

SUNSET INC.

Board of Directors Meeting
2018 Budget and Assessments
November 30, 2017 9:00 a.m.

Todd Dawson called the meeting to order. Diane Linton called the roll. Marilyn Henkel and Diane Linton were in the office. Todd Dawson and Wayne Porter were on the phone. Craig D'Angelo was absent. Jack McGuirk, owner and past Board Member and President, Steve Walz, Unit #400 and Dave Vieceli, Unit #405 & #800 was in attendance.

Todd Dawson welcomed all to the 2018 Budget and Assessment Meeting. The meeting was properly noticed and the unit owners are aware of the Board gathering. Todd informed the Board that Craig D'Angelo would not be in attendance as he is recovering from surgery. Todd said our thoughts and prayers are with Craig during his healing process.

President Todd Dawson then turned the meeting over to Treasurer Marilyn Henkel for the 2018 Budget and Assessment discussions.

Treasurer's Report

Treasurer Marilyn Henkel began discussing the proposed 2018 Budget for Sunset and asked if any Board Members had heard of any opposition from Sunset unit owners. Marilyn Henkel informed the Board that Bridgette Kielhorn had approached her regarding clarification on the budget but had no objection to the proposed 2018 Budget for Sunset Inc. Being no opposition the following motions were made for the 2018 Budget of Sunset Inc.

1. Wayne Porter moved and Diane Linton seconded to approve the 2018 Operating Budget. Motion Carried
2. Diane Linton moved and Todd Dawson seconded to approve the 2018 Statutory Reserve Budget. Motion carried.
3. Wayne Porter moved and Todd Dawson seconded to approve the 2018 Replacement Fund Budget. Motion carried.
4. Todd Dawson moved and Diane Linton seconded to approve the 2018 Insurance Deductibles. Motion carried.
5. Marilyn Henkel moved and Todd Dawson seconded to approve the 2018 General and Limited Proxy Form and Instruction letter. Motion carried.

This concludes the financial discussions and the 2018 Annual Budget for Sunset Inc. The budget for 2018 is officially established.

Special Assessment for Irma Damage

Todd Dawson began the discussion regarding the damages to Sunset due to Hurricane Irma. Damages were both exterior and interior to the Sunset campus. The damages so far are \$63,518.00. The Board had discussed in previous meetings to propose an assessment of \$1,000.00 per unit owner.

Jack McGuirk asked if the Board had documented the damages for proof when filing for possible insurance claims. Todd explained that Bob Collins had taken pictures of the damages to the property, pictures of unit damages and pictures of drywall removed in units.

Marilyn Henkel explained the recap expense sheet for Irma damages. Sunset expenses would include Labor - \$3,205.00, Landscape - \$8,961.00, Pool - \$5,188.00, Building Interior - \$36,493.00 and Building Exterior - \$7,091.00. Additional expenses which are expected to be incurred would be another \$1,000.00 for Landscaping and another \$1,600.00 for the Building Exterior.

With no more discussions Todd Dawson moved and Marilyn Henkel seconded to approve and establish a \$1,000.00 assessment to each unit owner for Hurricane Irma damages incurred by Sunset Inc. Motion Carried.

Dave Vieceli asked if the expenses so far included the lift rental fees. The sill and drywall replacement to #300 were included in the expenses to date.

Todd Dawson had sent a draft to the Board for a letter to be sent to each Sunset unit owner regarding the Irma Assessment. The details of \$1,000.00 to each unit owner would be billed January 31, 2018 and due March 1, 2018. Marilyn or Diane will sign the letter on behalf of President Todd Dawson and the Board. Unit owners will be notified of the special assessment and the payment due timing. The unit owners will also be notified that the bill will be sent from BB&T. Diane Linton moved and Todd Dawson approved the letter to be sent to unit owners. Motion Carried.

Special Assessment for Elevator Modernization

Todd Dawson began the discussion regarding the elevator modernization project and the need for an assessment to assist in the project expense. In a previous Board meeting ThyssenKrupp was selected as the elevator installation contractor. The ThyssenKrupp installation quote came in at \$365,803.00. The Board discussed the possibility of a \$3,000.00 assessment to each unit owner. That would generate \$198,000.00. The balance of \$167,803.00 would be paid by Sunset Inc.

Todd Dawson provided to the Board a draft letter proposing the assessment to unit owners. The Board discussed the payment method for owners to pay in one lump sum or two installments.

Jack McGuirk asked regarding the \$3,000.00 amount and how it was derived. Todd explained that the assessment does not pay for the whole project amount. However, with the reserves of Sunset, cell tower income and future maintenance fees from unit owners the elevator modernization project can be accomplished while replenishing cash reserves.

With no further discussions Marilyn Henkel moved and Todd Dawson seconded to approve a \$3,000.00 assessment to each Sunset unit owner with full payment due May 1, 2018 or in two installments, \$1,500.00 on May 1, 2018 and remaining balance of \$1,500.00 due July 1, 2018. Motion Carried.

In regards to communication to unit owners, Todd Dawson moved and Diane Linton seconded to approve the letter informing the Elevator Modernization assessment to Sunset Owners.

Unit owners will receive two emails with letters covering the two approved special assessments. The Irma assessment notice will be sent first with the elevator assessment to be sent at a later date. Steve Walz said that it would be best to inform unit owners sooner than later so they can begin their payment plans. Todd said that the elevator assessment notice will be sent out 1 week after the Irma assessment notice.

Marilyn informed the Board and owners in attendance that the Assessment Invoice will be coming from BB&T. Payments from unit owners will also be made to BB&T. Wayne Porter agreed that unit owners should be notified out of respect so they can make plans. Especially for those owning multiple units.

Treasurer Marilyn Henkel clarified that the Irma Assessment would be mailed out by BB&T January 31, 2018 with the \$1,000.00 payment due March 1, 2018. The Elevator Assessment would be mailed out by BB&T after the Irma mailing with \$3,000.00 being due on May 1, 2018. Unit owners choosing two installments will pay \$1,500.00 due on May 1, 2018 and a final payment of \$1,500.00 due July 1, 2018.

Owner Comments:

Jack McGuirk inquired about the possibility of potential insurance reimbursement for the Irma assessment. Diane Linton said that each unit owner would need to investigate to see their level of coverage and deductibles. Wayne Porter asked if a unit had zero damage if insurance would cover. Todd said that because the assessment was due to an insurable event that there may be an opportunity for insurance reimbursement. The Board did confirm that it does not guarantee any unit owner reimbursement from their Insurance coverage. Coverage and deductible amounts will vary from policy to policy.

With no further topics to be brought before the Board, Marilyn Henkel moved and Wayne Porter seconded to adjourn the meeting. Motion carried.

Respectfully Submitted,

Wayne M. Porter

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Recording Secretary

The next scheduled Board Meeting of Sunset will be held on December 21, 2018 at 9:00 a.m.