



6.02.2023

APPROVED 9.1.2023

Minutes of Meeting

The Board of Directors meeting was held Friday, June 2nd, 2023 at 10:00 a.m. in the Summerwinds Clubhouse at 6323 Thomas Drive, Panama City Beach, FL 32408.

Board members present: Angie Hart, Lee Parker, North Johnson, Brad Boucher, Gail Pugh, Lisa Butler, Mac McArthur by phone. Manager – Matt Johns & Katie Patronis present.

Owners present: Suzanne Steinke 901, Reinhard Hanselka 1206, Betty Feagle 1201, Calvin & Janis Schnerch 1004, Nonie Willard 403, Shirley Gaus 803, Sandra Rollins 1205. By Phone- Heather Meier 804, Ray Pencak 1104, Dan Post 505.

Call to order at 10:00 a.m.

Pledge and prayer.

Roll call to establish quorum.

Proof of notice was verified.

Angie started the meeting by reading Article 7 from the Summerwinds Declaration. "Insurance other than title insurance that shall be carried in the association in condominium property and the property of unit owners shall be governed by the following traditions. Casualty. All building and improvements upon the land shall be insured in an amount equal to the maximum insurable replacement value except, in the case of flood insurance".

Angie Hart then presented the original Property Insurance Quote of \$781,427 and then explained that the insurance company has reduced their commission leaving the new total of \$753,048. She also explained that Summerwinds had to use 7 different carriers to cover \$35 million replacement value but could not insure the

full replacement cost of \$45 million due to the state of Florida insurance market. Summerwinds acquired a letter from our insurance agent, approved by the association's attorney, stating that obtaining full coverage on the building was impossible. The letter reads "Arthur J. Gallagher Risk Management Services Inc. is the current Insurance Broker for Summerwinds Owners Association (Summerwinds). We have recently placed the property insurance for Summerwinds effective 6/1/2023 and have been able to secure \$35 million in property limits. We have approached insurance companies in the U.S. Europe and Bermuda, and the \$35M in limit represents the highest amount of capacity/limit that has been commercially available to us in this market."

Angie Hart went on to explain the Named Storm Deductible is 7.5% and is on the total replacement cost of the building of \$45 million. The cost of the 7.5% deductible is \$3,406,071.15.

Angie Hart continued to present the premium provided by Gallagher Insurance at a cost of \$753,048. Summerwinds has budgeted \$244,190 for insurance which is a shortfall of \$508,858 or a per unit owner cost of \$7,067.47. An additional \$112.42 will need to be collected to cover interest on the \$350,000 line of credit used to cover part of the cost of the shortfall.

Gail Pugh made a motion, seconded by North Johnson, to accept the insurance premium presented. Motion passed unanimously.

Angie described Summerwinds' options to pay for the shortfall and that financing options with the insurance company were explored but provided the same 9.25% interest rate as the Line of Credit with Cadence Bank. It was established that Summerwinds has enough cash using the Line of Credit, Hurricane Account and budgeted insurance amount to pay for the insurance premium.

Gail Pugh made a motion, seconded by Lee Parker to use the Line of Credit in the amount of \$350,000, the hurricane account, and the budgeted insurance amount to pay for the insurance premium. Motion passed unanimously.

Gail Pugh made a motion, seconded by Lee Parker, to increase the Line of Credit by \$200,000 totaling \$550,000. Motion passed unanimously.

The board agreed to discuss the details of the special assessment at a duly noticed meeting per Ch. 718.

Gail Pugh made a motion, seconded by North Johnson to adjourn the meeting. Motion passed unanimously.

Meeting adjourned at 10:53 am.