

ISLAND SUNRISE CONDOMINIUM ASSOCIATION, INC.
ANNUAL MEETING OF THE MEMBERSHIP
OCTOBER 25, 2008
10:00 A. M.

The Annual Meeting of the Membership, Island Sunrise Condominium Association, was held on Saturday, October 25, 2008 at 10:00 A. M. Meeting location was Harry Roberts Community House, 300 East Sixteenth Avenue, Gulf Shores, Alabama.

A quorum was established with 52.3% of the membership being represented either in person or by proxy. President Ling called the meeting to order. She noted proper notice of the meeting had been mailed to the owners and posted as required by the Association's documents.

Introductions of Board members as well as owners and noting six owners have purchase units since the last Annual Meeting. The new owners were welcomed by everyone.

Board members present were; Jan Ling, Myra Horton, Val Morel, Tom Gunther and Larry Campbell. Jim Hardin was unable to attend. Meeting guests include Scott Harris, Whitehaven Insurance Group; Susan McCaa and Nancy Wood representing Coastline Management.

MINUTES:

Minutes taken from the October 27, 2007, Annual Meeting had been sent to the owners and was presented for review. There being no corrections or additions to the minutes, MOTION was made by Tom Gunther, duly seconded by Ralph Russell and unanimously approved by the members present to accept the minutes as written.

Scott Harris, Whitehaven Insurance Group. Mr. Harris presented an overview of the insurance coverage for the Association. Premiums seem to be leveling off and the agency has not seen any increases in the past few months. Property coverage is with AMRISC Insurance, \$7,070,000 with a 3% deductible for Wind/Hail/Wind Driven Rain including a \$250,000, coverage for Wind Driven Rain. General Liability has \$2,000,000 coverage with a \$500 deductible, D & O Liability, Fidelity Bond and Umbrella Liability will remain about the same as last year. Flood coverage is with the National Flood Program which carries the total building coverage and a \$500 deductible. The Association's insurance renewal date is the first of February.

REPORTS:

Financial report for Fiscal Year 2007/08 was given by Nancy Wood noting beginning in January of 2008 the Fiscal Year was changed to a calendar year. Two audits were

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made for FY2006/07 to cover October 1, 2006, thru September 30, 2007, and October 1st through December 31, 2007. In order to be in compliance with the membership's vote to change the Association's Fiscal Year to a calendar year in October 2006.

Total income as of September 30th was \$443,886, which includes, monthly fees, special assessment, interest/late fees, parking income and beach service income. Total expenses were \$374,816, leaving a balance of \$69,070. Cash on hand is \$112,818, including a reserve fund of \$36,958. All expenses relating to the elevator project have been paid and two owners remain delinquent in paying the special assessment in full, they have been turned over to the attorney for collection. After reviewing the financial information action taken by the members was to transfer any remaining fund in the operating account into the reserves at the end of 2008 Fiscal Year.

A break down was present and reviewed by the membership showing the income and expenses surrounding the 2008 special assessment. A copy of that report is included with these minutes as Attachment #1.

The management report for 2008 year to date was reviewed. Building repairs included replacement of two booster pump motors, repairing a swimming pool leak, adding small floor drains to the lobby entrance and several on the south deck floor, replaced trash chute door 1st floor and repaired others, adding retention drain in the center area of the parking lot and repairs made to concrete and balcony hand rails on unit 169 and 6th floor walkway. An inspection of all hand rails has been conducted and a report given to the Board for review. The immediate issues surrounding the hand rails will be address as soon as possible. A discussion was help painting the hand rail or waiting until they can be replaced, suggested date for this will be about 2010 at which time funds should be available in the reserve fund for the project.

Previously a roof inspection was conducted by Building Engineering-Consultant, Inc. A report was given to the Board and sent to the roofing manufacture which has been addressed. The engineering report indicated several issues that need the roofer's attention and have now been addressed most of them were under warranty.

UNFINISHED BUSINESS:

Rules and Regulations governing Island Sunrise was given to the owners for their review. Pet and parking Rules were discussed and noted most owners are complying with the rules. However, some owners are not purchasing parking identification certificates for each guest

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and also not filling out the information on the tags correctly. Another discussion was held on disposing of unwanted furniture/appliances/personal property. Owners are asked to removed these items and not place them in the dumpster, dumpster area or anywhere on property, it is their responsibility to remove these items.

Information from Secure Vision, Inc., internet and cable TV service provider was given for discussion. The cost of the service is \$29.95 per month and will require a small satellite dish to be placed on the roof. It was suggested to continue to obtain information from other service providers before a decision can be made on the issue.

NEW BUSINESS:

An overview of the proposed budgets for Fiscal Year 2008 was presented by Val Morel. Two budgets were reviewed budget number one (1) showed an increase in monthly fees in order to cover insurance premiums, approximately \$150,000, and \$20,000, funds needed for 2009 reserve account. Budget number two (2) shows a small increase in monthly fees with a special assessment in the amount of \$175,000, payable in two payments for the above expenses. Action taken by the members present was to approve Fiscal Year 2009 budget number two (2) and pay the special assessment in two payments due March 1st and May 1, 2009.

Information on adding a pool side bathroom was presented. After reviewing the cost and discussing the matter a show of hands were taken as the vote, 6-yes votes to 12 no votes. The proposal did not pass and if enough interest is shown in the project additional information will be obtained and presented to the membership.

An open discussion was held by owners as they were asked for their input on issues remaining to be addressed at the building. Several owners asked to have their windows checked as some will not raise or operate properly. The Association will have the window contractor check these units as they are out of warranty the cost will be imposed to the owners. Other issues were checking balcony hand rails and getting a cost for repainting them in the near future.

Two Board seat position were up for election, Jan Ling and Tom Gunther. Both members submitted their name as a candidate to serve on the Board. The floor was open for

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nominations, there were none and no other owners had submitted their name for a Board seat. MOTION was made by William Smith, duly seconded by Mrs. Jeanne Noetzel to reelect the two Board members by Proclamation for a three year term. The Motion was unanimously approved by the members present.

Myra Horton presented Jan Ling with a thank you gift from the Board and owners for her devotion and hard work as President of Island Sunrise.

The next Annual Meeting will be held Saturday, October 24, 2009, time and place will be determined at a later date.

There being no further business to come before the meeting MOTION was made by William Smith, duly seconded and unanimously approved by the members present to adjourn the meeting.

Submitted by:
Nancy Wood

Approved by:

Myra Horton, Secretary