



DRAFT BOD Meeting Minutes

Date: January 11, 2022
Time: 3:00 PM Central Time
Location: Aquavista Owners Clubhouse
17155 Front Beach Road Panama City Beach, FL 32413

Calling of Roll: Lou Christian called the meeting to order at 3:00 PM. Quorum was established with three board members present in person: Lou Christian, John Boone, Bill Hardacre. Stephen Nesman and Thomas Hildebrandt were present by phone.

Others Present: Carol Scicchitano of Virtuous Management Group was present in person along with Robert Kauffman, our attorney, of Dunlap and Shipman. Owners were present in person and by phone.

Proof of Notice of Meeting: Carol Scicchitano, CAM attested that notice had been posted in accordance with the bylaws and statutes.

Update on Claremont Roof Warranty and Inspection: Carol has been contacting Claremont weekly. Waiting for paperwork. It was suggested that the next course of action was to send a demand letter requesting completion of all requirements and get warranty in place.

Discussion & Possible Action on Contract with Pendleton & Bowman: Robert Kauffman reviewed the revised contract with the board and the Exhibit A attached as a part of the contract. He noted a couple of additional items for correction. He also reviewed the boards obligations and responsibilities of the contract including payments of all fees, what the contract included and didn't include. The contract represented the agreement between Pendleton & Bowman (P&B) and Aquavista (AV) in the amount of \$125,000 for the construction/repairs of the AV buildings. It outlined specific work, rights, and responsibilities of both parties, including work to be completed, payment schedules, etc. In addition, it outlined an additional fee of \$100,000 should the Association include replacing windows and doors as a part of the project. The board discussed the payment schedule. John Boone made the motion to accept the contract with changes correcting the date, monthly installment language, and including markup to exhibit A. Stephen Nesman seconded the motion. The motion passed unanimously.

Discussion Regarding Window & Door Responsibilities: Robert Kauffman presented on condominium documents with regard to doors and windows. Robert advises that our documents specify it is the association responsibility for all windows and doors and includes a provision in the language to have the option to shift the responsibility for maintenance of screens and glass to the owners. Owners discussed the condominium document's current language and understanding.

Discussion Regarding Upcoming Construction – Need for Material Changes & Special Assessment

Process & Requirements/Notices/Voting: Lou asked questions regarding a clear understanding for the board as to when a material change is required and a vote of the owners necessary. She used the example regarding the current shape of the light fixtures to get a better understanding. Robert indicated if Florida Statute codes have been changed and we are making those required changes, a vote is not required. He further advised that if you change like kind, or shape or color than a material change vote would be required. Robert Kauffman reviewed AV's documents on material changes including the requirements that it takes a yes vote from $\frac{2}{3}$ of the ownership for changes to be approved (a non-response is equal to a no vote). There is a legal maintenance exception, and necessity exception.

Special Assessment discussion followed. That is a different requirement. Robert Kauffman noted that special assessments are utilized to pay for emergencies, repairs and other items for maintaining the property of the Association and the decision to Special Assess is the sole responsibility of the board and does not require a vote by the owners according to our documents.

Discussion of Funding Options for Construction:

- a) Reserve Funds
- b) Special Assessment
- c) Loan Options – Interest/Repayment/Structure

Robert Kauffman presented funding options for construction, and should the need arise for additional funds that it would be prudent to first draw on the insurance funding and reserve funds to an appropriate level (not necessarily to 0) before a special assessment is considered. Discussion followed regarding the use of loans, and how those can be used in combination with a special assessment to assist owners repayment for extended periods to aid in the cost of the project and provided multiple scenarios where that may be considered. Providing owners with a choice including lump sum payments, payments in conjunction with quarterly dues or over a period of time.

Discussion of Special Assessment Language for (Buyers/Sellers) Voluntary Sale v

Foreclosures/Deed in Lieu Involuntary Obligations and Obligations Due Upon Sale/Closing –

Buyer Notifications: This was discussed briefly that the appropriate wording is required in the repayment of any special assessment to maximize the return to the Association and not foregoing any proceeds should the unit be foreclosed upon and understanding the difference between the two.

Discussion of Collection Options for Non-Payment of Special Assessment: The discussion followed regarding any funds due the Association including Special Assessments would follow the Accounts Receivable Collection Policy and no additional terms need to be created.

Discussion of Construction Special Assessment Common Surplus/Shortfalls: The discussion followed regarding what happens when work is finished and if there is a surplus or shortfall of funds. Robert advised that a Special Assessment has been paid in by owners, any surplus of funds would be provided to the record owner at the time the surplus is declared (regardless of which owner paid in). Likewise, if there is a shortfall, the board can decide if there are any funds available

from operating/reserves, or if an additional Assessment would be required. If an additional Assessment is needed, it must follow the guidelines.

Discussion and Possible Action on AR Policy: The Aquavista Accounts Receivable Collection Policy needed updating due to new state law requiring a Notice of Late Assessment be provided to delinquent owners. Policy was updated by counsel and board members reviewed and discussed. John Boone made the motion to accept the updated Accounts Receivable (AR) Collection policy recommended by Robert Kauffman. Bill Hardacre seconded the motion. The motion passed unanimously. Copy of the Policy is attached a form a part of these minutes.

Discussion of Special Assessment for Operating Loss: This discussion was tabled pending receipt of financials dated 12-31-21. The board did discuss the question of considering the need for a special assessment for construction would separate assessments be required or can they be combined? Robert Kauffman commented that they are not required to be done separately and can be included with another special assessment if appropriate timing and cash flow requirements.

Discussion and Possible Action to Update Aquavista Condo Documents: The need to update the documents to current statutes and less ambiguous language is great. Many of the subjects discussed throughout the meeting that needed clarification for both owners and board members could be cleared up with an update of our documents. Any bylaws and document changes would require a vote of the owner's approval. It was also discussed the benefits and needs for changing the office area to reflect it not being a commercial space and to a common area, as we have a corporate tax that we pay for that each year. Our attorney recommended waiting on changing the documents until the major construction project was complete. The item was tabled for future discussion.

Owner Discussion: Owners were allowed the opportunity to speak, ask questions, and share comments with the Board throughout the meeting and again at this allotted time.

Adjournment: John Boone made the motion to move into Executive Session at 5:40 pm. Motion was seconded by Bill Hardacre. Motion passed unanimously.

Submitted By: Stephen Nesman Approved: 1/20/22