

SANDPIPER OWNERS ASSOCIATION, INC.
MINUTES OF ANNUAL MEETING OF OWNERS
November 11, 2017

The 2017 Annual Meeting of Owners of Sandpiper Owners Association, Inc. took place on Saturday, November 11, 2017, at the Seventh Floor recreation room of the condominium.

1. **Meeting Called to Order.** The meeting was called to order by President Scott Johnson at 9:30 a.m.
2. **Certified Quorum.** A quorum of the required Owners was certified to conduct the meeting, with at least 43 Owners in attendance either in person or proxy.
3. **Proof of the Annual Membership Meeting.** Proof of the notice of the meeting was certified by Rhonda Pearlman, Secretary, as being properly sent and posted.
4. **All Minutes from Prior Meetings.** 2016 Annual meeting and Budget meeting minutes, and all Board meeting minutes since then, were previously approved and distributed to Owners. No further approval was required.
5. **Introduction of Owners and Staff.** All Owners present at the meeting introduced themselves. All staff members were introduced as well, including Randy Teagarden (property and maintenance manager), Silvia Isele (office administrative assistant) and Diane Moreno (rental manager and on-site broker). Chris Johnson (grounds and housekeeper) was not in attendance. Scott recognized the staff's contributions this year, including extraordinary efforts addressing all issues resulting from Hurricane Irma.
6. **Recognize Owners Who have Passed Away Since 2016 Annual Meeting.**
 - Virgil Schenck, Sr. (Unit 201)
7. **Introduction of New Owners.** Scott recognized new owners at Sandpiper since the 2016 Annual Meeting, being Nicholas and Gina Skeriotis (Unit 312), Robert and Janice Cohen (Unit 407); Stephen and Brandy Sullivan (Unit 411); and Jacob and Whitney Martinez (Unit 504).
8. **Election of Board of Directors for 2018.** One of the primary purposes of this meeting was the election of directors for 2018. Three current Directors had terms expiring at this Annual Meeting, which included Bucky Hurt, Michael Pollack and Shawn Morgan. Bucky and Michael agreed to serve another term, with Shawn stepping off the Board. Association solicitation for new Board members yielded one Owner, David Kaczmarek. Our condominium documents allow for a total of 11 directors. Accordingly, if the three foregoing proposed Owners were elected, we would have a total of 8 Directors, not requiring a contested election. On motion duly made, seconded and unanimously adopted, Bucky, Michael and David were elected as Directors for a three year term. They join hold-over Directors Scott Johnson, Terry Hadley, Rhonda Pearlman, Jeff Knipe and

Pam Shaw. Thanks was expressed to Shawn for her service during her term on the Board.

9. **Treasurer's Report.** Scott introduced the topics to be discussed during the Treasurer's Report, thereafter followed by Treasurer Michael Pollack providing a written report, from which he also gave an oral report. A copy of the report is attached to these minutes. He concluded his report with addressing the steps undertaken by him and Randy to prepare the proposed 2018 budget and reserve funding. Discussion with Owners then took place regarding Michael's report, including the proposed budget. It was acknowledged that the Owners do not approve the budget, as that is a function of the Board at a meeting that will follow. Thanks was then given to Michael and Randy for their efforts in preparing the proposed 2018 budget and reserve funding for presentation to the Owners.
10. **Manager's Report.** Randy Teagarden, property manager, provided a written report, copy attached. Randy orally reviewed the topics on the written report. Among the other topics mentioned, Randy updated the status of the current paint project being undertaken on the entire building, which is going according to plan and should conclude by year-end. Thanks was given to Owner Tim Dwyer who volunteered his time to help the Board review the proposed painting contracts and make a selection of the contractor chosen. Scott also addressed that all units were recently inspected for locations of any moisture observed, with each Owner then contacted regarding the results of such inspection (some units that were occupied need to have inspection completed). We then discussed that at the conclusion of the paint project and roof repair required by Hurricane Irma damage, we will check all units that evidenced moisture issues, with the goal that the paint project and roof repair resolve any such issues. Discussion then occurred regarding Randy's report, with questions answered.
 - Putting Green – Randy reported that our quote for replacing the hurricane damaged putting green was \$12,000, on top of the \$18,000 we spent to install the new putting green after Hurricane Matthew. We are also getting quotes on the expense for the alternative of removal of the putting green and replacing it with sod, to avoid ongoing expense due to possible future storm damage. There were Owners' comments that the putting green is a desired amenity used by Owners and renters, and that we should repair the putting green, not remove it. The Board will undertake consideration of the alternatives once we have all the facts.
11. **Rental Report.** Diane Moreno provided a written rental report (copy attached), from which she made oral comments. Diane also advised she will be changing from gift baskets given to renters to providing a beach towel with the Sandpiper monogram, a sample of which she showed Owners. Diane will send an email to all Owners advising of the ability of Owners to purchase these Sandpiper towels and the logistics for doing so.
12. **Old Business.** There was no old business to come before the meeting.

13. **New Business.**

- Discussion took place regarding the status of the 7th floor. Scott introduced the topic by acknowledging that the 7th floor is generally under-utilized, as used for the Annual Meeting once a year, by Owners periodically throughout the year for certain social functions, by Winter renters and periodically by Owners for other purposes. So just to discuss alternative ideas, one idea was to potentially sell the 7th floor for conversion to one or two additional condominium units. The benefit of a sale is the net proceeds that would result from such sale to the benefit of the Association's financials. However, as a common element, the sale of the 7th floor would require a vote of 100% of all unit Owners and all lenders. From discussion at the meeting, it was apparent that we would not get 100% approval to sell, as some Owners expressed that there was value to Sandpiper and individual unit ownership to have a 7th floor recreational facility. Even if the 7th floor could be sold, it was also advised from discussions with the County that we do not have enough acreage for Sandpiper as required to add to the density resulting from one or more added units. From that discussion, the sale for additional units would not be currently pursued.

Then three other topics were discussed regarding the 7th floor. One was we need a better system for access to use the 7th floor, including after hours. The Board will give consideration to a proposal for such access. The possibility of a combination lock or "smart technology" (like access using a cell phone app) was discussed, all of which will be considered by the Board. A second topic discussed was the need to refurbish the 7th floor with respect to replacement of the older furniture, painting and other general sprucing up (for a budget of less than \$10,000). That will be undertaken as determined by the Board. And third, the idea was expressed of utilizing a portion of the 7th floor (ideally a part of the northern side space) to install exercise equipment. The logistics/challenges were discussed, including noise mitigation to floors below, security, potential liability, purchase or lease of equipment and equipment maintenance. The Board will take that idea under advisement and report back.

- Scott addressed communication by Owners of any comments or concerns regarding any issue involving Sandpiper. Scott shared that he had received an anonymous unsigned letter, apparently from an Owner, expressing concerns on various topics. Scott acknowledged that since the letter was anonymous without the ability to address the issues with the Owner and perhaps resolve all concerns, he was not going to publicly discuss the topics raised by the anonymous source. But Scott confirmed that should Owners have any concerns about any issue at Sandpiper, they should feel free to contact the appropriate person to discuss, including Scott, as President, or any member of the Board, or Diane if it deals with a rental issue, or Randy if it deals with other issues regarding the grounds or his operation. It is the Board's intent to address any concern of the Owners, but Scott advised that he would not do so if received from an unidentified source.

- A third topic discussed was vendor access into units. A unit Owner had recently expressed concern that a vendor had been given unaccompanied access to the unit during

the moisture investigation, when the unit Owner did not know there was going to be such access. The Board will address a policy of any vendor who enters a unit making sure they leave the unit as they found it; leave a note with the date of access and the reason for the access; and making sure they properly lock the unit when departing. Further, if unit Owners have concerns that no vendor should enter their unit without being accompanied by a Sandpiper representative, the Board will also address that issue.

- Another discussion took place regarding the current Sandpiper policy regarding family members using Sandpiper property when that Owner's unit is being rented. The Sandpiper rules provide that if a unit is being rented, an Owner cannot allow unaccompanied guests to use the Sandpiper property. However, if a unit is rented, an Owner, or the Owner's immediate family, has full access to the Sandpiper property and common elements. But such use should be made known to the office, including that appropriate parking passes are obtained from the office if not already possessed.

14. **Owners' Questions and Comments.**

- Discussion took place regarding Winter renters, upon their departure and until returning the next year, storing their property in a general storage area on the Sandpiper property. A recommendation was made to charge such renters a fee to store such items they wish to leave in that storage area, as they are utilizing Association space for which a charge could be made to benefit the income of Sandpiper. The Board will consider.

- A request was made to address the repair of the second ice machine on the 4th floor, which has not worked for a long time. The Board will consider.

15. **Close Meeting.** Scott thanked the Board and the Owners for their support during 2017. We look forward to another great year for Sandpiper for 2018.

There being no further business to come before the Annual Meeting of the Owners, the meeting was adjourned at approximately 11:00 a.m.

Submitted by:

Rhonda K Pearlman

Rhonda K Pearlman, Secretary

11/16/17

Treasurer's Report --Sandpiper Annual Meeting 11-11-2017

Topics to be covered

- (1) Highlights of 2017 Budget YTD
- (2) Sale of Unit 107
- (3) Highlights of 2018 budget

2017 Budget YTD

Financial Statements of 10-31-2017 are posted on owner website.

Income was above budget because of the sale of Unit 107 for \$515,000. The details of that sale will be reviewed after we talk about our 2017 expenses.

The only operating expense which is much larger than planned is the operating contingency account, where we budgeted \$15,500 but have spent \$81,000 and will undoubtedly spend more as the result of the 2 hurricanes. Our net expense from Hurricane Matthew after insurance was approximately \$82,500. That included \$37,500 for roof repairs and \$18,000 for our putting green. Some Hurricane Matthew expenses were incurred in 2016 and some in 2017. We were better prepared for Hurricane Irma and avoided damage to our elevators and pool house. However, our roof damage from Irma was almost twice that sustained in Matthew. None of our expenses from Hurricane Irma will be covered by insurance. We anticipate that Hurricane Irma expenses will total approximately \$85,000 assuming we do not replace the putting green and obviously more if we do.

We have one major reserve expense this year: \$212,000 for painting the building. Approximately \$192,000 of that amount remains to be paid.

Balances as of 10-31-2017

Operating accounts: Approx \$308,000

Reserve accounts: Approx \$595,000

Total: \$903,000

Sale of unit 107

Sale price was \$515,000.

Taxes on that sale of approximately \$140,000 are due in April, 2018

Our net proceeds from the sale after expenses and taxes will be approximately \$358,000

\$214,000 of the proceeds has already been designated as reserves

The remainder is in our operating accounts.

2018 budget

As has been true for the past few years, we are using the pooled method of accounting for our reserves.

The State of Florida does not specify the length of our reserve schedule. We have continued to show a 20 year reserve schedule, which Board considers to be cautious and conservative.

We have listed the reserve items in that schedule with their costs, useful and remaining lives

Items that must be included in the reserve schedule are those that exceed \$10,000 and which are replaced less often than annually. Other expenses are listed on our operating budget.

Our 2018 operating budget was prepared in early September as has always been the case. The last column of the budget shows anticipated income and expenses for 2018. We believe most of the expenses associated with Hurricane Irma will be incurred in 2017 and that the projections we've used for 2018 will be reasonably accurate providing there is not another natural disaster.

The portion of our HOA required for reserve contribution will be less in 2018 than in 2017. There are 2 reasons for this. First, we allocated \$214,000 to reserves early this year from sale of Unit 107. Second, we removed three items—railings replacement, steel door replacement, and stucco repair—from the reserve schedule because they are more appropriately included in the operating budget.

Reserve projects in 2018 will total approximately \$84,000. These include shuffleboard court resurfacing, trash chute and door replacement, 7th floor renovation, and parking lot resealing and restriping.

Small projects from the operating budget include pool deck furniture repair, which is estimated at \$5000, front property sign restoration, pool house repairs, and fire pump upgrades.

No special assessment for Hurricane Irma appears necessary.

Our monthly HOA in 2017 is \$595. In 2018 it will be reduced to \$590.

Michael Pollack

Treasurer

MANAGER'S REPORT

November 11, 2017

Annual Meeting

CURRENT PROJECTS:

BUILDING PAINTING/WATERPROOFING: The Project was delayed a few weeks due to Hurricane Irma. Work started on Monday, October 23, at the south end of the building and will proceed north. All outside ceilings, walls, balconies, shutter boxes, and front doors to the units will be painted. The perimeter wall surrounding the property and pool house will also be included. Projected completion is January 2018.

HURRICANE IRMA: Thanks to a more detailed Hurricane preparation plan, and with Diane and Christine's help preparing each unit as necessary, we managed to reduce the damage in several different areas. The pool pumps were removed from the pool house before the storm. The elevators were locked on the 6th floor to reduce water damage. Pools were lowered by half to reduce flooding. Total amount of estimated damages to date are \$80,561. Insurance did not cover these items.

DAMAGES:

ROOF: The north and south sides of the roof sustained damage. Both sides have been temporarily repaired. Permanent repairs are due to begin this month. Lightning rods and cable will also need to be replaced.

POOLS/POOL HOUSE: Flooding had caused some electrical issues that will need to be addressed. One of the pool doors will be replaced.

PUTTING GREEN: The putting green sustained damage due to wind and flooding. We are determining cost to repair or other alternatives.

WATER INTRUSION TO UNITS: There were 12 units that had water intrusion through windows and ceilings, due to high winds driving the rain against the building. We are having the building waterproofed as part of current paint project, which is intended to remedy these issues. Every unit has been inspected by a licensed restoration contractor for evidence of any moisture in walls and ceilings. The findings were recently sent to each Owner as to their unit (except "occupied units" that still need to be inspected).

FIRM ALARM PANEL: the first alarm panel indicated some water damage to a few pull stations which have been repaired.

OTHER DAMAGES TO BE REPAIRED:

- Front Sandpiper sign
- 12 exit signs
- Recycling doors

- Minor landscaping

2018 PROJECTS:

- Trash chutes replaced
- Trash chute doors replaced
- Sealing and striping of the parking lot
- Stucco/concrete repairs pool house
- Steel doors painted
- Pool deck furniture repair
- Possible 7th floor minor renovations
- Shuffleboard court resurfacing

#54252140_v1

SOUTH BEACH RESORT PROPERTIES, LLC

SANDPIPER RENTAL PROGRAM

RENTAL REPORT OCTOBER, 2017

Month	2016		2017	
	Rental Income	Commission	Rental Income	Commission
			* Jan - Sept	* Jan - Oct
January	\$89,843.00	\$12,578.03	\$94,377.07	\$14,156.56
February	\$166,493.06	\$23,309.03	\$141,952.86	\$21,292.93
March	\$212,540.14	\$29,755.62	\$177,112.14	\$26,567.29
April	\$59,095.00	\$8,273.30	\$118,494.99	\$17,774.25
May	\$66,488.57	\$9,308.40	\$38,628.57	\$5,794.29
June	\$163,708.28	\$24,556.24	\$152,927.14	\$22,939.07
July	\$214,314.50	\$30,004.03	\$259,086.00	\$38,862.90
August	\$63,733.00	\$8,922.62	\$102,373.55	\$15,356.03
September	\$42,170.00	\$5,903.80	\$11,334.29	\$1,700.14
October	\$3,440.00	\$481.00	\$10,077.00	\$1,511.55
November	\$27,750.00	\$3,885.00		
December	\$15,453.56	\$2,163.50		
Totals	\$1,125,029.17	\$159,140.57	\$1,106,363.61	\$165,955.01

We made it through another summer, with strong rental revenue increases during the months of July and August, and most of our guests already booked for the summer of 2018. Hurricane IRMA managed to mess things up for a few rentals in the month of September, however, due to the hard work of the Sandpiper team, we were able to get the property up and running to accommodate 5 rentals in the space of a week. Currently, I am concentrating marketing efforts to increase rentals during the months of October, November and December. I have placed an Ad on visitnsbfl.com which will run from October through December 2017. I have committed two weeks for Simple Google Advertising –which is a pay by click- on Google search engine. If successful, I will be running two weeks in November and two weeks in December. Sandpiper now has a 360 view of the property on Google – which resulted in a reservation!! Sandpiper will be featured in Visit Florida Vacation Guide which will run from December 2017 to October 2018. I continue to advertise condos on VRBO/HOMEAWAY on a rotating basis. To make things more streamlined VRBO/HOMEAWAY will be integrated with current rental software by the end of this month. Looking forward to a busy winter season!

No Current listings

Sales

107 sold for \$515,000.00

407 sold for \$525,000.00

312 sold for \$665,000.00

411 sold for \$587,500.00

504 sold for \$720,000.00

SOUTH BEACH RESORT PROPERTIES, LLC

SANDPIPER RENTAL PROGRAM

RENTAL REPORT OCTOBER, 2017 (Con't)

Sandpiper Marketing Expenses by Category		
	2016	2017
		*Jan-Oct
Barefoot Software	\$3000.00	\$2,250.00
Rent Expert Vacation Home Rentals	\$2713.20	
Vrbo / Homeaway/Flip Key	\$848.00	\$2800.00
Office Supplies	\$782.00	\$1000.00
Orlando Sentinel/VISIT FLORIDA	\$900.00	\$750.00
Sandpiper Website	\$1750.00	\$1,648.25
Virtual Tours	\$2200.00	\$3,033.40
Mail Outs – Brochures-Guest marketing		\$1200.00
Chamber Of Commerce Advertising	\$355.00	\$330.00
Office Rent	\$10,200.00	\$8500.00
Admin	\$14,682.00	\$11,784.63
Credit Card Fees	\$28,746.11	\$25,990.00
Banner advertising/ Google 360		\$1364.00
Totals	\$66,176.31	\$60,561.28

Thank you,

Diane Moreno

Broker

South Beach Resort Properties, LLC

386 689 0160