

PEBBLESHORES CONDOMINIUM ASSOCIATION

BOARD OF DIRECTORS MEETING

Wednesday, October 11, 2017

CALL TO ORDER & DETERMINATION OF QUORUM

The meeting was called to order at 10:45 a.m. by President Becky Easlick. Other directors present were Don Whitehouse, Bobbi Jo Dunn-Mendez, Jim St. John, and Doug Macbeth (via conference call) establishing a quorum. Sandcastle Community Management was represented by Shelly Mandell.

PROOF of NOTICE

Proof of notice was properly posted 48 hours prior to the meeting.

HURRICANE RECOVERY ITEMS

- a. Borrowing from Reserve Funds to pay hurricane recovery costs-

Adequate funds are not available in the General Fund budget to pay for recovery costs. Insurance coverage would also be inadequate because of the 2% deductible. Becky reviewed possible back-up plans for borrowing funds from governmental agencies, none of which seemed acceptable. Borrowing from our Reserve Funds, with repayment within one year, appears to be the most viable, simplest, and cost-effective option. Following considerable discussion with owners in attendance, the Board took action on borrowing funds to pay restoration costs.

Doug moved that the Pebble Shores Board of Directors request Unit Owners to approve borrowing necessary funds from the Association's Reserve Budget to pay for Condominium restoration costs following Hurricane Irma. The action would be taken in accordance with Pebble Shores Declaration Section 13.1(e) and By-Laws Sections 3.4, 3.5, 5(o) and in a manner recommended by the Association's legal counsel. Funds would be repaid from a Special Assessment administered in the 2018 Budget Year. The motion was seconded by Bobbi and passed unanimously.

Unit Owners will be notified of this action and requested to vote on the borrowing proposal. A special meeting will be held 14 days following the notification to count the votes. If a quorum of 48 Unit Owners is attained by attendees or proxies at the meeting, a positive vote of two-thirds of the voting members will be required to approve the action to borrow funds.

Bobbi read the draft of a letter that would be sent to owners notifying them of the reason for borrowing funds and the need to impose a Special Assessment to repay the borrowed funds. The letter noted that Unit Owners may have loss assessment coverage in their unit insurance policy that could be used to reimburse them for some or all the Special Assessment.

- b. Owner Special Assessment to repay loan from Reserve Funds-

At a meeting of the Strategic Planning Committee held on October 2, the four directors present at the meeting determined that the Special Assessment should be \$2000 per unit. Accordingly, Becky asked for a motion to impose an assessment for that amount.

Doug moved that the Pebble Shores Board of Directors impose a Special Assessment of \$2000.00 on Unit Owners to pay for expenses associated with restoring the Condominium following damages from Hurricane Irma. This action is in accordance with a declared state of emergency which deploys emergency powers found in Sections 718.1265, 719.128 and 720.316 of the Florida Statutes and in accordance with Pebble Shores Declaration Section 17.4 and By-Laws Sections 3.2, 4.71, 9.3. The Assessment payment will be due on January 1, 2018 or may be made in four quarterly installments of \$500.00 each in January, April, July, and October 2018. A portion of the payments will be credited toward 2019 regular quarterly assessments based on the actual realized restoration costs. The motion was seconded by Bobbi and passed unanimously.

Shelly departed the meeting at this time.

HURRICANE DEDUCTIBLE RESERVE FUND

Currently, there are about \$60,000 in our Hurricane Deductible Reserve Fund. However, it is likely that these funds may be used only for insurance deductibles. Because of the 2% deductible in our property insurance and the likelihood that we will not receive significant payments above the deductible, the Hurricane Deductible Funds will be of minimal help in paying restoration costs. As such, Becky suggested that we seek legal advice to redefine those funds so that they could be used for future emergencies irrespective of insurance deductibles.

Doug moved that the Pebble Shores Board of Directors solicit a legal opinion to change the wording of the Pebble Shores Non-Statutory Reserve Budget account known as "Hurricane Deductible" so it can be accessible in emergencies as determined by a majority vote of the Board of Directors. This action is in accordance with Declaration Section 14 and By-Laws Sections 9.1(a), 9.3. The motion was seconded by Jim and passed unanimously.

Becky will follow-up in requesting this legal opinion.

COMMENTS/QUESTIONS

ADJOURNMENT

Becky moved to adjourn the meeting at 12:20 p.m. Jim seconded the motion and the meeting adjourned.

Respectfully submitted,
Douglas Macbeth
Secretary