

The Summit Owners Association, Inc.

Board of Directors Meeting

July 24 2024 6:01PM. CDT

8743 Thomas Dr. Panama City Beach, FL 32408

In the Owner's Lounge and by remote

MINUTES

Board Members Present: Stacy Peery, President

Board Members Present by Tele/video conference

Patrick Wood, Vice-President

Gary Plunkett, Treasurer

Joy Cohen, Secretary

Lisa Grayson, Director

Chad Nichols, Director

John Shebel, Director

Dennis Wallace, Director

General Manager attending: Claire Durham, CAM – GM,

Tim Sloan, attorney

Laura Accountant

Bonita

Owners Present: Thomas Stott Unit 830

Chantale Coleman Unit 230

Al and Biljana Feinstein Unit 1332

Mark Peery Unit 131

Debbie Dodd Unit 317

1. Call to Order:

The meeting was called to order by Stacy Peery at 6:01 PM

2. Roll Call/Establishment of a Quorum

Having seven (8) of eight (8) Board members present, a quorum was established.

3. Proof of Notice of Meeting:

Notice was given to all Board members and posted on property more than 48 hours prior to the meeting.

4. Attorney Introduction: Tim Sloan concerning Timeshares

5. ACCOUNTANT INTRODUCTION

6. Timeshare Discussion

a. Timeshare facts

- i. Bottom line: Summit owns about 525 of the 1632 existing units. Almost 1/3.
- ii. Attorney Tim Sloan renews the hope that we will make a decision about a path to follow and then execute accordingly
- iii. GM Claire Durham reviews Timeshare Facts
- iv. Last week sold was from 2017

- v. Options were mentioned through Association attorney and accountant. There are unpaid dues, approximately 300,000
- vi. We have a number of unit weeks in arrears that have been turned over or in process of being turned over to collection which will result in more weeks being turned back over to the Summit Association
- vii. From accounting standpoint: Laura and fiscal acct have reconciled how they are dealing with the dues of the unit weeks

b. Timeshare financial review by Laura

- i. Dues not paid are building up. There are dues from the live owners that have not been paid, and the Summit Association is not paying the dues once the weeks are turned back over to the Association. Bad debt provisions have been made to clean up. This number rolled up to 1.7 million in accounts receivable and the allowance for bad debt was 1.5 million. Rolled up means adding it together. This is on balance sheet, not affecting income. The total is approximately 1.7 million, and the Summit Owner's Association portion of that total is \$961,000. There was a discussion between the attorney and the accountant concerning whether the Summit Association should be paying the dues for the weeks that have been turned back over to them. The accountant gave her opinion that the Summit Association should be paying and Director John Shebel inquired about whether it in bylaws or Florida statute. Lisa Grayson had several questions but deferred to Owner Kathy Pittman to provide some clarification. Kathy Pittman: many years ago some of accounts written off before Laura had come. She explained that in the past the group that used to do our books did write off several of these bad debts but it has not been done in several years. On the SOA: Is the SOA responsible for the bad debt signed over to SOA? Kathy Pittman had called the State Department and she explained the timeshare division situation. The Deeds actually refer to "Summit Association Timeshare Division". On the question she asked about whether the SOA is responsible for the bad debt on those weeks signed back over to the SOA and she was told that the bad debt belongs to timeshare division but not the SOA. Thus the decision was made that the SOA would not assume the debt for the timeshares signed back over to them because the bad debt belongs to the Summit Association Timeshare Division. The bad debt assigned to previous owner did get written off. Pat Flynn says you have to have 2 different sets of books, you cannot comingle, you have to keep completely separate books no matter what the deed says. Director John Shebel wants to know from the CPA firm and attorney Tim Sloan the AICPA regulations for the timeshare weeks owned by HOA and whether th Fla regs dictate that the HOA has to pay the bad debt. He wants to know if we have in writing that the SOA needs to pay this bad debt and requests that we see it. Attorney Tim Sloan responds: there are 2 sets of money- before the association acquired the 525 weeks. and post this acquisition. Director Lisa Grayson asks who was included on the timeshare discussions with the Attorney. Owner Teri Towe Claire explains how we historically proceeded on the foreclosures with the Cunningham Asset Recovery. The last foreclosure being Feb 25, 2023. In the prior year we sent over 100 foreclosures to Cunningham. It costs about \$400 for every foreclosure and takes 9-18 months. For the 2024 budget we discussed increasing bad debt and \$300,000 was budgeted for bad debt and \$70,000 to send foreclosures to Cunningham. Attorney Tim Sloan stated that if we are going to continue to use Cunningham, we need to decide how many accounts to send to them. Owner Bob Cabe thought this would be simple to figure out and owner Kathy Pittman recalls that in the past the Timeshare committee helped a great deal in figuring all this out. President Stacy Peery says the committee recommendation was voted down which brought us to a standstill. Attorney Tim Sloan says the committee can still function to decide which of the bad debts weeks should go to Cunningham. Director John Shebel notes that it was never put back on the agenda. Attorney Tim Sloan stated that GM Claire Durham needs direction and he will leave us with that.

c. Financial Review on Weeks owned by Summit: See above

d. Delinquent Process

- i. **FASBI audit number FAFB accounting standards update number.....John states this is old . reg from 2016 and it has been updated since then.**

e. Responsibility of Deeded weeks: see above

f. Deeded week options

- i. Can do nothing
- ii. Sell the timeshare unit weeks, 50 lot increment per year or sell them lump sum. Statute says if you sell more than 50 units a year you have to go through same process the development company had to do initially. Laborious and time-consuming and expensive
- iii. Seek to get whatever money we can get for each week on individual basis
- iv. Seek consolidation- this would require association working with an entity to see if we can consolidate enough unit weeks into one owner and then terminate the timeshare portion. The developer did not do a global timeshare plan. Instead he did 32 individual timeshare plans. Timeshare owns maintenance fee and common expenses. These plans that are recorded can be terminated on an individual basis and each timeshare unit could theoretically become a whole unit. This could be accomplished by either an outside entity or using someone who already owns some of the weeks
- v. This is number 4: hybrid version of 2 and 3, where the association would then determine what potential there is for consolidation, who could handle it and then work with that person/entity to come up with a plan for consolidation. The balance of the unit weeks with little value could be sold for whatever amt we could get for those. If you start down the path of #2 and #3 they are mutually exclusive. The ownership of 525 unit weeks is not doing us any good.

- g. Director Chad Nichols wants to know of the weeks the association owns- what is the revenue? Follow up question- out of the revenue is it being booked to timeshare division? Owner Bob Cabe responded that - the weeks rented go back to that unit and that week to pay the dues. GM Claire Durham will get us that number. Beach Room Rental and Funquest are renting some of these. Director John Shebel was concerned about a possible conflict of interest and Attorney Tim Sloan responded that there is a procedure that should be followed to set the association up as managing entity and then they could use agencies of their choice. Attorney Tim Sloan stated that to his knowledge there is no such legal entity called "Summits Owner's Timeshare Division". Director Dennis Wallace asked Attorney Tim Sloan to clarify the 32 individual timeshare plans. He responded that there are provisions tying them together but 32 individual plans are recorded in public record. Treasurer Gary Plunkett asks what happens if there is not enough money in the Timeshare operating account to pay the bills. Attorney Tim Sloan stated that it won't get to that because you will increase the budget so you have adequate money to pay the bills. However Treasurer Gary Plunkett remains worried there will not be enough money to pay the bills by the end of the year because we have spent 87% of the budget. There was a question of whether we would have to comply with the new ordinances if the SOA decided to rent those weeks they now own and Attorney Tim Sloan responded that he thought so. There was another question posed about liability and Attorney Tim Sloan responded that we should talk to our insurance agency. Director John Shebel wanted to know if we could do an online auction and Attorney Tim Sloan responded that he didn't think there was a restriction on that

h. Direction, NEXT STEPS

- i. Owner Comments: Bob Cabe, Johnny has a plan. 60% threshold so you don't have people fighting over when they come. Without a plan there is no delegation of when they will be here. Teri- speaking to Gary's concern about not having enough money, can't we amend the budget. Yes you can amend any budget.

Owner John Carmichael

Question: Can the Summit split into 2 separate entities to handle the timeshare issue
Attorney Tim Sloan: My opinion is that the condo documents would have to be changed which would require a 2/3 owner vote. I need to do a more in depth review of the documents but that would be a challenging process.

Owner Rodney Wright

Question: The documents state that another entity can come in should the Summit Owners choose not to manage the Timeshares.

Attorney Tim Sloan: I need to review the documents again to determine exactly how to proceed with that.

Owner 830

Question: Can a special assessment be given only to TS owners to handle any sort of budget shortfall

Attorney Tim Sloan: I will look at that as an option

1332 Feinstein

Comments: There needs to be a plan on timeshares done quickly

Owner Kathy Pittman

Comments: Provided historical perspective of her time on the Board on what had been down to generate revenue within TS Division. Renting Units, selling weeks, allowing 3rd party companies to rent units. TS Committee determined best option was to outsource (to consolidate) options presented and the Board at that time voted those proposals down.

Owner Wes McCoy

Comments: Timeshares have been discussed for many years, the Board needs to make a decision today to do something.

7. Old Business

a. Board relations

i. Attorney Tim Sloan spoke about the need to be careful how you treat management and how you treat each other.

b. Director John Shebel wants to make a motion to remove President Stacy Peery as president. Director John Shebel states that this is old business that he is bringing to the board because some owners have requested him to bring to the board. Attorney Tim Sloan stated that since this is not listed on the agenda, we could not proceed with such a vote. He recommends that it be put on the agenda for the next meeting but it could not be dealt with as a voting item at this meeting since it was not on the agenda.

8. Departure of Guest Speakers: Association Attorney, Association Accountant Manager and Association Bookkeeper

9. Old Business (this is listed twice in agenda as #7 and #9)

a. Laundry

- i. Treasure Gary Plunkett shows a chart with bids
- ii. Director Lisa Grayson wants a committee because the current information is not apples to apples
- iii. GM Claire Durham states the blue tile currently in place cannot be found. Treasurer Gary Plunkett confirms it is unavailable, so we need to find a commercial option available that is slip resistant. e.
- iv. Owner Wes McCoy: LVP is probably not the best, like BCT, won't adhere to floor. It has a bit of a slope to it. Need something that will be bonded down- porcelain or ceramic tile or painted on epoxy. Paint on epoxy is probably best way.

- v. Director Lisa Grayson doesn't like the paint job in the laundry room. Funquest said they could fix the breaker panel
- vi. Director Chad Nichols wants to go with a turnkey solution or Funquest
- vii. Director Dennis Wallace suggests getting speckled
- viii. Director John Shebel made a motion to go with Funquest's proposal to substitute epoxy and not to exceed \$8000. Director Chad Nichol seconded the motion. Arthur says within that bid he wanted to disclose there is more in there- proper ventilation system, pulling out the heat to avoid moisture. The motion passed as follows

Patrick Wood	Yes
John Shebel	Yes
Chad Nichols	Yes
Dennis Wallace	Abstain due to conflict of interest
Joy Cohen	Yes
Lisa Grayson	Yes
Gary Plunkett	Yes
Stacy Peery	No

- ix. Director John updates that no outside laundry companies want to bid to manage laundry room. Difference between Speed queen and Lowes brand is commercial and stainless steel. Director John would go with the Speed queen. Treasurer Gary Plunkett clarifies that 3 sets would be just north of 15K and then he made a motion to buy 3 sets of Speed queen washers and dryers from Allsouth for 4358.1 per set. Director John Shebel seconded the motion. The motion passed as follows:

Chad Nichols	yes
Dennis Wallace	yes
Gary Plunkett	yes
Patrick Wood	yes
Joy Cohen	yes
John Shebel	yes
Lisa Grayson	yes
Stacy Peery	yes

- b. Milestone update; There was a discussion about establishing a 1- and 2-year committees. Director Dennis Wallace discussed this with GM Claire Durham. We do not know whether there will need to be an assessment. Treasurer Gary Plunkett asked for update of what has been done and was told that an update would be provided soon.
- c. PHOTOMETRIC SURVEY: Chad gave update on indoor hot tubs, talked to Joe Skulley, the indoor hot tub, is a single use only permit so we are good to open back up. We have a new permit. Outdoor hot tubs- engineers requesting we add 3 fixtures, those 3 fixtures: Claire has some meetings. Claire can't get a lead-time until they come out and look at it. Won't need a photometric survey. The outdoor pools- Chad called Florida health dept for clarification: Required to have 3 foot candles at pool surface and 4 feet of the wet deck ...Current photometric survey is overkill. Lets go back to AMA and try to get it chomped down. Lisa suggests solar lighting. Anything to improve I and have them come out and reshoot this. Why not have them come out when there is a full moon. Lisa also has concern about running with what is recommend, we don't want to have to spend the unnecessary funds.
- d. Cavinder Elevator flooring:
 - i. Cavinder has failed to meet contractual obligations due to delayed completion. We should get the elevators operational and then address the failure. Cladding scheduled for August 19. 3-4 days it will be down.
 - ii. Epoxy flooring takes 2-3 days cure time. Cladding may be same company that does the flooring.

- iii. Director John Shebel asks if they are they starting to put together a punch list. GM Claire Durham states they ran out of screws when they were here. GM Claire Durham has been asking for screws since April. Director John Shebel also wants to know when they are removing the railway car out of here. GM Claire Durham will put that on her list. Director Dennis Wallace had a question about whether cladding was done on elevator 2 on the ground floor. The response was no since the frame had separated from the wall ad they would completely have to take out the frame and reinstall that. Director Dennis Wallace emphasized that we paid for that and asked if they were still going to do it. GM Claire Durham responded yes.
- e. Owners meeting
 - i. \$5100 budget for owners' dinner, working it out with Hammerhead Freds, they are holding Sept 21 until tomorrow. Will need RSVP list, build out a menu, bar tab
 - ii. Secretary Joy Cohen makes motion to proceed with Hammerhead Fred, Director John Shebel seconds it.
 - iv. Director Dennis Wallace suggests assigning drink tickets and then once you go past you are on your own. Treasurer Gary Plunkett confirmed that this was his plan.
 - v. Director Lisa Grayson said this is not going to look like last year. Bob Cabe has offered to have more like picnic food, but then you would have to rent tables and tents and seclude them from the guests. Secretary Joy Cohen commented that the point was for owners to get together and socialize rather than have a wedding type event.
 - vi. There was a question of whether dinner service would still be available? Treasurer Gary Plunkett responded that we are only using the pavilion and could probably order more food if necessary. We will have servers assigned to us.
 - vii. The motion passed by a vote as follows:

Patrick Wood	yes
Gary Plunkett	yes
Chad Nichols	not present
Lisa Grayson	yes
Dennis Wallace	yes
John Shebel	yes
Joy Cohen	yes
Stacy Peery	yes

10. Adjournment:

Gary Plunket made a motion to adjourn. Seconded by Dennis Wallace. Unanimous. The meeting adjourned at 9:48 pm CST.

 Respectfully Submitted,
 Secretary
 Joy E. Cohen

 Date