

LAKESIDE OF CHARLOTTE COUNTY CONDO ASSOC. INC.
BOARD OF DIRECTORS MEETING
May 03, 2023

CALL TO ORDER AND ROLL CALL: The Lakeside of Charlotte County Board of Directors Meeting was called to order at 5:07 p.m. by Brenda Binder. A quorum of the Board was established by the following Board Members present in person and/or via speakerphone or zoom: Pat Salley, Dee Powell, Rick Willis, Mary Liz MacNeil, and Richard Bielawiec. Also present was Brenda Binder from 1st Choice Condo Management. Melin Law Group attorney Javier was also in attendance.

READING OR WAIVER OF READING AND APPROVAL OF BOARD OF DIRECTORS MEETING: Minutes from the February 17th and March 03rd Board of Directors meeting was tabled.

UNFINISHED BUSINESS:

- A. Legal** – Javier with Merlin Law group introduced himself to those in attendance. Mary Liz stated that there is a 3 tiered percentage on the contract and she is not too clear on if they accumulate or if they are exclusive of each other. Javier stated that they are exclusive depending on the circumstances of the case. He stated that if we have to file lawsuits, etc the rates are not stacked.

Richard B asked if the percentage is excluded on the initial offer we received. Javier stated that they are not entitled to those funds because they did not do anything for that amount.

Mary Liz asked why we should hire a lawyer instead of a public adjuster. Javier stated that everything a public adjuster would do, it appears has already been done by the contractor up until this point. Only an attorney can file a CNR and file lawsuits if needed. He stated that given where we are it would be more effective to have an attorney. Mary Liz asked what a CNR is. Javier stated that a Civil Remedy Notice is a document that explains to the insurance company how they are in violation of 624.155 statute. The damages also include attorney's fees and potential fees. They have to respond within 60 days on how they feel they have not violated the statute. If they do not settle we can ask for damages that are not covered under the policy because they did not address the claim properly. It is a negotiation technique in order to get response and try and convince them that settling would minimize their risk. Once the CNR is prepared, the insurance company has 60 days to respond and schedule a mediation or settlement conference. He stated that process will take about 90 days to try and reach a settlement. The process if they delay could be a 5 to 6 months or 8 to 10 months depending on the documentation or appraisal requests they make. It depends on a case by case basis and a very small percentage ever go to trail.

Rick Willis questioned what would happen if the insurance company filed bankruptcy. Javier stated that we would then be dealing with the Florida Insurance Guarantee Association.

Brenda stated that she is hearing we need to have repairs completed in 18 to 24 months. Javier stated that the policies have provisions that apply. We have a replacement cost policy, which means were entitled to the replacement cost and depreciation cost. If you don't complete repairs within 24 months they will only pay actual cash value. He stated that if you don't do the work within two years you are not eligible for Ordinance and Law coverage.

Javier stated that we can absolutely get a bank loan and then increase the assessments to cover the loan and then pay off the loan once we receive funds.

Richard B stated that the roof warranties have been voided because of this storm. He questioned whether or not it will cause an issue with insurance if we replace the roofs. Javier stated that we will inform the insurance company so they cannot say that we didn't inform them and that way we also have all required documentation.

Rick W stated that it is possible the insurance company turn around and say they won't cover replacement when they try to claim it just needs repaired. Javier stated that we have an expert that would say what exactly what we need to do and we're going to go based off what the experts determination is and fight for that.

After discussion, a motion to hire Merlin Law was made by Richard B and seconded by Mary Liz. All in favor, motion carried.

Javier stated that we can provide status updates to all owners but if we are talking strategy in the future we will be going into executive session with the Board. Brenda stated that Dee and Mary Liz will sign the contract since they are in person.

Brenda stated that she called Don Kreke Law to see about his pricing and she said he would be 22.5% of the claim total flat pricing. She stated that she hopes that Merlin Law will be able to recoup more funds without paying the higher percentages.

Mary Liz stated that we are talking about an loan and she is running potential figures. She stated that a \$500,000 loan breaks down to approximately \$9 per homeowner per week.

Pat questioned the status on the how many residents have not paid their Special Assessment. Brenda stated that she was working on the loan figures and she will get the resident list together by the end of the week. She stated that Centennial Bank has 3, 5, and 7 year loans. The 3 year loan is at 8.25% interest. The five year loan is at 8.5% and the 7 year is at 8.75% interest. Brenda stated that Terri from Triton has said that several Associations have had better luck with loans through SBA. Brenda stated that she will look into that with Board permission. She stated if the Board members have to personally guarantee then she will go through Centennial Bank. She recommends going with the longer loan terms. Rick W stated that we need to figure out what we have in Reserves that we can use.

Brenda stated that she will get the information together for the loan and we will have a Board meeting for us to vote on a loan.

NEW BUSINESS: None at this time.

COMMENTS FROM THE AUDIENCE:

A homeowner questioned how often an Association doesn't receive the funds needed to complete the repairs. Javier stated that at the end of the day his clients have only settled their cases when they felt that they received a reasonable settlement. The decisions are based on different values to different properties.

Unit 303 - A homeowner questioned if the estimate we have is still good. Javier stated that if the contractor is willing to do the work for their estimate then it's still good. Brenda stated that as of today, yes they are. Richard B said he thinks the claim today is currently roughly \$1,600,000 for the roof portion because of the decking that is warped and the new code. The total claim is roughly \$3,250,000.

A homeowner questioned if the law firm has all the information needed to move forward. Javier stated that we have the scope and Dr. Hall has already been out to the property. He stated that there are also inspection notes and walk throughs. He stated that we should have enough to submit the demands and proof of loss. He stated that it will take about three weeks to get all the documentation ready to go.

Unit 207 – A homeowner questioned if we go the loan route if the insurance company would have to pay the loan interest. Javier stated that if we did a lawsuit then yes that would be included and if we put together a settlement offer then that would be part of what we factor in and our demand. He stated that we would keep going until the Board was satisfied with the settlement offer.

Unit 1307 – A homeowner questioned if he has seen the Triton adjusting report versus the insurance company adjuster report. Javier stated that he has reviewed the documentation. The homeowner asked if we know if the insurance company changed the adjusters report. Javier stated that he wouldn't know that until he goes through discovery.

Unit 807 – An homeowner questioned how the attorney is paid. Brenda stated that it comes out of the settlement.

A homeowner questioned if we would get their money back if we recoup the loan cost with the settlement. Mary Liz stated that it is a Board decision on how to handle that in the future. He stated that we can decide to give back or to lower HOA fees.

ADJOURNMENT: There being no further business before the Board of Directors, a motion to adjourn was made by Richard B and seconded by Rick W. All in favor, motion carried. The meeting was adjourned at 6:07 p.m.

Respectfully Submitted,
Brenda S Binder, CAM
On behalf of Lakeside at Charlotte County