

COA 2023 Meeting Minutes

Caribe Owners Association, Inc annual meeting held at 28107 Perdido Beach Blvd D100 Orange Beach, AL 36561, at 1:00pm on February 18, 2023.

00:02:44

Rick Legendre: Okay. Good afternoon, everyone. I'm Rick Legendre, and Larry Wireman is our president, but he has asked me to chair the meeting today. So I'm going to stand up here and do it. I found that my fellow board members over the last year must have gained a few pounds because I can't fit in the middle anymore. But anyway, I'd like to begin the meeting by asking for the new owners, your first time is here, to raise your hand. First meeting. Wow. Thank you. Thank you. Welcome. Hope you learn a lot here today. We begin our meetings with a prayer and a pledge. I'm going to ask that you stand for the prayer and remain standing for the pledge. I'm going to ask anyone here would like to offer up a prayer. I'm going to ask Mr. John Evans, our board member, to offer it.

00:03:43

Rick Legendre: Prayer, please.

00:03:45

John Evans: Let's go to God with me, please. How gracious God, you are indeed. The ruler of the earth and of the universe. And we give you thanks for the bounty you have shared with us freely. You have shared your grace with us. And welcome us into your presence with open arms. And though we may not be worthy, we are still accepted in all of your good grace. We give you thanks for our ability to share some of the bounty which you have shared with us in order to participate in a beautiful facility such as this that we may share it in brotherhood and brotherly love. And now, Father, we know that all these things are provided through your son, Jesus Christ, who sacrificed his life, that we may live. And it is in his name that we offer this prayer. Amen.

00:04:37

Rick Legendre: Amen. Thank you, John. Please remain standing. And I've asked Mr. Frank Thornton from B 612. He is a veteran, and we always like to have a veteran lead our prayer.

00:04:47

Rick Legendre: I mean our pledge.

00:04:48

Rick Legendre: Right?

00:05:00

John Evans: You all right? Need a chair.

00:05:08

Background Speakers: Do we have to get a chair? Great. Great. Here we go. Hey, Mark. How you doing, buddy? You see you standing there. You got a. You said it. All right. Lay down. No. Hope you'll still be okay. You look great. You got a wheelchair? Don't worry about that. No, Apologize. Yeah. No. Derek. So my call 911. Rick. Put me on. (Owner got weak at meeting, employees assisting in getting medical/wheel chair assistance to him)

00:07:53

John Evans: While we're all standing, let us go ahead and pledge allegiance to the flag. I pledge allegiance to the flag of the United States of America and to the republic for which it stands one nation, under God, indivisible, with liberty and justice for all. Thank you. Be seated.

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00:08:27

Rick Legendre: We did the pledge. We did? Yeah.

00:08:34

Rick Legendre: Thank you, John. Well, sorry about that. I think he's going to be fine. Thank you. OC. Amy, roll call. Can you do an official roll call, please?

00:08:54

00:08:56

Rick Legendre: But for the record, can we do the roll call for the board?

00:09:01

Amy Boyington: Ok we have Rick Legendre, Larry Wireman, John Evans, Joe Mendola, Lester Boihem and Judy Wireman.

00:09:16

Rick Legendre: Okay. All is here. Thank you. One last thing. Do we have any last minute proxies that need to be turned in as your last chance to turn in a proxy? Proxies are up at the front table. I ask anyone wants to witness the voting, please witness the voting of the proxies. Feel free to come up to the front. And we obviously we cannot allow a crowd up there. But if one or two people want to witness the proxy counting, feel free to do so. Okay. And you said you said we do have a quorum to do business.

00:09:52

Amy Boyington: We do have a quorum. I can give you the actual numbers. I'm just about through with counts, but we've already got the count between proxy and present.

00:10:03

Rick Legendre: Okay, fine. Thank you. Amy, I'm going to make just a couple of opening comments before we start business. A couple of rules. First and foremost, if you're called upon to ask a question or make a comment, we ask that you state your name and unit number and wait until the mic gets there before you to ask your question. This way allows you to go into the record. Another important issue is, you have ballots within your packet. Do not vote the ballots until we call the vote, which would probably be at the end of the meeting. And I'm going to go ahead real quickly and just address the elephant in the room, I think we all know that there has been a group of owners that has decided to file a lawsuit against us, the board, and against Judy and Larry Wireman. And I'm going to only tell you that we, the association, the board, has hired ample representation. We're going to protect the integrity and we're going to protect the reputation of Caribe by advice of our attorney. We cannot answer or respond to any comments that you may have or any specific questions about the lawsuit. We do have, and I'll introduce him later, Mr. Dan Craven's here, who the board has hired to be the association attorney, and we're going to let him come up in a second, later on in the meeting and talk for a few minutes. Anyway, like I said, we cannot respond to any of your questions or comments, and it will all be answered in due time. Larry, do you have any other comments that you would like to make?

00:11:50

Larry Wireman: Not at this time.

00:11:51

Rick Legendre: Okay. We're going to go into the meeting. Each of you has received a letter of

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notice of the meeting. You received it in the mail. It's on the website. It's been posted in the buildings. We were required to post this and to make you aware of the meeting. I can read the letter or I'll take a motion in a second to waive the reading of the letter. Frank. Frank Nettles. I know which unit number, but y'all. Somebody made a motion. Sorry your name and number. Hmm. Did you get that?

00:12:44

Gil Broussard - CRB1002: Gil Broussard B 1002.

00:12:46

Rick Legendre: Ok, we got everyone's in agreement that waive the reading of the second. Okay, fine, thank you. Yeah, well, I said all in favor of that, I. I'm going to go ahead and introduce the board members now. And in doing so, I'm going to ask the board members as I introduce them. Anyone opposed to me waive the reading of the letter when everyone said yes, Judy, I just assume there was no opposition.

00:13:24

Rick Legendre: He's earning his keep already.

00:13:28

Rick Legendre: Yeah.

00:13:30

Rick Legendre: Anyway, I'm going to go ahead and introduce the board members. And in doing so, as you all know, we have an election today. We have an election every year. As I introduced the board member, I'm going to ask each and every one of them to sort of make their last and final pitch to you before the before the vote. You've all seen their bios been listed on the websites. I'm going to give everyone and as well as the candidate that's running an opportunity to speak. What we're going to do after the introductions. We're going to move the vote actually to the end of the meeting. And there's a reason we want to do that. We want you, the owner, to understand what has happened this past year, what we plan on doing, where are we going, where the money's been spent, and that you decide what's right and you can then vote one way or the other for us. So with that, I'll begin with our president, as you all know, Larry Wireman. Larry.

00:14:28

00:14:29

Larry Wireman: Stan always scolds me for not speaking loud enough. You folks hear me? Is that too loud? All right. My name is Larry Wireman, and I'm the president of the homeowner's association. And I thank you all for coming. We've had a couple of kind of disastrous years as far as the storms have been and what have you. But I'd like for us all to kind of pull together and try to get through this last little phase of it, because I think we're close. I think my group, I haven't done much, but my group has done a lot. And so, with that, I'm going to sit down and shut up. Thank you.

00:15:33

Rick Legendre: I'll just go down the line. John. John Evans.

00:15:40

John Evans: I'll take your podium. Okay. Go ahead.

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00:15:44

Rick Legendre: Okay. Go ahead. I have a feeling it's going to be a long speech. Let me get my glass.

00:15:50

John Evans: Yeah, it's going to be long. I'm John Evans. I'm a former farmer and I've been a member of many organizations. I've been on a board of directors of a co-op that did \$12 billion in business. And I've been president or some officer on every board that I've ever served on. And I think that it's best for all of us to understand that a board has no managerial authority. The board of directors cannot direct the activities of the association beyond making policy. We don't hire the managers. The management group is hired by the board, which is Caribe Realty and Caribe Resort, Inc. They are responsible for hiring the board. If you look at your financial statement, when we get to that point, you'll notice how little the administrative fees are. And it is because of the way the board has decided to hire the management of the association. And I want to compliment the management for the work that they've done. As you all know, Sally was a very destructive storm. But in every position, in every association I've ever been with, there are always someone who think they can do it better. And yet many times they don't step forward. They use other means. This administration has done everything they can do to mitigate the damage from the storm and to do it as cheaply as possible. And I say that because we have competitive bids from other mitigation companies that are nearly double what it is cost us to repair the damage from Hurricane Sally. Beyond that, I want to say that when I first got elected to the board, I didn't know Larry Wireman very well, didn't know what his, other than the fact, that he was the man that developed this resort. This is not just condominiums. This is a resort. And so, I have to respect his position. I also have to respect his ability because no one knows this place better than he. And so, he has worked very hard to do this job as cheaply as possible, because there are other condominium associations that I personally know of that have had assessments from 30,000 to 150,000 is the highest one I've heard of to repair their facilities. To this date, this association has not had an assessment and they have worked extremely hard because we, the board, have been informed of every action they decide to take. They have worked extremely hard to avoid a big assessment. This is something that just doesn't happen very often in owners' associations of condos. And so, I want to say to close this, that without Larry Wireman, without his knowledge of construction, without his knowledge of people who can do the jobs, which is very hard to find. For Judy and her role in supporting him and to Stan for standing in the gun site of arranging all of this. If anybody is taking any shots, it's been Stan. He's the front guy. And I stand behind him even though he can't cover all of me. But he can protect, he can protect most of me. So, I think they're all owed debt of gratitude for management in the way that they've done it. I know there's been varying damages to different units depending on where they are located in the complex. But still they have worked extremely hard to keep the cost of this repair inside of our insurance settlement. And without having to go back to you for more money. And they're all owed the big debt of gratitude. Thank you.

00:20:28

Rick Legendre: I've learned never to argue with a guy who wears bullets on his belt. So, let's see. Joe. Joe Mendola.

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00:20:45

Joe Mendola: Good afternoon, everybody. My name is Joe Mendola. I've been on this board for the last two years. I've been an owner here at Caribe since the very beginning in 2002. I had a unit in the B building and actually watched the construction of the C and D buildings. And once the buildings opened up, we sold our B building unit and moved over to the D building. I'm going to quickly give you a background on my 60 years of life and to take care of the accent part. I was born in Brooklyn, New York. I lived there for 27 years. And then I met my wife, Angela, who's sitting in the back on the right side. And I've been married this year will be 34 years to Angela. She brought me to the better place down south. We're currently living in Georgia. I got my CPA license in New York. I graduated from Pace University in 1984. I worked for an international CPA firm called Leventhal and Horvath for seven years. And when I got married and moved to Atlanta, I requested a transfer and worked out of the Atlanta office. But shortly, with all the adjustments, I changed jobs from the CPA firm, and I went to work for county government as a county auditor. I stayed there for three years working in the assessor's office, and I performed a lot of audits of the local businesses for the county. And the Department of Revenue in Georgia saw that they had a CPA on government side. They asked me to develop classes and teach the other appraisers around the state and all 159 counties. So, when I was teaching these courses while working at the county, I saw the whole state had a need and needed a lot of help. And that made me start my own accounting firm in 1995. So, I performed audits in 1995 and still doing that currently. The firm grew. We worked in, we had an office in Tennessee and Knoxville. We did work for six or seven counties in Tennessee. We did some work for counties in Michigan, some work in Alabama and some work in Florida. But currently it's just me and two staff, and we're working just in Georgia currently. But what brought me to Alabama was early in our marriage, in the early, late nineties, we would go down to Destin for our beach vacations in Florida. And of course, the beach is beautiful, but the prices of the condos were so expensive. So, my in-laws recommended we should come to Orange Beach. And the first time we came into Orange Beach in 1998, I wound up putting an offer and buying a condo at Blue Water. While owning and enjoying that condo. We reserved the condo here at Caribe. And then being a CPA and looking for tax deductions and everything down here at that time was a very good investment. I was blessed and invested in a lot of new construction, and I acquired some properties at Bella Luna, Indigo and Turquoise and Lois Quay. And while owning these units, of course, I can't live in all of them. So, we were renting them out for income. I saw the demand in renting them out, so I started my own vacation rental company managing my properties, and then we started managing other owners' properties. Again, by being a CPA, owning in these buildings, serving on boards at some of these properties, I met a lot of owners. There was the need. So that firm started right around the oil spill in 2009. I grew that rental business and sold that to Wyndham. But also, when I was owning these condos, I served on the board at Indigo and we had issues with the management of the staff at Indigo and the management companies, the various management companies. So, the board and I, we discussed I would come off the board and I obtained my community association managers license in Florida and I developed a management company, and we managed Indigo, which is two Towers, 177 units. During the time of managing Indigo, we also managed the two towers Mediterranean right next to Flora Bama. After five years of doing that, we worked out with the board at Indigo that I hired a person that would become

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an in-house manager for Indigo and then turn the employees back over to Indigo. And I refocused back on my accounting business back in Georgia. But the last thing I want to say today, I got rid of all those other condos, and I only kept my unit here at Caribe. And there's a reason why. First, my children, they grew up here a crib, and they had the choice of going to all these other condos. But they always wanted to come to Caribe. And meeting all the owners and dealing with all the issues at the other properties. Caribe was truly like a family. And I can't thank the man here on my right, Larry Wireman, enough for what he's done to this property. He's helped many people financially, especially the original purchasers in the A and B, I'm sorry the B building, but his dedication to this property is unbelievable. His knowledge about this property is unbelievable. And, I've seen the man with a brace on his ankle and how hard he worked. That's what's made me choose to keep this unit and stay here. And my plan, hopefully in the next 5 to 7 years, is to retire and make Caribe my full-time residence. I appreciate representing all of you. I will do my best with sharing my knowledge and trying to keep things in control. And we are one big happy family here. And we're in this investment together. We're 600 units. 608, if you count the commercial spaces, but I will do my best to share my knowledge and keeping our investment, safe and protected and keeping expenses under control. I appreciate your support and I appreciate your vote. And I'll shut up now. Thank you.

00:28:28

Rick Legendre: Thank you, Joe. Lester. Lester. Boenheim.

00:28:35

Lester Boheim: I'm Lester Boenheim and I am an original owner here and I currently own two units. C 1002 and C1007. I am a technology person and I do consult with I.T. on our technology here to make sure Caribe has the best and greatest technology. And I think everybody can attest to that. We do. You know, our Internet is fabulous. Our TV is fabulous. So, technology is great. And that's mostly what I do here at Caribe to help keep us with the latest and greatest technology. Years ago, I was on a board, another condominium, and it was like Internet. We don't need Internet. And it's like, well, you know, it's going to get to a point where these questionnaires that people ask before they rent a unit. You know, back in the day, they used to say, well, we're kind of you know, you got TV, you got HBO. You know. What's the amenities? I told them way back then, I said, it's going to get to a point where the first thing somebody's going to ask for is. Do we have wi-fi? And everybody looked at me like, you're crazy. Well, I guarantee you that's what it is now. So, I would appreciate your vote to continue doing the job that I do. Hopefully best in technology here.

00:30:19

Rick Legendre: Here. Thank you, Lester. Once again, my name is Rick Legendre. If you've read my bio, you will see that I've spent most of my professional career in government, both local, state, many years in the federal government, working for two United States congressmen. So, I guess you could say that I was paid to be criticized. Now I'm on a volunteer board. I want to make sure everyone understands we do not get paid a penny for sitting on this board. We put up our time, we volunteer. So, I got to tell you, it's a little discouraging when you when you put your heart and your soul into a place like this and you start getting this weird criticism. I mean, things being said that you have no idea where it's coming from. It gets a little discouraging. But last night at the owner's reception, I had a

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number of owners come up to me, and I'm sure the other board members as well and thank us. And express the appreciation and the gratitude for the work that we are doing. I got to tell you, for a while there I was thinking of rolling off this board, but last night recharged my batteries. I'm ready. I'm ready to finish the job. We have a lot of projects ongoing right now. We have a lot of projects on the books. We have a lot of money at this point because of the insurance settlement. So, with that, I'm going to ask you to put your confidence in me again, return me to the board because I want to see the money spent correctly. I want to see this place. I want us to see us live again, like our motto, unlike no other. Thank you. We have we have another candidate that's running for the board. Jim McClain. Jim, you here? Jim. Jim. Jim. Okay, sir. You want to come address, please?

00:32:25

Jim McClain: Sure.

00:32:27

Rick Legendre: All right. Okay. Whatever you want. Why don't you come here? Because these people can't see you, okay?

00:32:38

Jim McClain: Hmm. They may appreciate it. Appreciate not being able to see me too much to look at. Good afternoon. I'm Jim McClain. I'm a new owner to the Caribe. My wife Bonnie, back here, my family and I have been coming here. Oh Lord, 18 plus years, I guess. I guess we love the Caribe. We stayed here. We had four boys. We stayed here through baseball tournaments, through family vacations, various other things. And just fell in love with it. We started looking for a condo to purchase about two years ago. And I looked from Dauphin Island to Pensacola. I looked at the damage that was done from various hurricanes, how things were managed and handled. And this is the place that I always come back to that persevered the damage. It was kept running properly and yes, it sustained damage. But, you know, a lot of it is being fixed now, especially over the last few months. My professional background. First off, I'm a Mississippi state graduate, so you can't hold anything against me if you're in Alabama and Auburn fan, even Tennessee and so forth. But anyway, we do have a good baseball program. However, we'll stand tall with you. I left, graduated Mississippi State in 1980. I went to work for US Steel Corp in Fairfield, Alabama, and management. I spent eight years with them. I call it my boot camp to what I evolved into. I got into industrial sales and for the last 33 years my own company as a sales rep agency, we cover 11 states throughout the South, southern United States. My two sons are employed by us. Actually, they are employed by themselves now because I bought this unit in June of last year, and I turned my business over to my oldest son in July that year where I could retire and come down and enjoy it more. I've also been involved in the political side, as Rick had said he was. I was in city government in the city of Alabaster, Alabama, for 12 years serving on the city council. I served eight years of that time as a council president, familiar with all the rules and regulations and Robert's Rules of Order and Sunshine Law rules and all that stuff on conducting meetings and all. You know, I've tried to take on anything in life to learn, and I don't think you ever get too old to learn. And I don't come in here with any preconceived notions about good, bad or indifferent. I only want to know that I bought a unit I made a successful substantial investment in, and I want to see it grow and prosper.

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And it's that simple. That's nothing fancy about me. I'm just an old country boy that grew up in Mississippi. Thank you. If you'd vote for me, I'd appreciate it. Thank you.

00:35:52

Rick Legendre: Jim. I mean, Jim, they all know us. But if there are any questions, you willing to take Any questions.

00:36:01

Jim McClain: Sure.

00:36:03

Jim McClain: Hey. Target on my back yet?

00:36:05

Rick Legendre: You get used to it. Any questions for Jim? There you go. To let you off the hook, man.

00:36:11

Jim McClain: Thank you. Okay. You get me? Almost.

00:36:15

Rick Legendre: Thank you for offering your services all the way, Jim. Thank you. Okay. Any other candidates? None. You have six names on your ballot. Again, do not vote to the end of the meeting, please. You will select five, at least five of the names of the six. A couple of other introductions before we move forward. Everyone knows Stan Szapiel, our general manager. Stan, are your building reps, here? The owner relations people. Would you introduce them, please?

00:36:57

Stan Szapiel: Okay. Thank you all for being here today. We got a bunch of staff members behind the wall. I believe Seth is back there in our aquatics. We got our IT Crew. Tim, David, Jeremy in the back. Over here we have Robin, our rental director, Hayli, owner relations. Melissa accounting, we got Amy, our accounting director. Maria, she takes care of our reservations through VRBO and Airbnb and all that kind of stuff. Tori, our HR person. Caleb, Owner relations. Maudie, our group sales Coordinator and events coordinator. We got David in aquatics and Derek, our head of security. And Jeff is sitting in the back, our director of Maintenance. Did I miss anybody on staff? These are the guys that do it all for you guys, so I would like a round of applause. Thank you.

00:37:47

Rick Legendre: We have a couple of other consultants that we will be introducing later on in the meeting, but also want to introduce to you, I mentioned the name before, Mr. Dan Cravens. He will be the new attorney for the association. Dan, I'm going to ask him to come up later on in the new business and you'll see why. I just wanted to introduce him. I have been told that we have 365 present either by person or by proxy. So that means we can do business legally now. Next up on the agenda is the reading of the minutes. You all have received a copy of the minutes. Are they in the packet this year? I know they've been on the website, the owner's website since I think a week or so after the last meeting. But anyway, you have had access to them for at least a year. So, I will need a motion and a second to accept the minutes.

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00:38:47

Rick Legendre: We accept them. And John Evans your second. Any corrections or amendments that need to be made to the minutes. You have a hand in the back. Name and number, please. Wait for the mic. Wait for the mic.

00:39:11

Sandra Collins - CRD815: Sandra Collins, D 815 I made some comments and ask some questions at last year's meeting that were very important in regards to the docks and some answers were given. Nothing is in the minutes about that conversation from last year. Thank you.

00:39:33

Rick Legendre: Sandy, I think we're going to answer your question later on in new business. And I think you'll be satisfied. I think. All right. Any other corrections or amendments? Let let. Let the record note Sandy's question/comment. All in favor of accepting the minutes as is. Say I. Any nays? Okay. Thank you. Next up is our auditor, Matt Taylor from Grant Sanders. He's going to come and give go over our financials for the year and he'll give you the latest update. Thanks. All right, Matt, It's all yours.

00:40:17

Matt Taylor: Thank you, Rick. My name is Matt Taylor. I'm a CPA in Gulf Shores. I'm a partner in the firm of Grant, Sanders, and Taylor. I'm the third name on the list, so I do all the work. I'm here to present your audited financial statement for the year ending December 31st, 2022. So, this is always my first meeting of the year and kind of kicks off the meeting season for me. And it's always a pleasure to get to come to Caribe. I'll hit a couple of highlights and then take any questions anybody may have. First of all, on pages one and two, which hopefully everybody has a copy of my report, fresh off the press yesterday, Pages one and two is my independent auditor's report, which is unmodified as it has been in years past, which means your financial statements are fairly stated in all material respects. And we did post some material adjustments this year, which I'll talk about in a minute. But with those adjustments, the financial statements are fairly stated in all material respects, which is what you pay me for. On page three, your balance sheet. The association wound up the year with \$11,532,460 in the bank, which was quite a large increase from last year due primarily to the insurance settlement that we received the final insurance settlement for the year. Assessments receivable were up a good bit this year, 136,000 outstanding, none of them significant. There was 127 total. There was only 43 over 1000 and there were none over 10,000. So, there's not like any runaway receivables, but it was an increase this year at year end. Under liabilities accounts payable million 894, that was primarily accruals adjustments we had to make for accounts payables that weren't recorded in the books at the end of the year. But that was all primarily Hurricane Sally payables work that was in place in December that we had not paid for yet. Prepaid assessments, a little bit less than last year, but that's folks paying their assessments early and then deferred revenue insurance proceeds, \$4,477,129. That is the amount that is outstanding. That will be the work that is projected to be done by the board in 2023 is about \$4.4 million left to be projected. I'm not saying it's going to be exactly that, but out of the insurance proceeds we received, we deferred 4.4 million. The balance we dropped to the bottom line this year, which you'll see on the next page. So that is ending the association at the end of the year with about a 6.4 million fund

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balance to the good, which is great. The next page four, it's basically your profit and loss statement. Association dues were about 6.6 million this year. We did have the dues increase last year, first one in quite a number of years, I believe. So, we went from 5.5 to 6.6 on dues. The insurance proceeds \$10,948,101. That's the number I was talking about. That's the exclusive of the 4.4 that that's the balance of the insurance proceeds. For the final settlement. All right. I'm sorry. Let's see here. Moving down to expenses for the year ended 2022. We had about \$5,454,587 in hurricane expenses for the 12-month period ended insurance. I think Kevin is going to talk to you about insurance in just a little bit. Last year it was up to a million, just under a million seven from a million one. That was about a 53% increase in insurance expense. And we're seeing that across the board. Y'all aren't anything special. That's just that's the business insurance, which I'm sure Kevin will talk to you all about in just a little bit. So, this year, the association had a net excess revenues over expenses of 4,732,000. Now, keep in mind that about 5.4 million of that number. Or 5.4 in the revenue is excess insurance proceeds, 5.4 million. That's basically the number. Of the total insurance we received over three years less the hurricane expenses. For the three years we had about 5.4 million excess that's dropping into that 4.7 million number. So, without that, we'd had about a \$722,000 loss this year. I guess I'll point that out because you're going to have that next year if these insurance rates keep doing what they're doing in the past few years, you're going to have to be looking at some type of I think Congress likes to call it revenue enhancement. So, we don't talk about increases or assessments. We talk about revenue enhancement. I did want to point that out. Page five, Cash Flow Statement, probably the most important statement in the financial statement, but probably Joe and I are the only two that understand it. But that middle line net cash provided by operating activities \$7.1 million. That's the important thing. That is the net cash flow that Craig used to purchase this equipment, repay its note payable on your exercise equipment and increase our cash by \$6.6 million this year. So, the end of last year, our cash was at 4.8. At the end of this year, it's at 11 and one half million. Notes are pretty much the same as prior year's Note seven. I always like to mention, especially to the new owners, Fannie Mae, Freddie Mac requirements. They started looking at this back in 08-09. I guess when they started, they did not favor lending money in resort areas anymore. They started requiring a 10% annual budgeting for reserves, 10% of your annual expenditures, your annual budget. And Caribe does budget that in their budget every year, 10%. So, if you're selling your unit and somebody's trying to get a Fannie Mae or Freddie Mac mortgage, you can point them to this audit report that addresses that. So, it can be important. Most of the time it's not, but it can be. Note eight & Note nine are just updated from last year on the total hurricane Sally repairs. The total insurance proceeds basically it's a summary of what I've discussed about the total expenditures, the total insurance proceeds, and the amount that we've deferred to next year of 4.4 million. Note nine is our related party transaction note; there are substantial related party transactions at Caribe. They're all detailed in that note and the companies that Caribe does business with. With that, we have determined are related parties. The amounts paid to those related parties for the year ending 22 and 21 on their. Note ten is more about insurance proceeds, if you like to read about that. And, we did issue a management comment. Letter was actually a letter of reportable conditions and material weaknesses because we did post an adjustment for about \$1.7 million accruing unrecorded liabilities for hurricane expenditures. Since that was material to the financial statements, I have to call it a

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material weakness. That is the only reason the language in this is a little different from prior years. And also, we reference not as a material weakness or reportable condition, but just another matter that there is no reserve study presented with this audit. Reserve study is required to be presented by my professional standards. If it's not presented, I just have to tell you that it's not there. So that's what I'm doing there. I do that every year because Caribe doesn't report on the fund level basis. Caribe doesn't have a reserve study that they provide to me to include in the report. So, I just have to let you all know it's not there and that's it. Could I take any questions from anybody? Yes, sir.

00:49:19

Mike Sappington - CRD804: Mike Sappington. How much were the estimate of the total sally receipts. From all the year since the storm? How much was our approximate amount?

00:49:43

Matt Taylor: The total combined expended at the end of the year, which would include what's upcoming in 2023 receipts.

00:49:57

Mike Sappington - CRD804: The income data we got. I have insurance proceeds from the claim. I didn't think it's a difficult question. Never mind if it's difficult.

00:50:08

Matt Taylor: Well, I don't. I had the expenditures rule. I have expenditures real handy.

00:50:15

Mike Sappington - CRD804: Sorry.

00:50:17

Matt Taylor: That's in the proceeds number. Yeah. Let's see here. Well, that's the current year.

00:50:30

Stan Szapiel: It's at top of page eight.

00:50:32

Matt Taylor: 28 years running.

00:50:34

Rick Legendre: That a number of what we've received. We have a consultant here that's going to address all that in a second. Later in the meeting here. Yeah. Coming up.

00:50:44

Matt Taylor: Expenditures were \$15,822,118. And if you add to that the five and one half, it was about 21 million. Cash received that's exclusive of deductible and exclusive of uninsurable common area elements that were replaced to.

00:51:07

Background Speakers: One other question.

00:51:08

Stan Szapiel: Yes, sir. Can I say something, please? There's a non disclosure about the receivables in this group because there's some nonmembers in this group, so you may not get that answer. But we have all those numbers here.

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00:51:20

Rick Legendre: That's where I was.

00:51:21

Stan Szapiel: Thank you.

00:51:23

Rick Legendre: That's where I was getting that.

00:51:32

Matt Taylor: 2022. He was on total for the three-year period.

00:51:37

Background Speakers: I don't know what it is.

00:51:39

John Sparks - CRD812: John Sparks D0812. I had a problem, not a problem. I have a question about note eight again. It says we entered an agreement with Caribe Inc. The total amount of the agreement was worth 28 million change. Then it says that we got insurance. Or we've spent so far 15 million, and we're estimating we spent another 4.4 million this year that's been set aside. So that's around 20 million, right? So, the other 8 million is my question. What did we get? How much did we get in insurance and how much do we get or how much do we estimate our repairs are going to be for the three years, not for just one year, but for the three years?

00:52:26

Rick Legendre: Our very next segment, The Old and New Business. We're going to be addressing all of that if you don't mind waiting.

00:52:31

John Sparks - CRD812: So, are you going to do the numbers then as well? So, you're going to do the numbers. I mean, he's the guy right. So, you're going to do the numbers then as well.

00:52:40

Rick Legendre: To a certain point, we can do the numbers, but we have two consultants here that will go through all of this. Thank you. Anyone else? All right, Matt, thank you. I got a couple of questions if you don't mind me just asking. How long have you been doing audits for?

00:53:04

Matt Taylor: I should look, at least ten years.

00:53:05

Rick Legendre: At least ten years. How many audits do you do? Up and down the coast.

00:53:13

Matt Taylor: 120, probably a year.

00:53:15

Rick Legendre: Sounds like you have a lot of experience in the ten years that you've been doing our financials here at Caribe. Have you ever come across anything that would raise a red flag? Anything inappropriate, in your opinion?

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00:53:32

Matt Taylor: Define inappropriate.

00:53:35

Rick Legendre: Stealing.

00:53:36

Matt Taylor: Stealing. Oh, no.

00:53:39

Rick Legendre: All right.

00:53:40

Matt Taylor: Now, if. If I did, the board would be the first to know.

00:53:42

Rick Legendre: It'd be your professional obligation to inform us.

00:53:46

Matt Taylor: First and foremost.

00:53:47

Rick Legendre: Thank you, Matt. That's it.

00:53:50

Matt Taylor: Thank you all very much for letting us work for you.

00:53:56

Rick Legendre: We appreciate it. Thank you. Thanks, man.

00:54:03

Rick Legendre: As I said, we have a couple of consultants here with us today. We're going to blend old business with new business because they've really kind of transcended has to do with the Hurricane Sally settlement, the monies we received and the things that we're going to do with it and the insurance. So, at this point, I'm going to turn over saying, you don't want to start with Kevin. All right. We're going to start with Kevin. But Kevin from McCarron Insurance. He's going to go over all the insurance information for us and we'll take it from there.

00:54:44

Kevin McCarron: Good afternoon, everybody. Thank you so much. It's a pleasure to address all of you. I am Kevin McCarron. I'm with McCarran Insurance Group here in Orange Beach. I have been the broker for Caribe Resort for a number of years now. We've seen the insurance market move up and down. And my place here is, I insure the association, which obviously all of you have a vested interest in the common areas, all of that. I was going to go through kind of what we handle on your behalf, where your personal responsibilities start, and then also give you a run through of the current insurance marketplace and then take questions. I'm sure there won't be very many. What we insure is the amenities, the common areas and the buildings as they're originally built. So, under the association policy and Alabama condominium law, everything that's in the original unit wall coverings, floor coverings, cabinets, original appliances, we ensure those to the original type, kind and quality, and that includes liability insurance over all of the common areas over the board, the associations monies. That's we have a fidelity policy up to \$2 Million in case anyone tries

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to run off or do something they shouldn't. And that's what we do. Your responsibilities as a unit owner or your liability inside your threshold, inside your unit, and then also any upgrades you make to the unit and then also your personal furnishings, couches, chairs, electronics, personal items, those things. That's kind of where the delineation lies. Any questions on that before I go into what's Yes, ma'am.

00:56:46

Shirley Rowe - CRB1013: Shirley Row b 1013. I've never really fully understood what is covered by the COA insurance and what we should have covered inside our units. You just said that. The original unit as it was built, including the interior of the units. And the appliances, cabinets, etc. And then you turned around and said what we, the individual owners responsible for would be the inside of the unit. So that's kind of contradictory. I don't know what it is that we're responsible for other than our personal possessions. Right. And upgrades.

00:57:28

Kevin McCarron: Correct. So, your personal possessions are your own responsibility, your couches, chairs, electronics, items like that. An easy way to think about it. It's not a perfect acronym, but if you were to pick the buildings up and shake them, what would fall out? You are responsible for the coverage on those items. She's not.

00:57:48

Shirley Rowe - CRB1013: An electrical, sheetrock, electrical, plumbing, light fixtures, baseboards cabinets, floor coverings as originally built that is covered by our COA insurance.

00:58:02

Kevin McCarron: That is correct.

00:58:03

Shirley Rowe - CRB1013: If I have upgraded any of that, the difference would.

00:58:06

Kevin McCarron: Be then you would be responsible for that. The difference.

00:58:09

Shirley Rowe - CRB1013: The difference. Great.

00:58:10

Kevin McCarron: Thank you. Absolutely. Yes, sir. I believe the gentleman's bringing you a microphone.

00:58:21

Gerald Kerby - CRD704: I'm Jerrold Kirby D Delta 704. So, you know, the cabinets and tile and appliances are 20 years old now. So is that replacement value because it's going to be hard to find those cabinets again. To be honest with you, is that replacement value? What would you guys replace and what value would you give us for that? It is I know it's hypothetical because probably if that happened, we got a lot more to worry about. But just curious.

00:58:52

Kevin McCarron: Yes, sir, It's a great question. The policy is replacement cost. So basically, you're paid new for old. It's not a depreciated value policy. And again, it necessarily be an exact match. Like you said, some items may, but it would be up to that same light kind and

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quality. Is what the association policy would do. All right. Moving forward, as your auditor so eloquently threw me under the bus with insurance marketplace as a whole is on its ear. It's under complete turmoil. It started a little bit in 2019 and 2020. We began to see underwriters pulling back, some taking less risk, charging more premiums, wanting special especially coastal properties, which they refer to as cat exposed properties to take a little higher deductible. We began to see that anyway. Fast forward now in 2021, we saw the insurance premiums double. They went from 650,000 for the main part of the policy to 1,100,000. And then in 2022, we saw them go up from a million and 1 to 1,700,000. A lot of this has to do with the overall market. 2020, very active storm season. I mean, if you think about it, this area's last hit was in 2004, which was Ivan. That's an "I" storm. You know, they go alphabetical order. 2020 was Sally. That's an "S". Give you an idea how active 2020 was as we do this. What we've seen over the years is a lot of it is driven by the secondary market or the re insurers. They kind of they're the ones who back it. You don't see them on your policy, but they're the money behind the money, if you will. A lot of that was driven by private equity, hedge funds, all of that, those groups, because they've taken losses, they are pulling out, they're pulling their chips back off the table. So, we're saying insurance companies themselves have to absorb more, take more. They're laying it off to you all in the way of higher premiums. And that's what you see, where I'm doing everything, I can. Trust me, I can give you numerous examples that are much worse, but you see it in your budget, you see it in your dues, increase your insurance charges. I'm sure if not one of if not the highest budget item you have. Thank you, Larry. But as a whole, we saw most reinsurance treaties. They renew January 1st. They saw an average of 37 to 60% increases in reinsurance charges. That's what goes to the actual carrier. And then from there to you. So, you know, they're not going to take it on a zero or so. The cost to y'all, as you've seen, is almost triple what it was three years ago. And unfortunately, that's the market we're in. It's coast wide from North Carolina to Texas. You're seeing it. If you Google it at all, you'll run you through a heck of a lot more information I won't bore you with here. I've given projections to the board on what to expect at your renewal this year, which is April 1st. We're working on it now. We started just after the first of the year. We work on it for four months before we present it to the board and they generally tear it up, throw it away, run it back to me and tell me take a comma or something out of it. So I know the board bids it every year. I'm sure they will again this year we've been lucky enough to retain the business for a while now and are very, very honored to be your insurance broker. I'm sure there are questions. Please go that route. So you have to sit up here and listen to me drone on about insurance. Yes, sir. We've got one over here.

01:02:55

Jay Gates - CRD915: J. Gates. D 915. Where does the common area stop? And for insurance purposes, are the docks, the marina and the Cobalt restaurant included in the common area.

01:03:11

Kevin McCarron: No, no, sir. The docks are, we have liability coverage on the boat docks and that is part of the overall liability policy for the association. And then otherwise the, the common areas in that stuff would stop at your door threshold.

01:03:27

Jay Gates - CRD915: So, the. Nothing to the left is on our insurance.

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Kevin McCarron: No, sir. To my knowledge, the marina, the restaurant, all of them, they have their own coverages that are that are not part of the association. I just real quick, just give you an idea of one of the reasons what we're seeing in 2020. The whole property insurance placement required three carriers. In 2021, it was ten carriers. And in last year, 2022 was 15 different carriers. Total insured value is a little over 140 million here. And as you in years past, like I said, we could build up that in full 140 using only three carriers with one carrier taking the bulk of it. Now it's a consortium takes a number. And part of that is just the overall pulling back we're seeing in the marketplace. Okay. All right. Yes, sir.

01:04:36

Grant Barricklow - CRC412: Grant Barricklow C 412. I have a question of how much Caribe lost in Sally total. And how much you covered. Those are two different numbers. And you may can only answer one of those, but.

01:04:56

Kevin McCarron: I'm sure that Curtis and the gentleman from PCG will. They're much more intimately into the what all was damage, the cost and all that, I can tell you. You know, the information I have, which is not part of any NDA or anything like that, I'm showing a total payout of over 26 million.

01:05:19

Rick Legendre: All right, Kevin.

01:05:20

Kevin McCarron: All right. Thank you very much, everybody.

01:05:27

Rick Legendre: As Kevin, I think he alluded to, our policy is due April 1st and he knows this. The board has instructed the management to go out and shop the policy to see if we can beat it. He's done a great job for us. He'd be hard to beat, but we are out there shopping the policy. Next up, I'm sorry, we're going long today, folks. I apologize for that. But we have a lot of information to give to all of you. So next up, Stan, do you want to introduce.

01:05:55

Rick Legendre: Curtis or.

01:05:56

Rick Legendre: You? The background?

01:06:01

Stan Szapiel: Curtis is here representing PCG. They're the consulting group that handled our claim on behalf of the association. And he's going to do some presentation here on what the board went through and what the association went through and how we came up to some of the figures that we were got at the end. So, Curtis.

01:06:30

Rick Legendre: And get us your way. Curtis. Thanks for warming it up for me, Rick.

01:06:35

Curtis Phillips: It's good. I appreciate that. Hello, everyone. I'm Curtis Phillips. I'm one of the four partners and owners at PCG Building Consultants. One of my other partners, Jake Holt, is over here with me. The other two wanted to take a Saturday off, so they didn't join us. We

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have several people that help us and work with our company. We have been in the business of handling large commercial insurance claims for a lot of years, probably 13 or so years. So, we have a lot of experience, hundreds of millions of dollars in losses at our firm. There were a lot of entities that wanted the business at Caribe. We did not solicit this business. We had handled a prior loss for one of the Caribe Realty's general counsels a different property. He brought us in along with some other companies that were bidding for the job separately, and we ultimately ended up getting the opportunity to represent you and the board with regards to the damages. So, our job was to tally and combine all the estimates and produce a lot of the estimates on our own. And we have to translate that into the insurance company software, which is called Exactimate. And so, it requires a specialized knowledge. It's not just getting contractors to give you a bid for those items. You have to put it into the Exactimate software in order for the insurance company to see the material, labor and all of the overhead that goes into every single line item down to the doorknobs and doors doorstops. Excuse me. So, we did that. There was over a month long vetting process that the board put us through before we were retained. Ultimately, and we've had the opportunity throughout the settlement to meet with the board on numerous occasions, explain where we were at, where the sticking points were from the insurance company side. And that whole process took for the better part of two years, maybe longer. I lost track. So that's a little bit about us and our company. I do want to say there's a lot of questions about the settlement amount. I think it's in one of your pages, in your booklet. We in order to get a settlement, we paid more, we got the insurance company and pay more than they wanted to. And so, they required the board to sign a settlement agreement. And as part of that, there's a confidentiality statement. I just want to read briefly it to you, so I can't share that number, but it's in your booklets because there are non-owners present here. It says foreign consideration of the payment made here under release or on behalf of itself and its members, successors, agents and assigns warrants and agrees that the fact of the settlement, the terms of the settlement and the amount of the settlement shall be strictly confidential and shall not be disclosed to any person, corporation, or other entity, not a party to this release. So that would be anybody who's a non-owner. As an owner, you're a party to the release, so you're entitled to that information. But because other people are here, I can't say it. And that includes but not limited to representatives of the press or other local or national media. So just briefly getting that out there, I've talked about can everybody hear me okay? I don't know how close to get to this microphone. All right. The vetting process for our company personally, we spent over 3500 hours estimated out here, whether on site going through units. We inconvenienced a lot of you by going in with our different cameras, three, 60 matter ports, thermal imagery, that sort of thing. And then we spent obviously a lot of time in meetings and then producing the estimate, took a lot of a lot of time as well. I do want to say. Larry and his relationships and Caribe Inc, the construction company, saved you guys a lot of money. We do a lot of audits for insurance companies and for property owners and attorneys that represent first party insurance claims. And I can see, I see a lot of bills from mitigation companies that serve pros, service, masters of the world. And their bills on much smaller square footage is, you know, is in excess, I would expect multimillion dollars. And it wasn't close to that on what you guys actually spent through Caribe Inc. Also, the response time. By the time we got involved, I expected our thermal cameras detect anomalies which tell us that there's a temperature change behind a wall and

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that tells us where moisture likely is. And there was very little I expected to see a lot. And we've handled numerous claims on the coast and done catastrophic losses at. Hundreds and thousands of properties, and I was shocked to see how well this property was dried out and your units were as a whole. So, to that extent the damage was lessened and mitigated, which is the duty under the policy. And that was done in a really timely fashion. And I was surprised it reduced the HOA expense significantly. I also want to say due to Mr. Wireman's connections; he was able to get specialty bids on a lot of things that had to go in our estimates where our insurance estimating software would fall short and it is an estimating software. So, there's not every single line on them and it's not always up to date with real world pricing and cost. So, we're able to get a lot of that through Mr. Wireman's connections to get the estimate as accurate as possible. Um, I do want to say I know they're with a project this size. There's always frustrations about how long it takes to get things fixed. And I can tell you what other associations did was just go ahead and fix things and not worry about how much it cost and then assess the owners later. And a lot of times other than the two projects that we worked in this area, I can't think of another other associations that weren't assessed as significant amount of money. But the projects that we worked as a consultant, Caribe being one of the main ones, you guys weren't assessed and that is really a miracle considering deductibles, considering the large scale of the damage. I can just tell you that's really unusual because there was a lot of expense that had to go into even proving the claim. Not only our companies, expense engineers, different experts were out here. And even after all that, you guys are still going to be in a good position financially. I know nothing's perfect, but I was really impressed at how it turned out, and that's certainly as a result of the great work the board did as far as managing that. And I know it's frustrating because we had to wait a little bit, but if you go ahead and you do the work before you get an agreement as to the scope of work and the price of that work, then it could end up not being paid by the insurance company. And we don't want you guys to be put in that situation. So unfortunately, it took two years to get the settlement right. Again, I can't discuss the exact number, but it's in your booklet. But I can tell you from the insurance company's original offer, we were successful in working with the board on getting a 200% increase off their original offer. So, I'm very proud of that. I know the board is very proud of that, and we had many hours spent between Mr. Wireman and I and other members of the board. Stan Mr. Kevin McCarron, who you just heard from, he was instrumental in helping us as well. So, it was really a team effort that we didn't do it alone. But I'm certainly proud of the work we did, and I really appreciate the opportunity to represent the board and represent you guys. I know it wasn't a pleasant experience to have to go through that. Anything else?

01:15:36

Rick Legendre: Questions, comments, questions.

01:15:38

Rick Legendre: Any. Any questions? Comments?

01:15:44

Background Speakers: I do know where we are in business.

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01:15:48

Curtis Phillips: What do you say? He said, is this new business or old business? I think we're classified under new business. This is the Hurricane Sally.

01:15:56

Rick Legendre: I'm blending it a little bit, as I stated. You'll see why in a second. Any comments, questions. Curtis, thank you very much.

01:16:06

Rick Legendre: I'm sorry.

01:16:06

Rick Legendre: I didn't see.

01:16:09

Teresa Davis - CRB1011: Teresa Davis B 1011 We were told if we go, we had to go ahead and pay for our repairs, even though it was the Caribe that's supposed to cover it and they would pay us back. We have not received payment yet.

01:16:26

Curtis Phillips: Stan Yeah, I would say. Stan, do you plan on addressing that at some point? I know there's.

01:16:35

Stan Szapiel: It depends. On what your repairs were in the time frame, but give us your direct information. We've settled a lot of all the interior claims, the air conditioning claims. We've paid, the flooring claims, we've paid.

01:16:51

Teresa Davis - CRB1011: Ours was flooring and sheetrock.

01:16:53

Stan Szapiel: Okay, So. And you paid that directly?

01:16:56

Teresa Davis - CRB1011: We did.

01:16:57

Stan Szapiel: Okay. Just need the receipts.

01:16:58

Teresa Davis - CRB1011: Will we be assessed after you pay everybody out?

01:17:01

Stan Szapiel: I don't know. In the year you're going to have to wait for the board to answer that. Yeah, you just need, and it depends how far you went. So, some folks, for instance, in the B building that has popcorn ceilings got some damage to their popcorn ceilings.

01:17:14

Teresa Davis - CRB1011: We had that also.

01:17:15

Stan Szapiel: That room will get fixed with popcorn ceilings. Many people chose to eliminate the popcorn, scrape the ceilings, and I want to do the whole apartment and that would be

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money that you would spend to expand that repair. Otherwise, you would get paid for repairing that popcorn ceiling.

01:17:33

Teresa Davis - CRB1011: We only repair the areas that were needed in the spring.

01:17:37

Stan Szapiel: Bring me your receipts and we'll settle it.

01:17:39

Stan Szapiel: Yeah. Yeah. I don't know of any others, but yeah, just give us the receipts and we can sit down and cover that.

01:17:49

Eric Williams - CRB314: Hi. I have a question. Sure. Eric Williams B0314, What amount of money did we pay you for your services with your company paying all the claims

01:18:00

Curtis Phillips: We were paid 5%. Well, we were capped out at 5%. We bill by the hour, but because we didn't want the association to have to pay us without you getting insurance proceeds, we waited until checks came in and then we were capped our hours at, which would have exceeded the 5%. So, we were ended up paying 5% of the amount that we collected for you guys after we got involved.

01:18:26

Eric Williams - CRB314: And we talking about the number, you don't want to bet. You can't say out loud.

01:18:31

Curtis Phillips: That that's the total, right? So, we didn't get involved until believe there was \$11 Million and some change offered initially and so.

01:18:42

Eric Williams - CRB314: So, do you have a number? The 5% number?

01:18:46

Curtis Phillips: Yes.

01:18:47

Gerald Kerby - CRD704: Can you share it with us?

01:18:48

Curtis Phillips: Yes. I have that. Well. I mean, is the board okay with me?

01:19:05

Rick Legendre: Yeah.

01:19:07

Curtis Phillips: Our company was paid ultimately \$1,049,964.28.

01:19:15

Eric Williams - CRB314: And I have one further question. You said you do a lot of Gulf Coast remediation with claims. Is that correct? Yes, sir. And multiple states?

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01:19:23

Curtis Phillips: Yes, sir.

01:19:23

Eric Williams - CRB314: How often is it that you deal with boards that owners or board members have ownership of companies that the board is doing business with?

01:19:33

Curtis Phillips: I'm not familiar with the ownership and the board's rights were just typically are meeting with the boards sometimes I'm aware, obviously as a board member you typically have to own a unit and have an interest. But beyond that, we just make sure that they're in agreement with the final settlement. So, I don't really have knowledge about the boards.

01:19:54

Eric Williams - CRB314: Whether a board member owns a company that you all are doing business.

01:19:57

Eric Williams - CRB314: Is that correct?

01:19:57

Rick Legendre: Your answer? Okay. Thank you. Mike Curtis, you to say?

01:20:07

Larry Wireman: Hang on. How much can we pay for outside testing? People came in and tested all this stuff.

01:20:16

Curtis Phillips: It was over 200,000, probably 300,000 close to it. I don't have. That all off the top of my head.

01:20:24

Larry Wireman: I don't know whether this falls in at the right time or what, but I'd like to make a comment about the insurance during Ivan. We had a lot of damages here. We had one building up the B building and the other two buildings that were in progress and what have you. And we settled that claim in about a week, week and a half, and we got paid and we went on about our business. It was substantial, maybe 13 million or 17 million. I can't remember for sure, but doesn't really matter because that's not my point. This time we had the storm and we figured I'm kind of naive or maybe quite a bit naive, but I figured, well, we'll do basically the same thing. I'll come and walk the job with the guy. We'll decide what it's worth and we'll get it settled. Right. It's not the way it works anymore. Number one, they come in, I'm speaking about the insurance company. They come in and deny everything. Oh, we don't. Yeah. You don't have any damages here. No problem there, you know, whatever, whatever. And then they bring in all these experts to tell you that you don't have anything wrong. Right. So now we have to hire our experts. Curtis and his group, which did a very good job for us. We come in and we test the windows and we test the concrete and we test the moisture and we test everything, right? All that stuff costs money. But in the long run, if you don't have them, it's like going to court with somebody that knows what they're doing or going to court without somebody knows what they're doing. And all in all, I think this group did a really good job. And I don't know what else I personally would have done.

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Maybe somebody on the board would have done something different, but I don't know what else I would have personally done other than bring in a group like Curtis and his group or someone else. Okay. So that's what we did. It's what the board agreed to do and that's what we did. And there you go.

01:22:16

Curtis Phillips: I would also say, I mean, we're hired by insurance companies as well. So, for example, the insurance company paid their experts. Hundreds of thousands of dollars to essentially fight our estimate of damages and fight against the board. And again, that's just the nature of this business when we work for insurance companies as well. I mean, it's a billable thing and it's expensive because there's very few people that possess the skills and qualifications to present a claim in this manner. And we'll say the board saved a lot of money because, Mr. Wireman, you know, we stayed in his units and saved the association additional expenses because typically we'd have expenses on top of that lodging and that sort of thing. And we were here for every meeting. Able to do a much more thorough assessment. You know, for example, the insurance companies engineers inspected less than 20% of the units, and we inspected more than 95%. So, again, it's about being thorough and it's about being detailed. And that's how we were able to get a satisfactory settlement. And I appreciate the board and the opportunity to ask hard questions throughout this process. It wasn't easy. Then you just take our word for it. We had a lot of conversations and discussions back and forth that I felt like was a healthy dialogue, made sure we were sharp and give them the answers that they needed. Thank you for the opportunity.

01:23:52

Background Speakers: All right. Let me hear that.

01:23:57

Dan Craven: I just want to let you know that this is the first time I've heard that you paid 5%. That is unbelievably cheap. Every association out there that had to have their claim adjusted. Was at least 10%. There were a few that had a deduction down to 7%, but there's many that paid even more than that. So, the board saved an incredible amount of money, at least over \$1,000,000 in adjusting. Fees by going to these gentlemen and the job they did. So and that comes from experience because I'm involved in about 50 claims. So, I can tell you that you guys got a hell of a deal. Did you say? Hold on. Did you say how many associations you represent? Over 150. Over 150. So, I think he knows what he's talking about. It was over 150, but we were directly involved with 40 to 50 claims and still are in federal and state court. And I nearly fell out of my chair when I heard that.

01:25:01

Rick Legendre: You guys got it for 5%. That's incredibly well. Thank you. Thank you, Curtis. Thank you. Believe me, he was invaluable. I'm going to try and get this role. And we still have a lot to cover to conclude this part of the conversation I want to go over. Have Stan go over the capital expenditures. We got the money where we spend it saying.

01:25:26

Stan Szapiel: Okay. I'm going to do a view of 30,000 feet. As you know, we've spent a lot of money and we're in the process of spending a lot of money to the property as a whole. You know, over the past year, we've painted the buildings. We're still in that process. The B

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Building, C and D have all been painted. The stucco on the ceilings or the ceilings have been repaired. The floors and the B building have been repaired. We're going down, B building, doing the railings, sanding, priming, painting. Then we go back and B building. We're doing the window mullions, removing the caulking and putting the back of rod in. Once we get done with B building, we're on the second floor of finishing the entire process. That B building will go to C, start with the rails, then go to the window modules, then go to D and do the same thing. So that process is still in place. As you know, we are working on Lazy River Deck. That's a big project. We bid out all elements of that. We're going to see the pictures up on the wall looks pretty. We told the architect that we wanted to look like Disneyland when you guys look down on it. And so that's our mission. It's going to be beautiful. I think if you guys get up there and if you haven't seen we're really close to finishing the putt putt up there that's complete. We got lighting and another water feature and some other things that we're doing up there. When we build the deck back, we're going to go from the west to the east. As we know, spring break is right before us. We're going to get the deck around the triple level pool first and then we'll go to the Lazy River. When we pulled up that deck, there was a lot of things we didn't know. The substructure of the lazy river deck was compromised. Steel under there was deteriorated, brackets were deteriorated. That's all been repaired. We shot foam in it the other day to support the bottom of that. We removed all the decking underneath there, a lot of rotted wood, etc. So, we're going to go back with a product called Wear Deck on the top. It's a PVC plastic product. It's made for decks actually and board boardwalks and such. So, we think it's going to look really nice. We've got a splash pad plan that's probably not going to happen till next year. And then we're also going to do a tiki bar and some cabanas up there. So, a lot of that big money is being spent up there. And as you see, the B building was a lot of that was done over the wintertime re plastering the pools. But in regards to Sally money we still got outdoor pools and slides, sand blasting all the metal and all that stuff. The B, the B has taken some time because we sandblasted the slides, Prime painted replaced all the steel on that and we'll re glazing the slide down there on the fiberglass that's just about done the putt putt lazy river we talked about and the outs the outdoor surface where we have the black sand paper steps, those are all being re textured and that black sandpaper is going to be replaced. The corridors between C and D resurfaced again. All of this stuff is in motion. We did the rooftops above the C and D indoor pools. We've still got some more work to that. We thought we got all the leaks so that we have those ugly craters that are open in the ceiling dripping. Those planters are going to be there, all being the dirt's taken out. We've got to realign those again to complete the project that's in process. Also talked about the painting. We've ordered the glass skylights about 54,000 in glass skylights that are broken over the portico, chairs and the indoor pools. Let's see, we got carpet and B and D building ordered delivery on. That's April 26. Dolores I'm sorry. It's taken so long, but the process has gone back. We were able to negotiate because of delays and we were able to get the cost of both atriums done for the price of what D was going to cost us. So that's a nice plus miscellaneous things that were being done, carpet extractors, maintenance camera system improvements. But overall on a lot of these repairs that we did to the property and I'll just touch on a few things, our IT group that you pay for and your dues \$100 goes to the I.T group at 726,000 a year. That takes care of all the labor, that takes care of the content, the internet, the phones and all the maintenance that goes on with that. And Dave's team back

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there that goes to 7 seven days a week. 365 is your service people. If you have a problem, they can do a lot of things remotely, even on night time and weekends. So, they were able to prove in this storm that the power surges that we suffered here was able to provide us with a new sound system, the new key lock system, the new phone system, which is very expensive and a new gate system. So, all of those things were part of the claim. But like Curtis said earlier, I mean, you just don't find the technology and the ability to prove those things without these guys in the back here. So that was added. That's a million bucks right there. So we were real proud of that. And anyway, the dectron system and the C indoor pool, that humidity in there, we've been waiting two years for that product. Apparently, there's some people out west that grow a certain herb that buys those things up for a lot more than we're willing to pay for it. We've been in line for two years, and finally, it's supposed to be coming here at the end of the month. We'll get that installed. That's a 200,000 project. But it's desperately needed. Corridor carpet wasn't part of the claim, but we got the D corridor carpet done. We've got a couple of other places. We're putting that down probably out here in the delta right outside the cabana. And anyway, we got a lot of things going on, a lot of projects. We appreciate your patience. We see everything you see. And these funds that we received at the end of last year are providing this without that assessment that you guys so willingly want to have. You know, it's a balancing act to get these vendors here and to shop it out and price these things out. We anticipate awarding the installation contract. We've shopped the deck companies. We're going to award that on Monday, I believe, Larry, I think. And they'll be off to the races. So, we understand what we're trying to do is get it done as fast but have the quality that you guys are expecting. So that's where we're at.

01:32:24

Rick Legendre: I will tell you that my absolute favorite improvement, it's small, but as if you go up into the elevator room, as you go from the building and go into the lazy river area, that room is finally going to be fixed. I've been complaining about this for years, that nasty looking air conditioner hanging out. That's all going to be fixed now. Amen.

01:32:45

Stan Szapiel: Thank you, Rick. We got that. We got floor surface coatings and things of that. A lot of those little things that touchy feely, some of the things you don't see, though, that we have gone through the roofs on these buildings. Nobody goes up there, the roof and the C building, the roof and the building. We're still working on the roof. In the B building, we have 225 ton air conditioners that went on to the top of B building roof. We had to do that at a time when we can bring a crane out after the busy time of the year. Those evac fans that have been sitting out there, we got those up, those are all installed across the buildings. I believe we stopped all the leaks. We apologize for the time frame again that we were in, but they look like a million bucks up there and we get a little bit more and B building and we'll be done. So, a lot of the infrastructure you don't see, we fixed a tremendous amount of leaks. If you look in your budget, you'll see that the water is high. The water bill is high. We had two or three severe leaks in the bottom of the B building outdoor pool. That was just shocking, to be honest with you. We knew were there. We knew they were there, but we didn't realize how severe they were. So when we get into the winter of next year, we'll be re plastering the pool. We just didn't have enough time behind C will be re plastering the pool

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between C and D, We'll get the indoor pools also in the C and D, B is done. In fact, we also replaced all the mechanical equipment weightlifting in the B building just recently. So a lot of projects going on. Some of this stuff, infrastructure that you don't see, leak detection and things of that nature are taking place. They're expensive, but they've got to be done. And now that we've got all the wood off the deck where you see a lot of stuff that we didn't know about, be honest. So, Sandy, you had a question.

01:34:45

Sandra Collins - CRD815: Yes. Thank you. 815 was the damage and all of the items being done to the Lazy River. Now, was that included in the Sally hurricane damage claim or is that in addition as regular maintenance?

01:34:59

Stan Szapiel: Right. So, we had Sally the deck work up there in the claim and we negotiated very hard. A portion of the deck was going to be credited to us for Sally repairs. What we're doing up there is we are using a lot of the Sally money to fix that work up there. So, you know, the amount we were going to get from Sally was nowhere close. Maybe 1/10 of what we're going to do up there is what we were going to be paid. But the putt putt up there, same difference. They were going to give us a portion of that. We took that money in the settlement. Again, the settlement is a portion of money. And we're going to spend more in that area.

01:35:46

Sandra Collins - CRD815: And who is the contractor handling all of the engineering and the redoing of the lazy river deck and supports area.

01:35:53

Stan Szapiel: Caribe Inc is the general contractor for that job and we're subbing that out.

01:35:59

Sandra Collins - CRD815: OK Will we be privileged to some of that information of who it's subbed out to?

01:36:02

Stan Szapiel: Yeah. Good. Absolutely.

01:36:07

Stan Szapiel: John.

01:36:14

John Sparks - CRD812: John Sparks DA 12. Yeah, I'll get a question for you, Stan, but first of all, I want to address the other thing that brought up earlier. I want to say that I wasn't implying anybody was doing anything wrong, if I'm contrary to that. I was here. Ivan and our president, Larry Wireman, was here the day before Ivan hit. I was on my balcony and I was watching him. He was planning there was a lot of shrubs that hadn't been placed yet. And Larry was actually doing the work himself, putting them in so that they would be in place before Ivan hit. So I can tell you that Larry Wireman has this place and interest in his best heart. The question I had about that was it sounds like the board did an excellent job about getting things priced less than our actual settlement. So, my question in that regard, was the extra money, is that going into the budget or are we going to spend it for repairs in the

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future, that kind of thing? Then the second part of the question is for you, Stan. With rental season coming up, the time frame for doing balconies and that kind of thing with our tenants and their what that's what I'm concerned about is them working on a unit. When we have people in our units, there's a way we could delay that until the fall or something. I mean, D building will probably be in the fall, right? I would think well.

01:37:38

Stan Szapiel: Our goal. Our goal is to have all the balconies, railings, window mullins done by the end of April. So, we think we're going to get that. We painted all the way through because we were on swing stages going up and down the buildings and we entered your balcony from the outside. This work has to be through the inside and it's a little invasive and you got to knock on the door. And sometimes we just turn around and go back out. We say, we'll come back later or some other time. Tell us when it's convenient. So, we accommodate the guests, and we accommodate the owners if we need to come back a different time. There's no problem with that. We've got plenty of work to do. We can go to the next one.

01:38:16

John Sparks - CRD812: And on the windows themselves, we're not replacing windows. I know there was talk about that, but we're just replacing the seals on the windows.

01:38:23

Stan Szapiel: Correct joints around the window. Mullins And if you look in the B building and obviously most of it's all done now, it was probably, I don't know what the age range of that caulk was, but it started getting gooey where that caulk around the windows were, you know, sticky and gooey and it was the laminating that hit the age. So, we've cut all that out. We pack it back in with back a rod, and then we put a new 30 year caulk or 20 year caulk, whatever it is, and then paint over that. So, we're coming this way with that job and we're probably a little bit ahead of the age range on the cork itself, but it looks pretty good when it's done.

01:39:00

John Sparks - CRD812: Is that what's causing when it blows really hard, you hear the wind noise through your windows, Is that what that is, the caulking?

01:39:08

Stan Szapiel: No, not necessarily. I don't know. I'd have to hear it and get some help.

01:39:12

John Sparks - CRD812: I thought it was going to be the whole seals.

01:39:15

Stan Szapiel: Yeah, Not the window itself. It's the caulk around the window frame.

01:39:19

John Sparks - CRD812: I see. Yeah. So, we didn't get a settlement on those windows.

01:39:23

Stan Szapiel: No, it well as a settlement as a whole. So. Yes.

01:39:26

John Sparks - CRD812: I see. Yeah. Okay. I'll talk to you later.

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01:39:28

Stan Szapiel: Sure. Yeah. I'd be happy.

01:39:31

Background Speakers: Eight.

01:39:34

Stan Szapiel: Delta eight. 12. Any other questions about all the fun we're having in maintenance?

01:39:42

Rick Legendre: We have a long list of things happening every day, and there's still some things on the books coming. So that's what happens when you have the money to do it. So. Good job, Stan. Thank you. We I'm trying to. Again, I know we're going along. We still have the budget to look at. I just want to mention one thing on the new business that the board did this morning. You met Dan Craven's just a second ago. He has been hired as the association attorney for us, and one of the things we directed management to do with Dan is to go in and look at all of our documents and update them, bring them up to date and make everything in sync. So, Dan would be doing that this year and you will have a chance to look at everything in ample time. That was one of my things. I'll make sure you have at least a month beforehand so you can look at everything before we vote on it. Ok budget time. I still get to you Dan Ok Do you want you want to dress us now? Do you have anything to say? Introduce yourself.

Dan Craven: Just well, the meetings drag it on, so I'm going to be real short. I'm usually not, but it appears to that you guys have come through your storm unbelievably well compared to other associations. I've got associations that assess their owners 48,000 apiece, many 20, 25, 30,000. And you guys aren't having any assessment, it looks like. So, thank God for miracles that you don't have to do that. And so I'm not going to say much more, except the budget we were going to discuss, even though we're going to discuss the budget. The CONDO Act required a certain amount of notice, which we didn't meet. So, we're going to I believe they're going to tell you that there's going to be another meeting to officially vote on the budget later because the of the wording of the condo act and what kind of notice you've got to give. So, they asked me that and I said, yep, we got we got to put it off. So, we're going to talk about it today, but we're not going to vote on it for about another month until March 18th. Yeah, and we don't have to have a quorum. You can vote to, you know, you can be present in person or by proxy, because what the condo Act says, unless the budget is not approved by the majority of owners present in person or by proxy, it's automatically approved. And you don't have to have a quorum. That's what the 35 8303 of the Condo Act says. So, we're going to have to wait on the vote because of waiting for the audit. We couldn't get it out in time. And that's one thing we're going to be discussing over the next year about scheduling of things when we talk about rewriting the condo docs. But I've been doing this for 28 years. We represent over 150 condo associations, beach Club, Turquoise Place, everybody around you. If they're big enough to have a law firm, we're probably it, with a few exceptions. So, we'll look forward to working with you. Got a lot of experience and looks like you're doing great things and I hope it continues in the future and I believe it will. Thank you.

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Rick Legendre: Thank you. And we'll look forward to working with you as well. All right. Stan, you want to go over the budget, please? You have a copy of the budget in your books?

01:43:35

Stan Szapiel: Yes, I think we added one. The board approved this budget. It's a proposed budget of 23. And I just want to say that, you know, I know everybody's anxious to see this ahead of time. And we do have to delay it because we need at least 14 days for you guys to hold on to this and look at it. And. But we do an audit for transparency. And that audit, we got the first draft of it this past Monday night, the 13th, Monday night. Right, Amy? So, we worked diligently with Grant Sanders and Taylor to answer his questions and answer their questions and get the budget in a format that is accurate where it says actual 2022. And that takes a lot of adjustments, journal entries, accruals, things of that nature. We do the budget in 2022, then we do the actuals as a comparative analysis. And you can see we overran by 761,000 at the bottom where it says profit and loss. We are taught each year with having a zero based budget. So, in doing so, we know insurance is going up. As you can see, we budgeted 1,150,000 for last year on our budget and we came out. Our insurance costs us 1,571,000. That was a big hit. We're anticipating, as Kevin said, I think he's gone right now. I think Kevin did leave that we were anticipating increases in insurance here. So, what we did is we took, if you look go back up to the top of your budget, and in the revenue side, it says prior year surplus. We are moving a \$1.5 million to prior year surplus in that revenue line to accommodate the increases in operating costs and insurance. We hope that we're going to be saving money by the end of the season next year at this time. But we are anticipating increases both with Labor taxes and not taxes excuse me, insurance, operating cost labor. As you know, we've been complaining about it like many people have across the nation. We are not immune from it. We are not underpaying our staff. Some people think we are. We are in the market. We are in the market at market pricing. And in some cases, I believe we're above, probably will be increasing some wages just because we're trying to stay ahead of the game a little bit. And it's very difficult. It's very, very difficult. We struggle every week to find the people it takes to run this place the way you guys expect it. And we ended up with a zero-based budget with this. So, if you guys approve this on March 18th, then there will be no assessment and there will be no increase in dues. You can thank the board for that.

01:46:40

Rick Legendre: If you've had a chance to glance over it. Any questions? One in the back, please.

01:46:50

Candace Pfab - CRD713: Candace Fab Delta 713 on the COA dues that shows an increase for this year. So how is it going to be more we have the same number of units.

01:47:00

Stan Szapiel: So last year when we had our meeting, we approved an increase in dues that started March, March 1st. So, we didn't bill back January and February and dues. So, the 6812 number is the full 12 months of the new pricing.

01:47:21

Candace Pfab - CRD713: Got it. That's what it is.

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01:47:24

Rick Legendre: Okay. So, you understand this that you will be receiving another meeting. Notice, I don't know the next week or so, next two weeks. Was that. Yeah, we did already. March 18th is the date. 11:00 in the morning. You don't have to run yourself over here to a vote, because basically the budget can be approved by a simple majority. Whoever shows up, that includes proxy. So, if my numbers are correct, if five people show up, three of you vote for it. The budgets are accepted and ratified. So, any other questions? It's been a long afternoon. It's coming on 2:00. Here's what I'd like to do. You've received a lot of information and we wanted to do this intentionally towards the end of the meeting so that you can digest it. Hopefully your questions were answered so you can better have a better idea of who what to vote for. And so, what we're going to do now, we can begin marking our ballots now. Yes, sir. Hold on. We got one before you do. One question on the budget.

01:48:43

Bob Vanasek - CRC1115: Bob Banaszak C 1115. Can the budget be changed at the March 18th meeting? The question arose when you said, if five people show up and three people vote in favor, it's ratified. But if five people show up and three people vote to change it. Can that happen?

01:49:07

Rick Legendre: Would you want to address that? It's pretty much an up and down vote on the budget. Also, you can there will be proxies here, so there'll be a lot of people represented by proxy.

01:49:28

Bob Vanasek - CRC1115: If somebody makes a motion to.

01:49:30

Rick Legendre: Approve, the budget can't be changed.

01:49:32

Bob Vanasek - CRC1115: So, if somebody makes a motion to approve the budget and somebody else makes a motion to amend the budget.

01:49:41

Rick Legendre: I don't think they can.

01:49:41

Bob Vanasek - CRC1115: That would be an order, I would guess.

01:49:44

Dan Craven: Probably so. It's rarely done. I'll tell you this most of the time, the discussion, that's the point of sending it out the 14 days ahead of time. So, if anybody's got a question or problems I can get with the board or Stan and talk about the issues and get back with you. So never really seen it happen in a budget meeting. Well, but it can. I'm not saying it can't. It can't. And so, I hope that answer your question.

01:50:14

Bob Vanasek - CRC1115: Good question. I think the answer's yes.

01:50:17

Rick Legendre: No. No.

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01:50:22

Larry Wireman: Daniel It would not.

01:50:24

Larry Wireman: Daniel What he's asking is, can three people change the budget at the ratification meeting.

01:50:33

Bob Vanasek - CRC1115: Or a majority of those present.

01:50:35

Larry Wireman: Hold a special meeting?

01:50:36

Dan Craven: If a majority vote showed up. But chances are there's going to be there with a lot of proxies, it's probably not practical for it to happen. But yes, if the majority proposed to do it, I suppose that it could be the answer, but I don't believe it will. That's the whole point of it. No, I understand that. But yeah, theoretically it's possible. Theoretically, anything's.

01:51:00

Bob Vanasek - CRC1115: Possible. The answer is.

01:51:01

Dan Craven: Yes. Well, you know, a lawyer can't just answer a straight.

01:51:06

Rick Legendre: Yeah, I'm going to say probably. That's one of the things, again, as we go through reviewing the documents, there are a lot of gray areas there that we intend on fixing. So why the. Oh, another question.

01:51:28

Gil Broussard - CRB1002: Yes, I'm Gil Broussard. B 1002. We'll have this meeting on and a majority in attendance will control what happens. And I just want to point out and I'm going to ask Larry pointed question right now. I'm always on Larry's side, but I'm asking him a pointed question. Because he's going to control the majority of the votes at that meeting because he has all these units that he still owns. And I'm going to ask you, Larry, you foresee any changes to the budget that you would propose?

01:52:00

Larry Wireman: Let me just ask this question and I ask a show of hands to the people that like the budget, where it is right now. Here you go. What do you think?

01:52:14

Background Speakers: I have a majority.

01:52:16

Larry Wireman: Well, it's because we have a

01:52:19

Rick Legendre: Would you prefer that we change some things and do an assessment?

01:52:24

Gil Broussard - CRB1002: No, you don't. That wasn't my point. My point is.

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01:52:27

Larry Wireman: I understand your question. No, I'm not going change anything at the meeting other than hope that it's ratified.

01:52:32

Gil Broussard - CRB1002: I guess you're going to ask for it to be ratified the way it is without changes. That's what my question. Do you foresee any changes?

01:52:42

Larry Wireman: Oh, yes, sir, that's correct.

01:52:44

Rick Legendre: No, you don't foresee any changes.

01:52:46

Larry Wireman: I do not foresee any changes, no.

01:52:48

Rick Legendre: As is while we're picking up the ballots, I'd like to. Every year the owners get a real estate report from Stan, if you will, can you give us 5 minutes? Hold it to 5 minutes. Real estate report.

01:53:04

Stan Szapiel: Well, real estate reports, real simple. This year, in 2021, we had 74 transactions of property to new owners. In 2022, we had 70. So that's a big number. Both years, I should say. That's 144 new owners here in two years, and that's almost 25% of our population here. So a lot of new owners, a lot of new owners don't know the way we've run things and all that. We saw a 14.7% increase in values from 21 to 22. And things are slowed down a little bit in my opinion. You know, interest rates and that kind of thing. Economy, I don't have all the answers, but it's still healthy. We're not seeing a lot of folks dropping their rates dramatically. We've seen a little shaving of values when the sale comes through, but not anything dramatic. I think we probably hit our peak of values maybe last year in about the May, June time frame. So hopefully we'll kind of drive that thing back up. Interest rates come back down a little more. I think we're very healthy.

01:54:22

Rick Legendre: Again, this is not an advertisement for Caribe Realty. So, I all for any other realtor out here, any one of knowledge of real estate want to add to this hearing? None. Hold on up. We do wait in the back. Oh, before, excuse me, sir. Anyone want to witness the counting of the ballots? Please come up. Although we can only limit that, obviously to a few. But if you want to witness the counting of the ballots, come on up.

01:54:53

Rick Legendre: Good. Yes, sir.

01:55:01

Grant Barricklow - CRC412: Yeah. Grant. Well, I asked a while ago.

01:55:08

Rick Legendre: What was that? Can't hear you, sir.

01:55:14

Grant Barricklow - CRC412: Grant Barricklow C412. Is that better? Yes, sir. I'll ask a while ago

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what was the total loss from Sally and what was the total claim. And I heard the total claim but I never have heard the total loss.

01:55:27

Larry Wireman: That's because we have a confidentiality agreement that says we can't tell you it's somewhere between 25 and 30 million, so we can't tell you what it is.

01:55:35

Background Speakers: Okay.

01:55:37

Grant Barricklow - CRC412: So, the evaluation that people made, there's. No number on it.

01:55:42

Larry Wireman: I think we had a claim in for over \$75 million.

01:55:46

Rick Legendre: Is it in the audit?

01:55:50

Larry Wireman: It's in your booklet.

01:55:52

Rick Legendre: It's in your audit. Page nine. I think I hear somebody else say nine.

01:56:00

Rick Legendre: Yeah. Okay.

01:56:05

Rick Legendre: All right. Another question.

01:56:06

Candace Pfab - CRD713: Candice, I'm sorry, Candice. Fab, Delta 713. Can you just touch on who's able to offer financing right now? I'm sure you're seeing more of that than I have for Caribe with the lawsuit.

01:56:17

Larry Wireman: It's tougher now with the lawsuit. What was her question?

01:56:25

Stan Szapiel: All right. Well, financing is always difficult, right? What we're seeing, we're seeing a lot of five-year, seven-year, ten year arms. I know I can tell you right now that South State Bank is working on one. I know that Capital Home Loans has done these most recently in the past long-term financing. Again, the interest rate is real high when you go to a Fannie Mae Freddie Mac back loan bar group can do it. Motor mortgage can do it. It's difficult right now because, you know, I'm not I'm not in the lending business. I can only share with what I know. But those folks are able to do financing for the property here. And then depending on if you're getting a commercial loan, those go through no problem, just depending on the buyer, etc. But the five, seven, ten year, not so much investment loans, but second homes with a five, seven and ten. The investment product has slowed down, almost eliminated in some cases from certain lenders. So as long as you need a second home, you can get that five-, seven- and ten-year loan. Yep. And that is not an endorsement for any lending institution. Marvin.

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01:57:57

Marvin Smith - CRD607: Stan, what effect is the lawsuit had on the value of our condos and the sale of our condos?

01:58:06

Stan Szapiel: That's a difficult thing for me to answer. I can give you my opinion. There are people in this room. I don't know if they've left that have been directly affected by the lawsuit due to the fear of it, and that's a fact. Those people can maybe share their experience with you after that. We had a condo that was under contract for a month and it fell apart. I never got a real good answer to that speculation, but I answer that question a lot. One thing I will tell you that every time somebody gets a loan, every time the lending institution sends our accounting office a condo questionnaire, that condo questionnaire has questions like, is there any one owner that owns 10% or more is how many investment properties are there, how many full-time residents are there? How many lawsuits is the association involved in? And I have to answer that question affirmatively, and that's a tough question to answer, because once you answer that question, here comes the second, third, fourth question about the lawsuit. Why, where, how that jeopardizes the loan. There is no doubt about that. I do know that people have tried to sell their property and the buyer has tried to get a loan and that had an impact to their ability to get a loan, thus changing the lender. So, again, this is it. You know, this is what I know. I can't prove any of it, but this is what I know. So, you can take that for what it is. But the lawsuit has had an effect, in my opinion.

01:59:56

Rick Legendre: All right. Again, I've been here 2 hours now. I'm going to try and get this moving a little bit so I know it's pretty day outside. Everyone would like to go get some fresh air. We're going to open up for discussion now. Some rules to try and keep it in order. Number one, as I've been told time and time again, name and unit number, if you're asked a question or make a comment, I'm going to try and go from my left in this room, this way, this way to provide everyone an opportunity for a question. I'm allow one follow up after so that you don't monopolize the conversation. I'm going to, if you have any personal issues pertains to your particular condo, I'm going to ask that you hold off on that. We've got the building reps up here. You're going to address all of that with them and they're ready and eager to go. I could see it. Ok Open floor. Let's start over here and go ahead, sir.

02:01:03

Gil Broussard - CRB1002: Is it possible that we can get another coat of paint on the speed bumps out there when it's raining and when it's dark? It's hard to see those in the evening, so be appreciated. If you could get another coat of yellow paint on them.

02:01:17

Stan Szapiel: Actually, Gill, we do have a contract with a blacktop company that's going to patch all the holes in the asphalt part of our drives. When they do that, we're going to put a layer of fresh blacktop on all the asphalt and we're going to highlight all those speed bumps so they can be seen exactly what you're talking about. March 3rd.

02:01:39

Stan Szapiel: We hope, with weather permitting.

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02:01:41

Rick Legendre: Yes, sir. Hold on for the mic, please.

02:01:45

Rick Mayfield - CRB103: Rick Mayfield, Bravo 103. Larry, we talked about two or three years ago about the leaking issue we have in the outdoor garage. And B, there's lots of maintenance going on underneath it. What's going on with B Garage and have we found a solution to solve that leak?

02:02:00

Stan Szapiel: Yeah, the parking garages have all received some maintenance, ongoing maintenance care. And what that was primarily was a lot of the bearing pads that sit concrete to concrete have inched over the course of time with the wedging of the of the big double T's that hold up the deck itself. We're going to begin theoretically Monday. Cutting those cracks, I guess, are the where they connect on the top surface of B and injecting a Teflon plate. That's the that's the engineers and structural engineers answer to that. When you drive over to kind of get that tanker thing. And then we're going to do a surface coat on it. And I think that should eliminate the leaking that's coming down. That's the final phase is fixing that.

02:02:59

Rick Legendre: None here. Well, yes, sir.

02:03:03

Dustin Lail - CRC314: Dustin Leo C 314 I'm an owner of two other complexes, so not receiving an assessment. Thank you for that, first and foremost, because that's a great thing to hear saying to you, I love what you said about the Lazy River and it being like Disney World. Two questions around that. The Tile and the Lazy River is going to be.

02:03:24

Stan Szapiel: That's part of it.

02:03:25

Mike Sappington - CRD804: Yep. And then the concrete where the skylights are at the top of this, if you all discuss like a mural on top of that, some trash falls on it. Just ugly to look at our balcony, of course, faces over the putt putt course, which we're excited about. That's coming. So just a question, right? Has that been thought about?

02:03:41

Stan Szapiel: We just got done doing a membrane surface coating for all those roofs outside to 15 to 10 and in between the two C and D indoor pools above the pool decks. So that's, that's all going to be re-landscaped and all. And as you can see, there's going to be some Astroturf for lack of a better term sod artificial sod in these areas that might get enhanced over there. And it is ugly but I think it's got a nice clear coat on it right now. There's still some more work to be done on that.

02:04:12

Rick Legendre: Did you say you owned units in other associations? Did you get an assessment?

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02:04:19

Dustin Lail - CRC314: To of on both the other. Yeah. Thanks.

02:04:23

Rick Legendre: I think I had another lady. Yes, sir.

02:04:30

Larry Kennedy - CRD608: I'm. Oh.

02:04:33

Rick Legendre: I have another.

02:04:33

Larry Kennedy - CRD608: One. I've got three replacement.

02:04:36

Larry Kennedy - CRD608: I'm Larry Kennedy.

02:04:37

Larry Kennedy - CRD608: This is my wife, Annette. We bought several years ago in the D building.

02:04:41

Larry Kennedy - CRD608: 6080. We have been blessed enough to live here.

02:04:49

Larry Kennedy - CRD608: I have been amazed. The last few years to watch Mr. Wireman and Stan, even though we were here through Sally. The integrity of the board, the people that y'all have hired, how you handle things and even complaints. And I just want to thank you because we live here. This is our home and both of you I told you last night. We appreciate this is our home. Thank you

02:05:23

Rick Legendre: Well, thank you. As I said, I got many of those same comments last night to reenergize me. Thank you. Appreciate it. Yes, ma'am.

02:05:34

Shirley Rowe - CRB1013: You were mentioning the B building. Oh, Shirley, Row B, 1013. You were mentioning the repair on the parking garage. And B, there are some steel supports and a huge steel beam that's laying on the underneath side. Those to be installed.

02:05:55

Stan Szapiel: Know those steel beam and those supports is what's lifting the parking garage to put the bearing pads in between the two concrete. So that's the apparatus that they're using to lift that parking garage so that they can put the plates.

02:06:09

Shirley Rowe - CRB1013: In and then you'll remove those.

02:06:11

Stan Szapiel: Beam. Yeah, those are tools.

02:06:14

Shirley Rowe - CRB1013: For lack of a better term. And then a question for the putt putt golf.

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Will there be some minimum age limit for children without parental parents being there or adult being?

02:06:26

Stan Szapiel: Well, that connects to the pools. So, you know.

02:06:30

Shirley Rowe - CRB1013: So, the same thing about the pool.

02:06:32

Stan Szapiel: I mean, it's pools, hot tubs. Yeah.

02:06:34

Shirley Rowe - CRB1013: Yeah. Okay, great. Thank you.

02:06:36

Rick Legendre: You bet. Anybody in the far end? Here's your chance. Back this way. One here. Yes, ma'am. Mic's coming. The mic's coming.

02:06:48

Eva McDuffie - CRD709: Hello, I'm Eva McDuffie. I'm in Delta 709. I face the beautiful island river over here. When we first moved in, the fence wasn't along the property line, and we used to go over to the beach over there. I don't know if it's allowed. Is it allowed to use the beach.

02:07:08

Rick Legendre: I'll let Larry. It's Larry's property.

02:07:09

Eva McDuffie - CRD709: Is that the right? I mean, are we trying to keep people from using the beach?

02:07:14

Larry Wireman: You can see. Well, I do not own the beach. So, yeah.

02:07:19

Eva McDuffie - CRD709: It was if you can get so nice to be able to go over there, we.

02:07:22

Larry Wireman: I put the fence up because people were complaining that people were coming in.

02:07:26

Eva McDuffie - CRD709: I thought that was it.

02:07:29

Larry Wireman: I didn't.

02:07:29

Eva McDuffie - CRD709: I didn't want it. I know it's a give and take, isn't it? My hope.

02:07:34

Larry Wireman: Go around the corner.

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02:07:37

Eva McDuffie - CRD709: Or it would ever be possible to have a gate like we do at the other end.

02:07:46

Larry Wireman: I mean I'll put in a gate for you if they'll let me. And you'll have to get a key to it and what have you.

02:07:53

Eva McDuffie - CRD709: Thank you.

02:07:54

Larry Wireman: We'll see.

02:07:55

Eva McDuffie - CRD709: One other question. I have a couple of mutts, and we love living here. We live here full time. But my dogs don't really get to be dogs.

02:08:07

Larry Wireman: Comes up.

02:08:07

Eva McDuffie - CRD709: Every meeting. Yes. I just wondered if there would ever be a little small fenced in area. I mean, I know it's a lot to ask, but I just wondered.

02:08:17

Larry Wireman: I've been working on for years. I don't know exactly where to put it, to be honest with you. I've kind of got it figured out, but I'm working on it slowly because, honest, we don't own the land, but we're working on it.

02:08:29

Eva McDuffie - CRD709: Thank you.

02:08:31

Rick Legendre: If there aren't any other questions or comments, do we have a vote? Oh, we have another. Oh, two more of it. I'm sorry. Coming up.

02:08:46

John Beach - CRB411: John Beach B 411. This has been going on for a long time. The trash pickup comes sometimes at five, 6:00 in the morning and you hear that beep, beep and bang bang of the trash and everybody wakes up. As an owner, I've gotten used to it, but I would imagine that the renters that come here have to hear that every morning, have to be complaining. I don't know if there's anything we can do to have them change their schedule or what, but it is really annoying.

02:09:16

Rick Legendre: Different day, different days. Stan Yeah, can you.

02:09:25

Stan Szapiel: We don't get a lot of complaints on that, but I know it's loud, there's no doubt about it. I'm sure we've talked to the Waste Management Company, and they have a route that they do, and so that route sometimes can be altered if we get complaints, if it's too early, if it's too late, if it's too late, then, you know, people see the trash truck. If it's too

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early, it wakes everybody up. I don't have an answer for it, to be honest with you. Yeah, it's 6 to 1 half a dozen the other.

02:09:56

Rick Legendre: Well, does it have to be it?

02:09:57

Stan Szapiel: They pick up seven days a week during the busy season and they lay off two days out of the week in the off season.

02:10:03

Rick Legendre: Does it have to be at 5:00 in the morning though?

02:10:05

Stan Szapiel: What time would you like the trash picked up?

02:10:07

Rick Legendre: Not 9:00, Right.

02:10:09

Stan Szapiel: What time do you get up? I mean, you know, huh?

02:10:13

Background Speakers: Yeah.

02:10:15

Rick Legendre: Yeah, that's true.

02:10:17

Stan Szapiel: Yeah. I mean, it's tough. I've called them and they're like, What time do you want us there? And I was like, Well, then we moved. We have moved them and got on the back side of their route.

02:10:26

Rick Legendre: Let me ask you this question saying, Is this is this city or is this people we contract with?

02:10:32

Stan Szapiel: Well, it's the contract that we have not it's not city pick, Amy, is it city?

02:10:39

Stan Szapiel: I mean, it's. Oh.

02:10:42

Stan Szapiel: So, city has it's not a direct contract. Suppose if it was, we could, but we.

02:10:46

Stan Szapiel: Pay individually with our water.

02:10:48

Rick Legendre: All right, now, there you go.

02:10:52

Stan Szapiel: Just to get you up, you would know.

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02:10:55

Background Speakers: I hear a flexfield for every morning.

02:10:57

Rick Legendre: Anyone else I know? We're getting a little antsy now. Anyone know? Okay. Do we have a vote count? Do we have a.

02:11:08

Stan Szapiel: No no, not quite.

02:11:09

Rick Legendre: Yet. We can.

02:11:11

Stan Szapiel: Tabulation is going to go on for a little bit here.

02:11:14

Rick Legendre: All right. So, we could do a couple of things. We can keep this conversation going. I'll get to you one second. We can keep this conversation going. We get to join the meeting. And those of you who want to leave can leave or you can all stay here and wait for the vote count to come in.

02:11:28

Stan Szapiel: Rick. I would like to say one thing. Our owner relations people here do a great job. They listen to the issues that the owners have. They are paid for by Caribe Realty. They are not homeowner association reimbursed. It's a service to you that Realty and Larry provide. And I also want to tell you that our updates are on Caribe Resort owners dot com. There's a lot of Facebook sites out there. We have the official Facebook site. A lot of things being said we read it all just FYI. You know if you want the facts go to caribe owners website caribe resort owners dot com. You'll see updates at least once a month on there. If you have something that you want posted on that, please let us know and we'll get it up there on the next posting.

02:12:18

Rick Legendre: We have another question over here.

02:12:23

Mark Luckett - CRD701: I'm not convinced. The body of Mark Luckett d701 Last year we was correct me if I'm wrong, but the parking lots and the docks, were they not maintained by the homeowners association? Who paid for all the rock on the parking lot.

02:12:45

Larry Wireman: I'm sorry.

02:12:46

Rick Legendre: Say it again. Yeah. I'm not quite the what now?

02:12:48

Larry Wireman: Question at the time. Now I'm a little slow.

02:12:52

Mark Luckett - CRD701: Who pays for all the material on the parking lots on your land?

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02:12:56

Larry Wireman: I did. Down that one over there.

02:12:57

Rick Legendre: He does it personally.

02:12:58

Mark Lockett - CRD701: Who pays for the others?

02:13:00

Larry Wireman: The first one, I think I charge you guys 60,000. Charge the association 60,000 for the rock on that lot out there. I've had this discussion before, I believe.

02:13:10

Mark Lockett - CRD701: Right. I'm refreshing my memory from last year. Okay. Secondly, did our insurance pay to repair the docks that belong to Larry?

02:13:21

Larry Wireman: Technically, they paid \$3 million. The insurance company did for the for the docks, which should have gone to the association, which went to me to repair the docks.

02:13:34

Mark Lockett - CRD701: Mr. Larry, there's in my opinion and you know, I've been here for many years. Yes, sir. And the very first time we come here, if you own a condo, I'm buying here because this place is a tight ship, well built. These people are on top of things. There's no doubt about your knowledge and your will. No doubt about it. I think the biggest issue is and it's an issue for me, myself. I have a boat.

02:14:03

Larry Wireman: Yes, sir.

02:14:04

Mark Lockett - CRD701: And I pay my HOAs and my taxes and the insurance. If our HOAs are going to pay to maintain your docks, I don't feel like the owner should have to pay you \$65 a day to park their boat if they're an owner. And I also don't think that if we're going to pay \$60,000 for rock out there in that parking lot right on your land. Yes, sir. I don't feel like we should be charged to park our boat trailer there for the weekend. And if we're going and I don't think that people here will have a problem with you charging, but I feel like the owners for what we pay in this property here, if you're charging and we're having to pay for maintenance, we should have a place like other places to park our boat trailers or to leave our boats here. Like people like me, that's four and 5 hours away.

02:15:01

Larry Wireman: You got a question for me?

02:15:03

Mark Lockett - CRD701: Yeah. I want to know why the Caribe, why our insurance is reimbursing you to repair your piers, and you're charging us daily to use the boat docks.

02:15:13

Larry Wireman: I don't know if you were here last year when I told everybody that I feel like I own the condo. I own the docks. Right?

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02:15:22

Mark Luckett - CRD701: Right.

02:15:23

Larry Wireman: And I actually own part of the land that the dock set on in front of the docks. And I feel like that if I'm going to let you guys being you guys, the association, which I'm part of, I've got several units here. I paid fee just like you do, use those docks. It's the least you could do if I don't charge you for using them is the least I could do is get paid the insurance. I stopped that because somebody complained about it, so I'm paying for it myself now. I'm paying for the liability insurance, which is what's going on with it. And as far as parking out there on that stuff, if you don't want to park out there. Uh.

02:16:05

Mark Luckett - CRD701: I didn't say I didn't want a park. I said, I don't understand why we're getting charged when we're paying for the material.

02:16:11

Larry Wireman: Well.

02:16:13

Mark Luckett - CRD701: Last year you said, well, I'll reimburse y'all and I'll just put a gate up a cable across it and nobody will use it. That's what you said last year.

02:16:20

Larry Wireman: Well, I could do that this year, too. Right. But I didn't feel like that's what folks wanted. I want to do what the folks want within reason.

02:16:29

Mark Luckett - CRD701: The biggest thing is the boat docks. Why our insurance pays you to repair them even though you own them. I think \$65 a day for owners is ridiculous. I think it's just an exaggerated amount, too.

02:16:44

Larry Wireman: Yes, sir. And you're entitled to your opinion. You know what? The first quote I got was for finishing the docks or fixing them. \$13 million. 13 million was that 3 million went towards that, not towards that fee, because that's not what it costs me. But that was the first quote I got for fixing the docks. We bought docks. We worked. We're still working on them. It's one of our biggest complaints. We don't have the docks finished right close. Rick complained about it. But, you know, bottom line is, I'll pay for insurance on the docks and I will rent them out to somebody else, and I'll make a lot more money off of them. I don't charge people for the docks. Really. I stand to I charge a lot of money for the docks. If you live here.

02:17:36

Mark Luckett - CRD701: \$65 a day.

02:17:37

Stan Szapiel: Its owners pay \$50 a day if they're not on the Caribe Realty Rental program. If you're on the Caribe Realty Rental program, the guest and the owners on those units use the docks complimentary and if you're on an outside rental company, the owner still pays \$50 a day and their guests pay \$75 a day. What Larry's referring to is the gravel was paid by the

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association years and years ago on the parking lot over there by the guardhouse. None of the gravel over here on the east of D was paid for. Nobody paid for the fence that separates it. That everybody wanted a fence up. Larry paid for that, and he paid for the landscape over there. Also, nobody paid anything in here for that. He maintains that area.

02:18:31

Larry Wireman: You know, I can stand up here and talk for 2 hours about what I do for this association. Some people here would think I was lying, but I can prove everything that I'm saying. Somebody was complaining. For instance, just to give you a little one about the plug ins for the cars, somebody complaining about the Chargers for the cars or two for every building. Right. So I wasn't paid for. The Chargers had them install, paid for installing them. Okay. It's on our land. It's on the association's land, no doubt. But then somebody complained about the electric bill because certain only certain people. Well, I pay the electric bill too. That's just a minor detail I provide. I've provided equipment for this association for years and years and years. And I think Jeff Keene will attest, you want to get a man lift, You don't want to go. A lot of our stuff takes you 30 minutes or 20 minutes or something. You want to go rent a piece of equipment for 20 or 30 minutes. So, they use my equipment. I've never charged for it. I think Jeff started charging for it now because somebody complained about it and we started charging for it just to show you what it would cost if you had to pay for it. And I do all of that stuff for this association. I mean, it goes on and on and on. I can remember when I did the B building the first building here and when I got through doing it and we sold all the units or was in process selling all the units, I decided the pool wasn't big enough. So, I put in a bigger pool, a lot bigger pool didn't cost anybody a penny. It's made me a lot of money in the long run. And I wasn't smart enough to realize it at the time. But anyway, I'm put in a bigger pool and then I went back and gave us the land, the association. I gave us the land to put the pool in. I did the same thing for this thing out here on the D building for the Lazy River is we had the building, we had the building done. We'd sold all the units. And I got thinking about the parking lot over there at the B building we're having the problems with right now, the parking structure. It's leaking. I didn't like it, so I decided, well, we'll put something over it. And then I go to talk to the architect about can we put a lazy river up there, you know? No, no, it's too heavy, right? You can't put it up there. So, what if we run on top of the piling? What if we run it? Snake? Like on top of the piling? Oh, we can figure that out. So, we'll get Nate Berube, who's the architectural engineer. We put that laser up there. You know what it cost the people? Nothing. I put it in. So, when somebody says I'm stealing, which I'm not, and somebody says that, I. Then I've taken all the money from the association for this insurance stuff, and it's very easy to see, you know, it really hurts my feelings really bothers me a lot. And when they say that that green bank is taking all the money from the insurance funds, well, it's easy enough to see. I mean, you had an auditor here who says you've never seen us do anything wrong, right? I don't think he actually said that, but he said nothing that bothered him anyway. I mean, you guys are welcome to come and see the books any time, but I'm not going to be driven by a dozen or 20 or 50 people when I've got 500 people who think I'm doing the right thing. I'm not going to do it. I said, I set this association up. You can get rid of me any year you want to any year. I'll even not cast my votes if you want me to. You know, you get your me and you get rid of me any year you want to. But don't call me a liar or a thief or a crook without some basis,

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which is where I think we are right now with this lawsuit. And I think this lawsuit is the only black eye this company or Caribe has ever had. And it's hurting us. Regardless of what Stan thinks, I think is hurting us pretty badly. It makes us look bad. It makes me look like a crook. And I'm not. Adam Milam representing the plaintiffs and I want to talk about the lawsuit. Adam I sat across the board with him 50 arbitrations over turquoise. And so there you go. Here we go again. And he made me a lot of money over turquoise, by the way, because he got a lot of his clients money back and I got the unit back and it's now worth three times what it was then. So, you know, it's okay, but it's not good. It's not good to sue when you don't have a basis for suing. In my opinion, that's where I am. I'm sure Adam wouldn't agree with that or, you know, the plaintiffs over there wouldn't agree with that. But that's the way it is. We'll find out in the long run whether I'm a crook or not. I guess. So, yeah, I'm not going to, but it really hurts me and it gets me fired up. I'm sorry, but \$60,000 for parking is nothing when you peg it over a few years. I belong to another association. They took 1,200,000 in parking fees last year, and they got 400 units. They're paying \$18 Million for parking structure right now. It's pretty nice when they're paying about 130,000 apiece for parking spaces, A lot of parking down here right now. I did that parking lot. I actually spread a lot of the gravel myself. I hauled it in. I paid for it. I did it. That's worth something, isn't it? I think it's worth something. It really helps us. It keeps people from parking on our parking structure. It keeps I'm sorry, keep them from parking on our putting greens and our greens and you know. I thought it was good. I didn't have anything over there, so I thought it was good. We should have made a little bigger, I think. But. And we can make it bigger if we need to. I respect where you're coming from and you're entitled to your opinion, but I think you're getting a deal on the parking. And I think you're getting a deal on the boat slips. If you saw what it costs to take care of them, you know it. HOA does not take care of the boat slips, as a matter of fact, we pay sentinels. The other company that I'm stealing all the money through. Supposedly we pay sentinels for guarding the the we pay them a fee for doing that and for doing a fee over at the marina. We pay them a fee. Okay. So, Sentinels.

02:24:47

Stan Szapiel: Larry, can I share with them?

02:24:49

Larry Wireman: Yeah.

02:24:50

Stan Szapiel: Can I share with them about Sentinels?

02:24:51

Larry Wireman: Sure.

02:24:52

Stan Szapiel: All right. The board.

02:24:54

Larry Wireman: Since this if you got any questions for me, Stan loves to talk, and I don't. I don't even want to be up here, to be honest with you. But, you know. There you go. I'll be glad to answer any questions I can.

02:25:04

Stan Szapiel: We did. The board did for us with pricing out security. Since Larry owns the

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company, Sentinels Security. And if you look in your book. Sentinels was paid 590,000 total security for the association with 626,000. So, they said we want a competitive bid. We want to make sure that we're getting a good deal for the association. So, I went to the largest. I got it right here. If anybody wants to see it, I can't share their company name with you, but I got it right here and I said they go, I need a competitive bid. And I said, All I need is ours. We got computers, we got radios, we got uniforms, we got technology, we got cameras. I just need boots on the ground. Give me a competitive bid. And so, I gave them all that labor hours, month to month. And a total for the end of the year. And I said price that. So, they gave me a bid. I got it right here. Anybody wants to look at it, I'll share it. You put their wage into the hours that we paid. You will see a 40% increase at 882,000 for the same security labor that you paid for for 590,000. Anybody want to see that? You come up here and take a look at it? And it'd be great if we could hire more employees.

02:26:26

Rick Legendre: Well, Larry wants to say a couple other things, but let me just say, when you're on this end right here looking into these faces, you can see the eyes sort of glaze over and you're ready to go. So, I'm going to try my best to wrap this up. Okay. I hear you.

02:26:41

Larry Wireman: Sentinels is a company that I formed, I don't know, ten or 15 years ago, and I formed it because I didn't want somebody to get hurt or shot or something. And the association have the liability for it. And I formed it. And I can tell you that Amy pulled the books in the last five years. It's sentinels and five rely till you catch me a lie. You tell me about it. Last five years, I've lost about 75,000 on sentinels. I don't make any money on sentinels. It's a pass through. We do it for the association and that's it on the IT group. Now. I started the IT group a long time ago. I put stuff in here that people hadn't even heard of when we did the B building and, and we've done that all along on the IT group. I make a little money, but not nearly as much as you might think. When I look at the thing it says I made 726,000 last year. We might have made 100, maybe 150. No, no, no. \$726 because we've got to pay for the content. I got five guys that probably cost me a half a million dollars a year. So, you know, it's not it's not I mean, when you're suing somebody and you want to make them look bad, you point out bad things, but it should at least be the truth. The way I see it, these folks have crossed the line. They say I'm stealing stuff. I'm not stealing it. So, there you go. That's it. I'm done. What do you want? Hold on. Give everybody your first.

02:28:10

Rick Legendre: All right. I'm going to ask for a well, let me before I do that first. I'm going.

02:28:17

Stan Szapiel: I'm going to allow close. Rick, They're close.

02:28:20

Rick Legendre: Okay, they're closing up. Okay. Board any last-minute closing comments to give anybody an opportunity. We're this close to getting the vote.

02:28:32

John Evans: Y'all know I'm from South Louisiana, and sometimes the people down there get accused of having a funny accent. But, you know, I live just a little bit away from a place called Pier Park. And it's a big fishing place, a lot of water. And I got a friend down there

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named Boudreaux. And Boudreaux and Clarence got in a big argument, and Clarence ran his boat into Boudreaux boat, and he sunk it. And every day after that, Boudreaux would go to the bank because he couldn't get across the bayou. So, he goes down on the bank and eat hollow over at Clarence. He said, Clarence, he said, when they finish building this bridge, I'm coming over there. And he said, I'm a whip your butt. And Clarence would just stand there and shake his fist at him. But pretty soon, the state finished that bridge. So, Boudreaux told his wife, he said, Man, I'm going over there and take care of Clarence right now. I somehow beat him up so bad. I'll throw him in the bayou and then I'll never see him again. So, Boudreaux got to the bridge, you know, and he start to walk across the bridge. His wife looks up, and he'd come and ride back. She said, Mama Boudreaux, what's the matter with you? I thought you was going to beat up Clarence. He said, well, I don't know if I'm as mad as I used to be. She said, why, Daddy? And he said, well, he I didn't know Clarence with that big. She said, Man, you don't look big to me. She said, well, he got a sign up on that bridge that say, Clarence, six foot ten inches.

02:30:13

Rick Legendre: You didn't know that entertainment was included in your fees. We have one more question. Comment back. Yes, sir.

02:30:22

Mark Taupeka - CRCPH13: Hi, Mark. Taupeka. C. P 13. I'm the closing attorney owner at Orange Beach title. I may have closed some of your purchases. And if I did, thank you for that. But I wanted to mention, since it was discussed, that it can be difficult to get financing when the association is involved in pending litigation. It can also be difficult to get title insurance, so that applies whether your buyer is looking for financing or whether your buyer is looking to pay in cash. The pending litigation against the association is not good. Period.

02:30:59

Rick Legendre: Wow. Thank you.

02:31:04

Rick Legendre: Okay, Joe. Any other closing comments? Joe. Lester, go ahead. Come on up. I'm just trying to kill Time for the vote. You said. He said you're not going to beat Boudreaux.

02:31:21

Joe Mendola: No, I'm serious. I'm the accountant. I just want to talk about our audited financials and really what took place in getting this this quickly. And we all know what great staff we have here, but Stan and his people if you stop and think today's February 18th so, we're only 49 days from the end of the year. So, we had an in-house wrap up our accounting, all the transactions, get them into the books and records on top. The staff of doing that, they had to take care of this property with all these renovations going on, take care of all our owners setting up for this meeting, take care of contacting the owners that couldn't be here to get proxies to make sure we could have an official meeting. There's just. And on top of getting this CPA firm in here so early in the year to go through all the books and records and so they could do their testing and give their clean opinion on these numbers. It's a tremendous amount of work, a tremendous amount of time. And I don't know how they pull it all off so quickly in 49 days. So, we have a very good group and I think you all know that already, but I can't thank them enough for what they do. So.

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02:32:55

Rick Legendre: Lester, everything you say. All right, I'm going to go ahead and accept a motion to adjourn the meeting in a second. And anyone who wants to stay around, we'll have the vote count. So, we have a Frank. I know Frank motion is second to close. We thank you all very much. Thank you for your patience. Again, feel free to stick around. We'll have the vote count.

02:36:34

Rick Legendre: Excuse me one moment before I. Thank you. Thank you very much. Before we leave, I could tell you that the vote is in. I want to know the just. I just want to say that the vote is in. I know we had someone witness the vote. Are they satisfied with it? Where are they?

02:37:08

Background Speakers: I'm not satisfied with the results, but counting, yes.

02:37:11

Rick Legendre: You've witnessed the vote. Are you satisfied with this?. Anyway, the board has been reelected in total, so thank you. And I want to personally thank Jim for putting his name up. Thank you very much. He's a great guy, I could tell you that.

Meeting adjourned