

The Privateer of Ft. Myers Beach, Inc.
Board of Directors Meeting
Date: March 8, 2023
Time: 9:00am EST

Call to Order and Roll Call – Meeting called to order at 9:02

Establish Quorum – Quorum established.

Proof of Notice of Meeting – Proof of notice of meeting was confirmed.

Approve March 2, 2023 Minutes – Minutes from March 2nd meeting were approved. Motion made by Dave and seconded by Pat.

GeoWorld Update

Dec 23 – GeoWorld was authorized for general assistance with Privateer

Feb 1 – Authorized to begin aggressive detail inspections of property and meeting with town

Feb 7 – Stated it would be 4-5 weeks to finish what was committed to.

Two tasks were underway – the Building Condition Assessments and As Built Drawings – The As Built Drawings are done and will be reviewing today. These drawings will be issued to us on Monday with Property Assessment and Building Condition Assessment documents.

GeoWorld expanded scope to provide more detail and value with a Property Condition Assessment (seawall, common areas, property walls, etc.)

This is laying groundwork for repair work - which windows are damaged, which are not, etc.

This expansion will provide FEMA and Insurance with a full picture of the situation.

All of this information will be submitted to contractors so they can build their quotes from this data, which should improve accuracy.

Patricia Staebler Consulting prepared the Commercial Appraisal Report, which in Georges opinion was complete and thorough. This was the depreciated Actual Cash Value. Patricia agreed to adjust values up by a few hundred thousand dollars to help with FEMA and she did that.

GeoWorld started preconstruction activity with a number of builders. These builders want to be invited to the team so they can determine if they have the time and capacity to bid on a project of this size. Competition also brings in competitive pricing as well as gives the builders time to assess the project. We benefit by getting preconstruction efforts they put in, in advance of selecting the final vendor.

George pointed out that there will be certain things that will be out of our control, like permitting, and supplies but believe we could have the buildings enclosed by Aug 23 (roofs, soffits, windows, doors, etc.) to meet insurance requirements for insurance contract renewal.

The fact that we have a contract with Crowther Roofing is a big plus.

George stated the level of risk we have to decide on is do we authorize to have the roof replaced before we know if we will have enough money to build. George also stated that 100% of the roof expense will go towards the FEMA 50% calculation.

Crowther stated they could start at the end of May if we moved forward and executed the contract.

A question was raised as to whether or not we could do a pro forma estimate based on the information we have to determine if we will be close to the 50% rule. George stated we could but that the town only cares about estimates that have a lot of supporting documentation.

George reiterated that contractors won't provide a quote until they have some level of drawings and specs, and they will not pull permit until they have contract.

George estimated that it will be about 5 weeks until the documents go out to bidders and then he will push for responses back within 3 weeks.

George was asked if he would spend the money for the roof now before the numbers are validated on the rest of the project. His answer was yes, he would put the roofs on. George felt we could have windows, doors, and roof complete by insurance deadline of August 23rd.

Altieri Insurance Consultants Presentation

Ray Altieri is the Public Adjuster working with the Sunset (who is very happy with his work) and presented to the Board. He uses a team approach with multiple adjusters to ensure that all possible \$\$\$ are recovered from insurance policies. He has recovered a lot of money for the Sunset from their flood policy. His standard fee is 10% but will honor the quote of 8% he gave the Sunset. He will review the Service Master mitigation reports/docs and reformulate them with proper language and protocol to expediate the claim recovery process and amount. Mike commented that he has zero confidence in SM correctly submitting paperwork to FEMA and our insurance company. Altieri will take docs already submitted to Sedgwick and FEMA and resubmit them. They do not get paid until we do. The moneys we have already received from Sedgwick (2.5 million) and FEMA (250k) would not be subject to their charges. Outstanding question: does the money we get from insurance affect the 50% rule?

Service Master Update

Mike spoke with Candi last week. Asked to look at just one building and give breakout for building A only.

Owners' bills ... where are they? Candi stated that we put pressure on them to get the bills to FEMA first to meet deadlines, so everything else was put on hold. Submission to FEMA is done. Candi will call each owner this week or next to discuss individual billing.

We have switched to a smaller generator (recommended by Bill Russell) and expect to see significant cost savings on fuel and maintenance. We are looking into purchasing our own cables for additional savings.

Building E Remediation

Wright Way Construction bid for 4 units in E Building (can't do first floor units because there is no floor) came with a "not to exceed \$300,000" which is unacceptable. George has obtained another bid for \$138K from Reconstruction Experts. We will be taking everything down to studs, all else goes. Electric will stay on 2nd and 3rd floors. Owners are responsible for content removal expenses. Units will not be entered until they speak with each owner. Reconstruction Experts will submit to Sedgwick.

Motion was made by Bob Bartlett to hire Reconstruction Experts and was seconded by Lisa Wallis. All Board members were in favor and the motion carried.

Insurance Update

Pat has secured extensions for three policies (property primary, excess, bond), and renewals for 2 other policies, Equipment Breakdown, and D&O Liability. Both policies will be billed to Resort Management for annual payment. Still waiting on formal quote and terms & conditions on property primary. Quote for excess came in a little more than expected. We have not been billed yet but expect to have enough money to cover the premiums without need for financing. Owners are needing Certification statements of renewals to give to their owner insurers asap.

Finance

Privateer Financial Update Mar 7, 2023

Board Meeting Report Mar 8, 2023

Cash on Hand

Operating	\$199,444.46
Allocated Oper in ICS	150,000.00
Ins Allocated in ICS	2,750,000.00
Interest Operating (1/31/23)	<u>130.20</u>
Total Operating	\$3,099,574.66

Reserves \$299,087.36

Total Cash on Hand **\$3,398,662.02**

Hurricane Bills paid to date: \$160,819.70

waiting for clarity on a few outstanding bills

Balance owing ServiceMaster \$741,352.06

Delinquencies as of Mar 1

The Privateer of Fort Myers Beach Run Date: 03/1/2023

BALANCE As of: 3/1/2023

Over 30

H202 \$600.00

A301 \$7,280.00 (indicated intention to pay)

C117 \$7,480.00 (indicated his intention to pay)

OVER 60

G204 \$19,986.68

Community Total **\$35,346.88**

Resort Management Contract Review

We have had a contract with RM for the last 2+ years and the Board is very unhappy with them, even before the hurricane. Instead of easing the load for the Board members, the job has been made exponentially harder. RM accounting and reporting has been a disaster, as has their TOPS portal changeover. The Board intends to fire RM. A 30-day notice is required and a transition to Stroemer and Centennial Bank will ensue. We have worked with Stroemer (accounting, taxes, reserves studies) for many years. Their transition for us will require about 60 days. Point of contacts are Jennifer at Centennial Bank and Wayne at Stroemer.

Breach of Fiduciary Duty Claim Notice by Building E Unit Owners

The Board sent out the response from Chris Pope (Privateer attorney) to all owners. The Board is unable to comment any further.

Additional Business

Generator - We were informed that we did not have our fuel stolen. All fuel is onsite and present. Not sure what the miscommunication was but all is well. We are looking at securing the generator and fuel via a locking cap and a fence just to be safe.

A Build and Engineering (B&E) committee is being formed with Dave Knibbe serving as head of the committee. Bill Russell and Mike Waltman will also serve on the committee. An open invitation will be extended to all other owners who are interested in joining.

Adjournment 12:03PM