.

Stan: Minutes need to be approved by the board and then it will be posted on the Caribe Owner's website. We will not print unless requested due to the number of pages.

Rick: Budget is the same as the board approved.

Larry: Recognized.

Stan: In the mail out next year we will have to include the budget. If you want to have one meeting, it will have to be at least 14 days after we get the budget completed. That will be in the same time frame as we have every year.

Board discusses shooting for and agrees to March 16, 2024 as next year's meeting date. This will include that mail out, agenda, and the budget sent to all owners. This should give the board time to review and approve the budget.

Stan: More owners can attend on March 16, 2024 as most Snow birds will be gone.

Rick: When will the deck be finished?

Stan: Charlie pool deck is planned to be finished by the 1st week of April and it will be totally finished, including lazy river, by the first week of May or close to that time frame.

Larry: Motion to close the meeting.

Joe: Second.

Meeting Ends

Board goes into Executive Session

Board comes out of Executive Session