

SUNSET INC.

Board of Directors Meeting
November 16, 2017 9:00 a.m.

Todd Dawson called the meeting to order. Diane Linton called the roll. Marilyn Henkel, Diane Linton and Bob Collins were in the office. Todd Dawson and Wayne Porter attended by phone. Craig D'Angelo was absent. Robert Offerman of RAO Elevator Inspection, Lloyd Shroyer and Steve Walz, Members of the Elevator Modernization Committee, Dave and Donna Vieceli, Members of the Landscape Committee, owners Alf and Bridget, unit #203, owners Jack McGuirk, unit #603 and owner Doug Cardwell, unit# 404 were in the office.

President Todd Dawson welcomed all to the meeting and began with a review of the agenda. The elevator discussions were going to consume a better part of the meeting with other reports to follow.

Secretary's Report

The minutes of the October 19, 2017 Board Meeting were approved electronically on September 26, 2017 and posted on the website. However, the Board chose to correct the approved and posted minutes. Marilyn Henkel moved and Diane Linton seconded to approve the Minutes as corrected. Motion Carried. The corrected and approved minutes will be used to replace the website and office minutes of record.

Elevator Modernization Report

Todd Dawson opened the conversation by welcoming Bob Offerman of RAO Elevator Inspections, Sunset's consultant for the elevator modernization project. Todd explained that Lloyd Shroyer, Steve Walz and Bob Collins, Sunset's Elevator Committee, spent so much time investigating and compiling information so the Board could make a wise decision.

Todd said that the group had created a spreadsheet that would provide an apples to apples comparison for the elevator installation companies. Todd invited Lloyd Shroyer, Chairman of the Elevator Committee to begin the presentation.

Lloyd Shroyer began by explaining the age of the two elevators servicing Sunset Inc. The equipment is nearly 40 years old and is in need of replacement. Lloyd introduced Bob Offerman and invited him to explain the equipment analysis, bid specification writing and bid process.

Bob Offerman began by thanking Sunset for the opportunity to work with the elevator modernization project. Bob said the current elevators were installed in 1978 and 1983. The east elevator is the newer of the two. Mr. Offerman visited Sunset nearly one year ago to analyze the elevator equipment. Bob said the current elevators were stopping between floors,

not operating or just plain failing. The current machines are geared with motor shafts and worm gears which convert rotary to up and down motion. The problem remains with seals in the gear boxes, which are full of oil. Also, the current equipment is out of date and parts supplies are impossible to acquire. Bob said the Association would be wise to modernize to a gearless machine.

Bob explained that also the east cab, being the newer of the two, was installed with additional support beams in the equipment room. The beams limit the space for a new install. However, the equipment proposed by Oracle and Thyssenkrupp would fit.

Lloyd Shroyer stressed the fact that Bob Offerman's bid specifications include non-proprietary components so repairs in the future can be made with off the shelf parts. Lloyd continued to say that Bob is working with our best interest in mind.

Lloyd reported that Sunset received 2 separate bids from Oracle and 1 from Thyssenkrupp, Sunset's current service provider. The two bids from Oracle were different in that one used a Pixel elevator control system, while the other used a SmartRise control system. Todd Dawson mentioned that a third bid was received from Otis, however that bid required the signing of a maintenance agreement. The ThyssenKrupp maintenance agreement renewed a few years ago and has an expiration date in March 2021 which would cost Sunset a considerable amount of money to terminate it early. Therefore, the Otis bid was not considered further by the committee.

Bob Offerman recommended that Sunset go with a Pixel control system as it has a known track record of reliability. He continued by stressing the fact Pixel provides the absolute best factory support for elevator repair staff. Pixel has a great response support program where SmartRise does not have a good system in place. Bob said SmartRise is a good product but support is more important if an elevator is down. It is true that SmartRise is less expensive but having better service response is worth the expense.

Lloyd Shroyer and the Elevator Committee visited other recent elevator installations in the area and they were pleased with their Pixel installations.

President Todd Dawson stated that Sunset is well equipped to make a decision because of the tireless effort of Lloyd Shroyer, Steve Walz and Bob Collins. Also, with Bob Offerman's efforts as a consultant we are comfortable with a direction in elevator control systems.

Bob Collins added that he had discussed details with 4 other service techs and they all concluded that Pixel was the best controller and provided the best support to elevator installation and repair companies.

With the input from Bob Collins the Board agreed to pursue a Pixel controller system. With that determination the committee eliminated the Oracle SmartRise proposal. This leaves Sunset with 2 Pixel component bids, one from Oracle and one from ThyssenKrupp.

Bob Offerman then provided input as to the Quality and Performance of the two remaining elevator companies. Bob said that during the bid gathering process Oracle needed to be managed a little more because they failed to write the bid with the desired non-proprietary components and failed to mention some required components. Eventually, Oracle's bid included all the required components listed in our design specifications. ThyssenKrupp's original bid was professional and to specification right from the start. Bob ultimately stress quality before price.

Todd Dawson thanked Bob Offerman for his services and asked if he had further recommendations. Bob suggested that we consider the installation company's experience, reputation and timely island service. ThyssenKrupp supported the elevator bid by providing a list of service personnel and license numbers. Oracle did the same. However on individual was an office worker who is not in the field every day.

Steve Walz presented his spreadsheet on how each of the companies fared from a pricing standpoint. Steve explained the pricing differences between the Oracle and the ThyssenKrupp bid numbers. ThyssenKrupp on the surface was considerably more money. However, the elevator committee was able to negotiate the current elevator service contract with ThyssenKrupp which still has 3 years remaining. The service contract had been \$1,133.00 per month. If ThyssenKrupp were selected as the elevator installation contractor then their service contract with Sunset would be reduced to \$674.00 per month. Steve applied the savings to the bid analysis spreadsheet for the desired apples to apples comparison. While ThyssenKrupp reduced their service contract fee their bid remained approximately \$19,500.00 higher.

Steve explained the start and finish dates for the 2018 elevator installation and stated both companies understood our desired installation period. Steve also explained the labor from each company as Oracle is a Non Union company and ThyssenKrupp is Union. Sunset's past experience with ThyssenKrupp has been good, they just battle at times trying to locate components that are 40+ years old and are no longer on a shelf.

Todd thanked Steve for the report and shared that the Board does not have the experience but appreciated Bob Offerman and the Elevator Committee for the thorough information. With 66 units in Sunset the additional cost to go with ThyssenKrupp would be an additional \$296.00 per unit.

President Todd Dawson asked each Board Member present of their opinion.

Diane Linton preferred ThyssenKrupp because of their fabulous job keeping the current elevators going.

Wayne Porter first thanked Bob Offerman and the Elevator Committee for their efforts. Wayne said that while ThyssenKrupp was more money he would go with them because sometimes you do have to spend a little more to get a great product and service.

Marilyn Henkel said she would go with ThyssenKrupp. Marilyn said they were a very capable and responsible company. Marilyn said that she was not impressed with Oracle during a bid explanation meeting where they said they could cut money here and there.

Todd Dawson also confirmed his thoughts to go with ThyssenKrupp.

Bridgette asked if the discount was applied to the elevator installation price and asked if a penalty could be applied to the contract if not completed on time. Bob Offerman said in his 55 years of experience that a performance bond or a non completion penalty never works. The installer typically walks off and the firm needing the elevator cannot find a firm to complete the job. So it is best to work with the installer to keep the schedule as best as possible. Bob was confident that ThyssenKrupp has the Trust, Reputation and Experience to complete the installation successfully. Todd Dawson said that the contract allows for Sunset to hold a portion of the final payment of \$100,000.00 until the end to pay if satisfied.

Jack McGuirk stated that in his 20 years with the Board he had no problems with ThyssenKrupp and their timely service.

Bob Collins stated that ThyssenKrupp has always been here to service when called upon. They are fast to respond as they have 2 techs on the island.

Todd Dawson asked the Board if they are comfortable in making a decision with the information that has been provided. The Board said the information was most helpful and appreciated and that they did not need any further information from Bob Offerman or the Elevator Committee.

Todd Dawson moved and Marilyn Henkel seconded to accept the Elevator Modernization Project bid from ThyssenKrupp. Motion was unanimous. The Oracle bid is rejected.

President Todd Dawson gave special thanks to Lloyd, Steve and Bob Collins for their efforts on the Elevator Committee. Also thanks were given to Bob Offerman. Bob Offerman said the challenge is ahead of you.

Marilyn suggested that Lloyd be the one to call ThyssenKrupp and Oracle with the Boards decision. This will keep Bob Offerman in a neutral position with the companies.

The Board had already sent notices out to the owners of a scheduled meeting on the 30th of November, 2017 to discuss the Assessment to owners for the Elevator Modernization Project. Sunset Inc. has enough reserves to pay the project deposit to ThyssenKrupp. However, additional funds for the project will come from unit owners.

Todd Dawson discussed the communication that will be sent to owners regarding the May – Oct 2018 construction period. Bob Offerman added that the first new elevator install will take about 8 weeks. The second will be installed after the first new one is operational. At the end of the install period both new elevators will be stopped in order to make a duplex connection.

This will put both elevators in sync so they can communicate when to move and which floor to arrive at.

Lloyd informed the group that the ThyssenKrupp bid does not install new cabs, those will be done after the elevator modernization project is complete. However, the hoist way doors will be new on both elevators at each floor.

Marilyn Henkel asked if Lloyd and Steve could continue to investigate the new cabs along with stainless steel skins and framework. Marilyn also suggested they work also with Michelle Marker regarding the lobby design. The Board agreed that the elevator committee should continue to work during the elevator installation, cab design and lobby renovation period.

Generator

The Board is also investigating the opportunity in replacing Sunset's generator. Bob Offerman reported that Florida State Law requires back-up power to operate one elevator. It may be possible to run both cabs based on the electrical usage of the new elevator equipment. Bids for a new generator have been limited based on the lack of information on KW and Amp requirements. Todd suggested that Dave Vieceli could be used to clarify needs and verify requirements. Dave did say he would help and assist Bob Collins but did not want to chair the committee. The 40 year old generator did work during the Hurricane.

Bob Offerman stated that the controller requirements must be met. The generator must be automatic and turn on when power is out, it must require a signal to activate operation and then must be able to shut down after power is restored. Bob said the elevator must be able to operate with generator power but may stop momentary while power shift from generator to electricity.

Dave Vieceli was not aware if the old Onan transfer switch would work or could be modified to meet these requirements. The transfer switch is responsible for providing power from power to generator. Dave said the generator must run one elevator and the fire pump.

Marilyn Henkel suggested that all generator bids have the same specifications so an intelligent decision can be made.

Secretary's Report cont'd

Confirm Dates and Materials for Annual meeting and Elections: Diane Linton confirmed the process and content for the annual meeting in regards to notice and election process.

Marilyn Henkel moved and Diane Linton seconded to approve the mailings and schedule for proxy. Motion Carried.

Marilyn Henkel moved and Wayne Porter seconded to approve the mailing of the Letter and Survey & Candidate Information sheet. Motion Carried.

Treasurer's Report

Treasurer Marilyn Henkel Presented the Sunset Inc. October 31, 2017 Financial Statements for Board review. Diane Linton moved and Todd Dawson seconded to approve the October Statements. Motion carried.

Marilyn also confirm the mailing and notice of the November 30, 2017 Budget and Assessment Meeting.

Marilyn also reported on the expenditures that Sunset is experiencing based on the damages caused by Hurricane Irma. An assessment will be discussed regarding the funding of already paid expenses out of the Reserve account.

Marilyn reported that the Operating Fund is at \$210,281.84, the Replacement Fund is at \$185,676.34, with a Total Balance of \$395,958.18.

Marilyn stated that the 2018 Sunset Budget packet was mailed to unit owners on November 13, 2017 with several being hand delivered on November 14, 2017.

Todd Dawson reported that 2 notices will be mailed to unit owners. One will be in regards to the Irma assessment that will be coming from BB&T. This notice will state the amount and payment date. The second will be a notice of potential insurance reimbursement for the Irma damage assessment. Unit owners will need to contact their insurance carrier to determine if the assessment can be claimed and what deductible may exist. Marilyn is continuing to log expenses for Irma damages.

Presidents Report:

Todd Dawson reported the following items.

1. Meeting Notices: Todd reported that an email from Dave Vieceli questioned the lack of meeting notices during the past several months. The current Board has met on numerous occasions regarding Hurricane Irma, Condo Documents, and 2018 Budgets without posting any notice. Todd had consulted with DeBoest and he did confirm that any quorum of the Board requires a 48 hour posting of the meeting notice. Any committee meetings without a Board member quorum do not need a notice. Todd reported that future meetings will be posted as per the notice requirement. Jack McGuirk was surprised there was an issue in regards to Board Meeting notices as it was always posted properly during his 20 years of Board service. Emergency meetings are exempt. However, all other meetings where a quorum of the Board are meeting requires posting.
2. Pet Visitations: Todd wanted thoughts on the Board's interpretation concerning pet visitations on the Sunset Campus. The current pet policy does not cover visiting pets on campus or in owner units. Diane Linton said we should abide by Ft Myers Beach rules and require registration and vaccination proof. Todd said that his conversations with DeBoest, Sunset's attorney, revealed that Sunset is not the enforcer of beach pet rules and the liability of any pet. Todd asked each attending Board member to share their thoughts on visiting pets. Wayne said he was OK with a visiting pet. Marilyn said she

was OK with a visiting pet. Diane said she was not in favor of visiting pets. Todd was OK with a visiting pet but not overnight. With Condominium Documents being updated, the pet policy will be proposed with this new approach. However, Unit Owners must approve of condo docs. Todd also asked regarding the number of visiting pets. Wayne said he was OK with 1 pet visiting with unit owners. Marilyn said that she was OK with 1 visiting pet. Diane wanted a limit of 1 pet visiting a unit owner. Todd was OK with 1 pet visitor. Lloyd Shroyer wanted to clarify that when people moved in they knew it was a pet friendly condominium. Dave Vieceli questioned the Board and asked if this were a new rule. Todd explained the discussion was to gain the Board's interpretation of the existing pet policy and whether or not the Board would consider a visiting pet to be a violation of the current rule. Any new rule would be put in the condominium documents and must have unit owner approval. Todd Dawson moved and Marilyn Henkel seconded to approve the 1 pet visitor, which does not need to be registered, but does need to be of 25 pounds or less would not be considered a violation of the current pet rule. Board Members in favor were Todd, Marilyn and Wayne. Board Members against the motion are Diane. Motion carried by a 3-1 vote. Bridgette ask about vaccination requirements for the visiting pet. Todd responded that it was not the Board's responsibility to monitor vaccinations. The current Pet Policy was enacted in 2010. Marilyn said that the unit owner of #702 was bringing their pet down for a week and wanted to remind that he is grandfathered. Rick Montgomery's pet is 49 pounds and is exempt of the 2010 rules as he owned this pet and his unit before the rule was approved. The Montgomery pet is welcome at Sunset.

3. Floor Covering Requests: Baker, unit #200, has requested to install alternative flooring in their unit. They are installing tile with a sound deadener. Todd Dawson moved and Wayne Porter seconded to approve the installation. Motion Carried. Cardwell, unit #404, has requested to install alternative flooring in his unit. He is installing tile with a sound deadener. Todd Dawson moved and Marilyn Henkel seconded to approve the installation. Motion Carried.

Manager's Report:

Bob Collins reported on the following topics.

1. Advance Disposal: The waste management trucks are leaking again on the Sunset pavers. Bob has documented and photographed the oil staining. Bob said he attempted to limit the staining by putting Tide powder on the oil spots. Sunset has filed a claim with Advance for the labor and damage. Doug Cardwell stated that the Advance trucks sit in one spot and compact on the site. Doug is concerned of the liquid that is displaced out of the truck onto the pavers. Doug said that in his opinion Advance should be required to disinfect the area of unknown substance. Bob said he will contest with Advance why they are compacting on site. Dave Vieceli suggested that Advance and the Town of Ft Myers Beach be notified of our issue. The town is the contractor of waste hauling for the beach. The Board said we need to question what environmental hazard is being dropped at Sunset. Lloyd Shroyer suggested that Sunset move the trash bin pickup site to the street. The Board has discussed that remedy before. Lloyd said that a small forklift can move and rotate trash bins to and from the street side location. Todd

said that the Board will take that under advisement as the street will be widened and improved in the near future. Once the roadwork is complete then an analysis will be done to see if any room is available to house the trash bins. Todd suggested that Dave and Donna could investigate and review the possibilities.

2. Beach Step: Bob reported that Doug Cardwell fell at the beach step. Hurricane Irma washed out the sand and has made quite a step to get up on the sidewalk. Bob said that he could possibly make a ramp to reduce the tripping hazard. The ramp would go from the beach up to the current slab. Bob will build the ramp out of the plastic decking material as in the Tiki Huts.
3. Unit #301: A kitchen window in #301 appears to be broken. The owner claims that it was due to a storm issue. Bob will have the glass replaced.
4. Pool Inspection: Bob reported that the pool inspection went very well. The inspector did say we need new life rings. Also, the inspector reported that the pool box has poor drainage. Bob will remedy the issues.
5. Pool Heater Fence: The pool heater fence is complete. Bob will be using pavers inside the fence once the new chemical tanks are installed.
6. Unit #300: The master bedroom sill plate needs replaced. Bob has secured a lift for the week. Not only will he repair the sill in #300 but will also use the lift to investigate other areas on the Sunset building. Several owners would also like to utilize the lift for shutters. Dave Veceli said that the beachside shutters were assessed by the condo association. So any possibility of lift rental payment from owners will not be available.
7. Exit Sign & Glass: Bob is working his way down to replace all exit signs missing from Irma and replacing glass in fire hose boxes. As glass arrives he will install.
8. Door Unit #1003: Wilson in unit #1003 wants to use a different company to install doors in his unit. He said he does not want to wait for Sunset's desired contractor. Mr. Wilson will be responsible to match all components and the look at Sunset. Mr. Wilson will need to submit a renovation form for Board approval.
9. Parking Layout: Bob reported that he will make adjustments to the parking layout schematic. Changes in parking lot locations were made which needs changed on the parking diagram. Marilyn suggested that Diane Linton be responsible for the parking diagrams.
10. Sunset Grounds: Bob reported that the grounds at Sunset look great. Plenty of hard work with sod, mulch and other materials were used to make the improvements.

Landscape Committee Report:

Dave and Donna Veceli reported on the following.

1. The area where the large Ficus tree that was destroyed by the hurricane has been restored. Lance our landscape contractor was quick to come out and cut up the fallen tree post Irma. Shortly after he sent out a crew to grind out the stump and remove most of the remaining waste. After that was done the area was cleaned up and finished graded with topsoil. Approximately 200 pieces of sod were laid over the area. You will see a small section of dirt still exposed nearest Estero Blvd. but this is in the County's right of way and they will be tearing it up soon so we thought it was not prudent to spend additional money only to have it torn up again shortly after.

2. In regards to the road renovations the spokesperson for the road project tells us that it will be fairly soon when they begin to remove pavers, signs, lights, trees, etc. in the County's right of way. They told us that they will remove our pavers and palletize them for us, storing them where we choose. We also asked about the other Ficus tree and we were told that it is in the right of way and will need to be removed. We asked if they would do this for us if we didn't and they said they would "put it their notes" so hopefully they will at no cost to us. Concerning the palm trees, we spoke with Lance about them and even though they are somewhat battered if they have a green shoot at the top chances are they will survive. We asked him that when he comes out as planned to clean them up to let us know if there are any he feels will not make it which he said he will do.
3. Considering what Sunset's landscape went through during Irma the grounds are looking pretty good and we have received many comments from Owners, renters and guests saying so. This is in large part due to the help we get from our Owners. I would like to thank the following for their help in spreading out the over 400 bags of mulch which was completed last week. Many thanks go out to Dave Linton 1004, Alf Kielhorn 203, and Rosalie Pauck, daughter of Josephine Balek 1103. I would also like to thank the following for their help with the planting flowers around Sunset. They are Pat McGuirk 603, and again Rosalie Pauck. We have a few more plantings to put in around the front entrance to the building and should have that done in a week or so.
4. Marilyn asked regarding the \$750.00 that was due from Tony on October 1, 2017 for cabana and beach chair rental. Dave said he will communicate with Tony and see if he can assist with relocating the landscape rocks at the beach. The storm seems to have moved the rocks further away from the sod. The cause has primarily been from the lack of grading by Tony. The Board agreed in a previous meeting to give Dave and Donna the flexibility to negotiate a fix in exchange for the amount due from Tony.

Old Business:

1. Sunset Documents: Todd reported that he is going to push forward to maintain the goal of having new condo docs by the February 2018 Sunset Annual meeting. A special Board Meeting will be set aside to focus on document edits and updates. The new Condo Documents will be presented to the owners at the Annual Meeting in February 2018. Todd was pushing to get a redlined version out to owners ahead of time so they could review the proposed changes. Dave Vieceli questioned whether each individual change was to be voted on or the document as a whole. As there was a fair amount of concern as to the approval process, Todd said that he would contact DeBoest and ask him to call into the next Board meeting to clarify the Condo Document approval process.

New Business:

- No new business was brought up to the Board.

Owner Comments:

- Owner Alf of Unit #203 reported that people are coming and going in and out of Sunset and using a code to enter. He is uncertain of the people and are concerned with the quick access. Contractors are to use owner codes and not the 6969 passcode. Bob will change this code and will limit code handout.
- Alf also questioned why the contractors should use Sunset's shopping carts to haul tools and supplies. The shopping carts are dirty and are in bad shape. Bob will consult with contractors to use other means to move supplies and tools.
- Alf also commented on the clutter that people are leaving outside their door and in common areas. Alf said these people are living like gypsies with stuff everywhere. Bob will post, warn or has been instructed to remove the items.
- Lloyd Shroyer said that beach carts are tracking sand in the elevators and common floor areas. He said they are in a 7th floor unit.
- Doug Cardwell suggested that the Board consider reviewing the condo documents on a more frequent basis. Or even assign an area to each Board member for their responsibility to suggest updates. The Board agreed that this was a great suggestion.
- Steve Walz asked what they need to do when a friend visits and parks in a guest parking spot. Should there be a registration or tag to be put in the car? The Board thought a good idea would be to place a notice on the dash that this car is a guest of unit #__. The Board clarified that if the owner is in unit that is OK. But not just an open invitation to come and occupy a space for quick beach access. The Board agreed to table for a future meeting where thoughts would be discussed for a possible solution. Towing is not an immediate solution for strange autos as that cannot happen without Sheriff Approval.

The Board will be having a meeting on the 30th of November, 2017 to discuss the 2018 Budget for Sunset Inc. Also, the board will discuss the issue of Assessments to unit owners.

With no further topics to be brought before the Board, Marilyn Henkel moved and Diane Linton seconded to adjourn the 3 hour and 20 minute meeting. Motion carried.

Respectfully Submitted,

Wayne M. Porter

Wayne M. Porter
Recording Secretary

The next scheduled Board Meeting of Sunset will be held on December 21, 2017 at 9:00 a.m.