

**MINUTES
SANDPIPER OWNERS' ASSOCIATION
BOARD OF DIRECTORS
MEETING
APRIL 8, 2015**

A meeting of the Board of Directors took place on April 8, 2014 at the office of Board Member Terry Hadley 1031 West Morse Blvd., Winter Park, FL. Notice of the meeting was properly posted.

QUORUM

The members of the Board in attendance and establishing a quorum were: Scott Johnson, Pam Shaw, Shawn Morgan, Michael Pollack, Rhonda Pearlman, Terry Hadley. Our manager, Keith Jones, and guest, Tim Dwyer, Sandpiper Owner, were also in attendance.

PRESENTATION BY THYSSEN-KRUPP ELEVATOR REPRESENTATIVES

Two representatives of Thyssen-Krupp Elevator Company presented a comprehensive overview of the elevator situation at Sandpiper regarding one or more of the elevators being out of operation from time to time. They reviewed the component parts of the elevators, and were able to clearly show using photographs of the actual systems in place on site, the situation that has caused the interruption of service. Our operational issues are caused mainly due to our ocean-side location and storms, causing moisture and corrosion of the key structural and operational parts of the elevators. The photographs will be downloaded to Dropbox so that they can be viewed at a later time. It is noted that the last time the elevators were modernized was in 2006, when Thyssen-Krupp took over the contract with the Sandpiper.

The recommendations they provided for resolution of the situation were as follows:

- Solution 1 - This solution would involve rust mitigation in all elevators, including replacement of all rusted parts. Cost for this solution is estimated at \$316,372.
- Solution 2 - rust mitigation and elevator unit replacement, which would modernize the elevator systems with updated parts and controls. Cost for this solution is estimated at \$397,383.

An alternate recommendation came from Tim Dwyer. Tim is one of our owners and Regional President of Brasfield & Gorrie, a national general contractor. Tim's experience with elevator systems allowed him to ask relevant questions at the

meeting, and was most helpful to the Board as we consider how to address our issues. Tim also suggested an additional solution, which was to consider the complete replacement of the entire three elevator system. A rough estimate was given at \$475,000 - \$500,000. This solution will be considered and more accurately estimated along with the analysis of the two solutions above. The Board thanked Tim for his valuable participation at the meeting and his continued willingness to help, including review of proposals.

Thyssen-Krupp will be submitting the cost analysis of the three options in writing subsequent to our meeting.

In sum, we will consider elevator fixes, the costs, how to pay for the fix and timing for repair or replacement. In the meantime, until we get the detailed proposals and can make a decision, we will attempt to keep the elevators in operation as best we can.

ANNUAL EVALUATION OF MANAGEMENT AND EMPLOYEES

Keith completed his first year as our Manager as of March 1, 2015. The Board's review of Keith for his first year is that he is doing an outstanding job, including pursuant to the duties set forth in his contract. In lieu of consideration of a salary increase, Keith requested that for the period April through December, 2015, the Association pay \$300 per month toward his health plan premium, amounting to \$2,700. Upon motion made, seconded and adopted, the Board approved that request.

Keith then evaluated our three other employees. Linda received an excellent review from Keith. Keith recommended that effective May 5, 2015, we increase Linda's pay from \$13/hour to \$13.50, and continue to pay her health plan stipend of \$300/month. The Association would pay ½ of the increase, with Diane Moreno paying the other ½ under her rental program contract. On motion made, seconded and adopted, that recommendation was approved.

Keith also provided an excellent review for Randy. Randy has been with us 9 years, and was last reviewed in January 2014. Keith recommended that effective May 5, 2015, Randy's hourly rate be increased from \$16.25 to \$16.50, and that his health care contribution be increased from \$250/month to \$300 per month. Upon motion made, seconded and adopted, that recommendation was approved.

Keith also gave an excellent review of Christine, our housekeeper. As of April 1, 2015, Chris will have worked one year and will now be full-time at \$13 per hour. She is now eligible for vacation benefits and holidays off.

In sum, the Board believes we have a strong team of management and staff personnel, all of whom are performing pursuant to our expectations.

MANAGER'S REPORT

Attached is a copy of Keith's Manager's Report for April 2015. In addition to what is reflected on the Report, Keith provided further comments as follows:

The painting of the balcony railings is almost complete, and is proceeding in a positive fashion.

The first floor bathroom has been completed. It is open for use during normal business hours, but is locked in the evening, and can be accessed by the owner's gate keys.

We have obvious issues with the walkways where they are peeling in various areas. We are under warranty until December 2016. We can have the various areas patched for free, but we are concerned with the appearance of where repairs are made versus the remaining areas. The contractor also advised that he can redo all of the walkways, with a new coating for free, but he would need to charge to strip the current covering which could cost approximately \$85,000. The Board asked Keith to get a written proposal for an entire redo, just so we can see exactly how much it would cost, before making a further decision.

We had tentatively scheduled stucco repairs in various areas where the stucco is cracking, and had also tentatively scheduled power washing the entire building thereafter. Based on the issue we are having with our elevators and waiting for costs of various proposals, the Board agreed to currently postpone the stucco work/power washing. But we will keep our eye on the stucco situation to make sure it is addressed timely.

Keith received a proposal from our painting contractor to refurbish/repaint the beach access railing system, which has been in need of repair, and also to repaint the two doors leading from the 7th floor to the roof, which are in need of repair. The total cost to undertake those repairs was approximately \$500 to \$800, which the Board approved.

TREASURER'S REPORT

Michael Pollack provided the Board with updated financial statements. Attached is a copy of the statement of revenues and expenses, actual to budget, through March 2015.

Michael also advised that he had received a preliminary draft of the required 2014 audit from the CPA firm Averett, Warmus & Durkee. Upon motion made, seconded and adopted, the Board approved the CPA to finalize the audit, which we should have within the next 60 days to have available for owners.

RENTAL REPORT

Diane Moreno provided the attached April 2015 rental report, showing revenues and expenses for the year 2014, and for year to date 2015, along with other information regarding Sandpiper sales. The year to date rental revenue has increased over 2014. Diane's report points out that two issues with renters are the elevators being out of service, and the intermittent wireless service. Both issues are being addressed by the Board.

OLD BUSINESS

The Board held a joint meeting with the Board of the Southwind Condo on February 7, 2015. The meeting was informative, including to discuss common challenges, including security issues involving primarily pedestrian traffic from Oceanwalk across the street, as well as their reporting similar elevator issues. Keith will stay in touch with his counterpart manager at Southwind to share ideas and solutions to common issues.

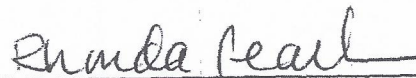
Keith and Rhonda Pearlman will be updating our employment manual that governs policies and procedures related to our employees. It has not been updated for several years.

NEW BUSINESS

The Board discussed the date of the next in-person Board meeting, which will probably be in July. However, based upon current significant issues including the elevators and walkways, there will be the need for at least a conference call meeting to discuss proposals and for decisions to be considered. That meeting will be scheduled once proposals are received.

There being no further business to come before the Board, the meeting was adjourned at approximately 7:00 p.m.

Submitted by:



Rhonda Pearlman, Secretary

Date: 4/22/15

Manager's Report
April 2015
Keith Jones

The past several months have been devoted to approved projects and servicing our winter guests.

Projects that have been completed include:

- All the steel doors have been repainted.
- All the front doors have been repainted.
- All the parking barriers & curbs have been repainted.
- All the stairwell grids have been repainted.
- The 2nd floor expansion joint has been replaced.
- The (2) air conditioning units for the 7th floor have been replaced.

The majority of the balcony railings have been repainted and will be completed by April 10th.
May projects include stucco repairs and power washing.

We have purchased a dehumidifier for each of the (3) elevator control rooms as many of our repair bills have been a result of moisture in these electrical rooms. There is now an air conditioning and dehumidifier unit in each room.

We have a commitment in writing to have the walkways repaired by the original contractor where delamination has occurred. This work will most probably be done in the fall when occupancy is lowest.

Spring break went much better this year than last in regard to vandalism and sheer numbers of unsupervised kids running around. While there were still some isolated incidents, they were much fewer with much less mess.

Finally, our elevators have had numerous repairs over the past few months. Many repairs have been due to the elements (moisture and salt) affecting circuitry and electrical controls, other repairs have been due to rusted parts and sensors. Our elevator contractor, Thyssenkrupp Elevator, will be making a presentation to the board of directors assessing the condition of our elevators with possible corrective action.

**Sandpiper Marketing Expenses by Category
2014**

Web Marketing	
Rent Expert	650.00
VACTION HOME RENTALS	1200.00
VRBO/HOMEAWAY	1200.00
Cottage Country	583.00
New Smyrna Life Magazine	2315.00
Sandpiper Web site	3200.00
Office supplies	2500.00
Virtual tours	2000.00
Mail outs – brochures	1200.00
Chamber of Commerce Advertising	700.00
TOTAL 2014	\$15,548.00
TWITTER/FACEBOOK	
Admin	\$17,500.00
Credit card fees	5,000.00
Barefoot software yearly cost	\$3000
Office Rent	\$8400

Expenditures 2015 Jan, Feb and March

**Sandpiper Marketing Expenses by Category
2015**

Web Marketing	
Rent Expert	800.00
VACTION HOME RENTALS	
VRBO/HOMEAWAY	
Cottage Country	
New Smyrna Life Magazine	
Sandpiper Web site	\$370.00
Office supplies	
Virtual tours	\$120.00
Mail outs – brochures	
Chamber of Commerce Advertising	
TOTAL 2015	\$8,657.51
TWITTER/FACEBOOK	
Admin	\$2028.88
Credit card fees	\$2889.51
Barefoot software yearly cost	\$750
Office Rent	\$1700

I look forward to another successful year at The Sandpiper as your Real Estate Broker and Rental Agent.

Sincerely,

Diane Moreno
Broker
South Beach Resort Properties, LLC.
386 689 160