

The Privateer of Ft. Myers Beach, Inc.
Emergency Board of Directors Meeting #51 Amended Minutes

October 20, 2023

9:00am

Google Meet online

Call to Order and Roll Call. All board members present. A quorum was established. Proof of notice suspended. All owners received invite to attend 48 hours prior to meeting. Robin will be assisting Mike with responsibilities through the rebuild/repair process.

Motion raised by Pat to waive the reading of the October 13, 2023 minutes and seconded by Norm. Motion to approve Oct 13, 2023 minutes by Pat seconded by Dave. All in favor.

Purpose of meeting is to discuss and answer questions regarding the rebuilding process as described in owners letter.

The discussion we are having is for informational purposes only and may be subject to revision based upon the input of the Association's legal counsel, insurance carriers, adjusters, contractors, governmental entities, and other experts as we move through this process. This discussion is not a guarantee of what the Association's insurance recovery will pay for as those items are yet to be determined and may depend on the FEMA 50% rule analysis as well as the Association's permits with the Town."

Discussion as to why there is a dollar limit placed on unit repairs and upgrades. Answer is to remain under the 50% threshold.

A standard construction practice of 15% is held as a buffer to manage known "unknowns" to ensure the 50% is not exceeded.

Section 12 of the association documents governs the allocation of community funds. Legal opinion as provided by the attorney is that money is first used to repair all common elements.

It was suggested by an owner/board member to levy a Special Assessment of to all owners to cover the cost of the repairs to damaged units.

Owner Bill Russell on record stating he disagrees with the attorney recommendation. Alternatively, he suggests an assessment made to all owners to cover the cost of the damaged common elements such as the pool, parking lot, and landscaping as well as other non-insured items such as GeoWorld engineering, etc. This suggestion was made as an alternative to using the Privateer flood insurance funds for common element damage. Additionally, Bill Russell states, the general consensus among ground floor owners is that the \$32,500 cost is an unfair levy to be placed on them to fund the ground floor individual unit repairs. He states "their funds are being transferred to pay for uninsured damages." Bill Russell has requested the Board have another legal review of federal and state legislation, and attorney direction in relation to our association governing documents.

Request heard and the Board agreed to review the matter again with the attorney. A second legal opinion is being sought regarding allocation of FEMA insurance funds.

Reconstruction Experts Contract

Has not been finalized yet. Revision of contract is under review with the attorney.

A meeting to finalize the agreement is to take place next week.

If construction contracts are not finalized very soon, there is a serious risk to losing our contractual pricing. The result of this could be demolishing 1 or more buildings due to exceeding the 50% threshold.

Owner questions voiced during meeting:

1. Will the association construction rules of no construction between Nov 1 – May be adjusted? Yes, deadline will be adjusted Jan 1st, 2024. Reconstruction experts anticipate being on site for 11 months. After Recon has completed our property, owners are then permitted with Board consent to have their own licensed and insured contractor of choice on site.

2. When can I add all the upgrades I want to my unit?

When the permit is closed and in the next calendar year, possibly May 2025.

3. Can I sell my unit “as is” or must I wait for the site to be complete?

Yes, you can sell your unit “as is.” No, you do not have to wait for completion.

4. How much could we get for the entire property if we were to sell?

No offers to purchase have been received.

An estimate of 36 million was suggested by a developer. If a deal was made it would be approx 8 months to close.

The town density rules have put constraints on building size, height etc. The density rules have resulted in big \$\$ sales cooling down.

We don't have the option to sell the property because, by definition we are “not inhabitable.” We are determined to be of “lesser damage.” As such, based on Privateer documents, are precluded the option.

Insurance Update and information as advised by attorney.

Association is not to cover personal items beyond the white box.

Building property is not personal property. The association is to only cover building property.

Funds are first allocated to repair common elements.

****Noted points from discussion of the association insurance policy****

- The association policy is to repair damage to a useable condition. “to get you back in your home”

- It is not meant to provide upgrades that the owner chose to do.
- Personal property policies are to be in place by the individual unit owner to cover items past the association's responsibility.
- home owners insurance is to be obtained by owner and is stated in association documents
- Insurance proceeds are in "one pot" for the association.
- Association insurance policies whether they are flood or wind are paid for by all owners within HOA dues.

Recap of action items....

1. Get the contract with Recon signed.
2. Repair mechanicals and common elements
3. Get white box completed
4. Possible to consider allowing some upgrades to severely damaged units
5. Get certificate of occupancy

Additional business

Crowther Roofing onsite this week. They are aware of leaks on H & E buildings.

Final roofing estimated for mid November . A request to move up date has been made.

. Finance – all owners received financial report prior to meeting.

- Current Operating/Reserves
- HOA Quarterly Dues

Adjournment 10:47 a.m.