

Minutes for Tuesday, November 24, 2020

Sand Dollar III Special Board Meeting—West Walkway Project

Location: By Phone

Board members participating:

- Joshua Herbstman, board chair
- Bob Reed, board member
- Larry Ridley, board member
- Larry Taylor, board member
- Charlie Lane, board member

Also participating:

Judy Alligood, Coastal Realty
Jim Haga, Property Manager

Units represented by their owners calling in included: Units 207, 307, and 602.

Proceedings:

1. The meeting was called to order at 10:16 a.m. Mr. Haga verified that a quorum was established and that timely notice of the meeting had been provided.
2. Mr. Herbstman reminded owners that the primary purpose of the meeting was to discuss contractual matters associated with the west walkway project.
3. Before turning the board's attention to the west walkway project, Mr. Herbstman asked Ms. Alligood to provide a brief update on the status of the Association's loan. Ms. Alligood indicated that the \$800,000 loan with Center State Bank was still on track to be initiated. The loan is scheduled for an 8 ½ year term with a 4% interest rate attached. Center State has agreed to delay the start of the loan until the start of the project, currently scheduled for mid-January.
4. Mr. Haga informed the board that only 4-5 owners had paid the \$2400 annual special assessment for this calendar year. Mr. Herbstman indicated that he would send a reminder to all homeowners about the need to pay the special assessment.
5. The board then turned its attention to the west walkway project. Mr. Haga provided a brief update on the project. The walkway project committee had reviewed the project, as had the project engineer, Parker Shields. Mr. Ridley provided an extensive review and input concerning the project. Mr. Herbstman thanked the members of the west walkway project committee, comprised of:
 - Larry Ridley

- Larry Taylor
- Bob Reed
- Jim Haga

6. Mr. Ridley then spoke to the separate concerns he had previously raised concerning the project.

- The contractor's contract, as written, does not require that the contractor provide a performance and payment bond (a form of insurance for the association)—typically 1% of the value of the contract
- The contract allows for only one punch list to be submitted (also questioned by the consulting engineer)
- The contract allows the contractor to charge for preparation for any approaching storm
- The contract allows the contractor to charge for the removal of sliding door screens and storm shutters in the course of conducting the repairs to the walkway
- The contract does not hold the contractor liable for any ponding/pooling that may occur on the walkway
- The mobilization fee appears to be out of line with industry standards
- The contract allows for no penalties/consequences specified in the event that the contractor does not substantially complete the work on time (irrespective of cause)

7. Mr. Herbstman asked each board member to consider the list of concerns that Mr. Ridley had formulated. There was considerable discussion regarding the need for a performance and payment bond. Ms. Alligood indicated that few if any contractors conducting this type of work in the area would agree to the requirement to obtain a performance and payment bond because of the rather onerous nature of obtaining such bonding. Furthermore, the committee noted that the contractor was well known and that most other contractors would decline to submit a bid if required to have a bond in place. It was decided that a performance and payment bond would not be required, but that a law firm specialized in construction should be retained for the purpose of creating a contract that might assist in mitigating the omission of such a bond.

8. The board eventually decided to allow the selected law firm to determine how to address the remaining items that Mr. Ridley had brought forth for consideration.

9. Mr. Herbstman then provided a brief update concerning the east boardwalk between SD III and SD IV. After having the boardwalk surveyed, it was determined that the structure was on SD III property. Due to a number of safety issues with the boardwalk, steps were taken to preclude the use of the boardwalk until it could be repaired. Mr. Herbstman noted that a subsequent board meeting would be scheduled in order to determine the conditions under which an easement should be allowed.

10. Mr. Herbstman then asked for comments from the other homeowners and discussion turned to the elevator repairs. The repairs will be undertaken after the west walkway

repairs are concluded, hopefully timed so that the repairs would begin sequentially and immediately after the walkway repairs are completed.

11. In response to questions concerning the sequencing of the west walkway repairs, Mr. Herbstman indicated the association would routinely provide an update to all homeowners regarding the status of the project.

The meeting was adjourned at 11:24 a.m.

Respectfully submitted: Charlie Lane, Secretary