

Sunset Royale Association, Inc.
Annual Membership Association Meeting Minutes
Saturday, January 14, 2017

Determination of Quorum: A quorum of the Board was established. Board members present in person were Frank Canino, Bob D'Orsi, Bob Morris, Jr., Bob Morris, Sr., Paul Parr, and Dan Ploger. Bill Guran was not present. A quorum of members present in person or by proxy was established (30 present). Property manager Julie Trimpe was also present and was asked to tally the Election, Proxy, and Straw Poll votes.

Approval of 2016 Annual Meeting Minutes: Motion was made by Bob Morris, Sr., and seconded by Frank Canino to approve the minutes from the 2016 Annual Membership Meeting Minutes. Vote was unanimous.

Presidents Report: Bob D'Orsi gave an overview of the Association accomplishments for 2016. He mentioned that Linda, who took over the office, has been a good fit and has helped both renters and owners when issues have arisen.

The Association was successful at petitioning the County Commissioners to ban overnight parking across the street on Beach Road.

The building is in the final phases of being painted, and the waterproofing of the 4th floor will be started next week.

Treasurers Report: The Treasurer, Dan Ploger, reported on the Association's financial condition. Dan said based on the Reserve study done by Association Reserves, the Association now knows what funds will be necessary to meet future expenses. We need to approve the \$27 increase to the maintenance fee to keep the Reserves funded at the rate we will consume them.

Our finances are in good order and we have adequate accounting systems in place. The Association ended the year with a \$9,000 surplus which will be held until adequate cash is collected to meet January expenses. Pending the outcome of the vote, the surplus will be rolled over to Reserves.

He mentioned the Engineering study completed on the parking lot will be used to determine what must be done to prepare for the parking lot renovation to be done in 2018.

This year is the year we must resolve the loan from reserves to ensure adequate Reserve funds are available because the present analysis assumes this loan has been paid back.

In closing he said our finances are in good shape and that all financial reports are available to members upon request.

Misc. Topics: At this point in the meeting, other topics were discussed while votes were being tallied.

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The Sunset Royale web site has been taken back from Tropical Sands and will be redeveloped in the coming months. Elvart Dikiy has been coordinating this and needs input on what we want to see on the web site. He said the current thought is to provide a section for each owner to display unit photos and rental information, a section for meeting notices and community newsletters, a section to archive Association financial reports and meeting minutes, and a Blog area to get owner comments and opinions on issues related to the property. Frank Canino volunteered to work with Elvart to develop an outline for the programmers.

Replacement of the outside lights is being considered due to the deteriorated finish on the fixtures. Julie posted photos of different options to consider at the meeting for owner input. Most people were in agreement that we should not use metal this time because of the salt air and corrosion problem encountered with the metal fixtures.

Jack Wieseneck inquired on the status of the BP claim, and why it is taking so long. Bob D'Orsi reported that the original paper work had to be updated because the original claim was processed by Angela at Tropical Sands, and she no longer represents us. The paperwork was changed to Julie Trimpe, our property manager, but BP kicked it back, saying it must be put in the name of an Officer of the Association. Bob D'Orsi put it in his name and has resubmitted it. Frank Canino read a section from the 2013 Treasurer's report that said although there is some disagreement, the BP settlement was filed to offset the loan from Reserves and any monies collected should be used to offset any loan re-payment. Dan said we must pay the loan in full, plus interest first because we do not know the timing of receiving the claim money.

Proxy Vote Results: The final results of the Proxy questions were read by Julie Trimpe.

SURPLUS ROLLOVER: Should the Board be authorized to rollover any excess operating income for the fiscal year ending December 31, 2016, as defined by IRS Revenue Ruling 70-604?

30 Votes Total Received - Yes - 30 No-0

RESERVE LOAN: Continue the loan to the Reserve Fund which was used to cover Rental Escrow shortages, as originally voted on at the 2013 meeting of Members for another year.

30 Votes Total Received - Yes - 23 No-7

Election Results: Election results for the three open Board member positions were read by Julie Trimpe.

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Frank Canino - 27 Votes

Bob D'Orsi - 22 Votes

Elvart Dikiy - 13 Votes

Bob Morris Sr. - 10 Votes

The top 3, Frank Canino, Bob D'Orsi, and Elvart Dikiy will fill the open slots for the next 2 years.

Straw Poll Results: Julie Trimpe read the results of the 22 Straw Poll votes that were received.

1. For repayment of the \$35,142 loan from reserves, which option would you prefer?

Option 1: Collect a \$20/reservation Registration Fee on all rentals.

Option 2: A special assessment of \$1034 per unit to retire the loan.

Option 1 - 5 Votes

Option 2 - 13 Votes

Neither Option - 3 Votes

Both Options - 1 Vote

2. Are you in favor of establishing a "betterment fund" for future *improvements* to the common properties and provide a small contingency to reserves for unanticipated repairs?

Yes - 15 No - 7

If you answered, "Yes" to question 2, which method would you prefer to fund the improvements:

Option 1: Increase monthly Maintenance Fee about \$10 _____

Option 2: Collect \$20 Rental Registration Fee _____

Option 3: Special Assessments as needed _____

Option 1 - 5 Votes*

Option 2 - 10 Votes*

Option 3 - 2 Votes*

*Some voted for multiple options.

Date for Next Annual Meeting: The date for the next annual meeting will be January 6, 2018, at 9:00 A.M. The location will be determined later.

Owner Comments: At a previous meeting the Board said it would provide the Engineering Study on the parking lot to all members. This was never provided.

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Adjournment: Motion made by Frank Canino to adjourn meeting. Second by Bob Morris, Sr.. Approved unanimously.