

**Dunes of Panama Phase V
Annual Owners Meeting
October 15, 2016 10:15 A.M. Central Time**

Clubhouse

Minutes

Call to Order, Proof of Call, Quorum

President Jimmy Calton called the meeting to order at 10:15 a.m. Jeff Mynard, Assistant Secretary reported that the meeting had been properly noticed and a quorum was present. Mr. Calton introduced the Directors present; Dr. Warren Banach, George Wilson, Don Jones, Mike Allen, and Lynn Brown.

Approval of Annual Meeting Minutes October 17, 2015

Jimmy Calton asked for all members to review last year's minutes for corrections or additions. A motion was made by Don Jones to approve minutes as written, seconded by Dr. Banach. The motion passed by unanimous vote.

Election of Directors

Mr. Calton asked Jeff Mynard if there was a need for an election this year. Jeff noted that an election was not needed this year, as there is the same amount of directors this year as last year.

Financial Report-Treasurer

Mike Allen reviewed and discussed the following financial reports.

- Income & Expense 1/1 to 9/30/2016 & Projected Year-End
- Balance Sheet as of 9/30/2016
- Cash Flow Projections 10/01/16to 12/31/16
- Proposed 2017 Budget
- Schedule of Reserves for 2017

Balance Sheet: Current Assets in the Trustmark account is \$8,776. This is down \$18,817 from this time last year. As we reported last year the board used \$20,000 of excess cash to lessen the assessment for tiling of the walkways. Accounts receivable is at \$15,878. This number includes two units in foreclosure. Accounts payable is at \$7,550. Unearned Maintenance fees are at \$9,519. Our note payable Line of credit is at \$0.00.

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Cash Flow Projection: Starting cash as of October. 1 is \$8,776. We are projecting to end the year with cash f \$18,172. With no questions, Mr. Allen continued with the Operations Income and Expense Report.

Operations Income and Expense: Mr. Allen reported that at year end we are projecting to have spent \$532,256 versus an expense budget of \$552,250. Two expense accounts one being Insurance under budget by \$12,700, and Fire Protection under by \$7000 are the major reasons for being under budget this year. Property insurance premiums continue to come down with no hurricanes and the fire pump we were able to rebuild rather than replace.

Mr. Allen notes that Comcast Cable will increase 5% each year of our contract. Internet service will probably increase with a new contract. Garbage was a little over budget, but this included clean up from the tile project. Line item for R & M Building was over due to our decision to redo the lobby. Bay County has announced an increase in water rates by 3%. We adopted a \$552,250 budget for 2016, and we came in well under that. With no questions, Mr. Allen continued with the 2017 Expense Budget Report

Expense Budget: The 2017 Proposed Budget is \$551,120 versus 2016 budget of \$552,250. This takes into account the expected variances of the previously mentioned line items. We are proposing a modest fee increase this year.

Schedule of Reserves: As a board, we've always suggested that we do not fund reserves. If we fund reserves, those monies are earmarked for specific purposes. Vote to waive reserves was 47-9. Vote to Waive Requirement to Audit was 44 to 11.

With no further questions, a motion was made and unanimously passed to accept the financial report as presented.

Other Business:

Mr. Calton begins discussion regarding the need to replace windows on the 01 and 06 units. The windows no longer meet codes and specifications. Don Jones addressed the members regarding window replacement and repainting projects. The windows that will be used have a 10 year warranty. After the painting and plaster is finished, an architect will come and inspect the work. We will have a pay and performance bond on this project. The new paint is acrylic and should last 15-20 years. The paint color will remain the same. The new windows will look the same, but have white frames and will not have the functionality of being able to be opened and closed. A question was asked about why owners are responsible for their own balcony doors, yet the association is responsible for the windows. Mr. Calton noted that these terms were set when the building was built. The windows are considered part of the "skin" of the building which is the responsibility of the association. The owner is the responsibility is responsible for the balcony and patio area. Jeff noted that there was previously litigated through the court system, and it has been upheld that the windows are the responsibility of the association.

The assessment will cover the repainting and the window replacement. Jeff notes that the window replacement will be approximately \$146,000. The time frame for replacement is scheduled to start in December. The contractors will start on the backside of the building and

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work their way to the front side. Taking out a window and replacing the window will be done in one day. The majority of the work will take place from mid-January to the end of February.

The owners will be notified when the contractor can set a specific schedule for each unit. Jeff has a weekly meeting with the architect and the contractor. The contract includes repairing the inside of the unit except in the case of wallpaper. If there are any paint splatters on the windows after the repainting, let the office know and it will be taken care of.

There is a provision in the contract for painting the balcony railings that are determined to need painting.

There was some discussion regarding some issues with contractors working after hours; 2 a.m.-3a.m. etc. Joyce confirmed that the contractors should be checking in with the office and should not start before 8a.m. and should quit by 5p.m.

Jeff talked about Otis elevator wanting to do an upgrade to the elevator door operators. This would possibly put each elevator out of service for 1 whole day. The owners agreed and approved the upgrade.

Adjournment

Motion made by Mr. Berke to adjourn. It was seconded by Mr. Oldford. Motion to adjourn passed unanimously.

Respectfully Submitted,

Mike Allen, Secretary-Treasurer