

**ISLAND SUNRISE CONDOMINIUM ASSOCIATION, INC.**  
**ANNUAL MEETING OF THE MEMBERSHIP**  
**OCTOBER 27, 2007**  
**10:00 A. M.**

The Annual Meeting of the Membership, Island Sunrise Condominium Association, was held on Saturday, October 27, 2007 at 10:00 A. M. Meeting location was Adult Activity Center, 260 Clubhouse Drive, Gulf Shores, Alabama.

Guests included Scott Harris, Whitehaven Insurance Group. Mr. Harris presented an overview of the past year's insurance coverage for the Condominium Associations in our area. Premiums seem to be leveling off and the agency has not seen any increases in the past few months. An appraisal was completed in October 2005, showing the replacement value of the building as \$7,070,000. An appraisal is required by the insurance carrier and is necessary every three to four years. The Association presently has a 5% deductible estimated including wind driven rain which was not available last year. General Liability, D & O Liability, Fidelity Bond and Umbrella Liability will remain about the same as 2006/07. Rates at the present time are about \$1.10 to \$1.20 per \$100 of coverage and hope to be even lower by the Association February renewal date.

Last Year the carrier for the flood coverage representing the National Flood Program was Audubon Insurance. In 2006/07 renewal time the flood premium was \$11,514, two months later the National Flood Program revalued several condos in the coastal areas and put in place a mandatory increase in premium of about \$88,000. Several attempts were made requesting the National Flood representatives to review their documentation in order to lower the premium; they are basing the increase on the number of claims made by Island Sunrise in the past.

A quorum was present with 63% 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.

Board members present were; Jan Ling, Myra Horton, Val Morel, Jim Hardin and Frank Smith. Guests include; Tyson Whiteside, attorney, Susan McCaa and Nancy Wood representing Coastline Management.

**MINUTES:**

Minutes taken from the October 28, 2006, Annual Meeting was presented for review. There being no corrections or additions to the minutes, MOTION was made by Jeanne Noetzel, duly seconded by Todd White and unanimously approved by the members present to accept the minutes as written.

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**REPORTS:**

Several owners requested information on another internet service provider and Mrs. Ling provided information from Gulf Telephone and others. To install the internet service from Gulf Tel was at no cost, but the service would be \$19.95 per month per unit at no charge to the owners or guests for the service. Other providers suggested a router be added, but the cost to install the equipment was much higher. After reviewing the information only six owners were interested, it was determined to leave the present service as is and each owner would chose the provider of their choice.

Financial report for Fiscal Year 2006/07 was given by Nancy Wood. At the 2006 Annual Meeting the membership voted to change the Association's Fiscal Year to a calendar year, but an audit has to be conducted for the present Fiscal Year. Total income from October 1, 2006, through September 30, 2007 was \$396,521.05, with expenses being \$442,552.01, indicating a negative net operating income of \$46,030.96. The additional expense was due to the increase in the flood premium which some funds were taken from the reserves and will need to be put back to the account. Savings account is one CD in the amount of \$26,013. A copy of the Reserve Fund Study for Fiscal Year 2008 shows the required amount needed to fund the reserves will be \$230,700.

A Management Report was given by Nancy Wood and noted the following building projects include: 1) Spring of 2005, the building's exterior was sealed/painted with elastomeric coating; 2) Fall of 2006 painting of all north side walkways; 3) Moving the electrical panel from the ground floor to the 1<sup>st</sup> floor; 4) Replacing the photocell on the roof to adjust the building's lighting; 5) Replacing the garbage room door; 6) Adding several small drains to the building entrance, deck and pumping out the drains in the parking lot.

Suggested projects for the upcoming year are; Roof repairs and six floor unit ceiling repairs as needed; replacing the elevator cab with a stainless steel cab and other repairs as indicated in the proposal have been approved. The elevator will be out of service from April 9, 2008, until about May 20, 2008. Other projects suggested will be address by the Board as funds are available.

**UNFINISHED BUSINESS:**

An overview of the elevator repair proposal and a letter from Bob Dieter, Elevator Consulting Services, was presented by Val Morel. Mr. Dieter reviewed the proposal from

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**Bagby Elevator Company before the Board approved the repairs and he wrote a new maintenance contract for the next term. The Board will have Mr. Dieter to inspect the elevator after the repairs are completed in May to assure the Association all work has been done to his specifications.**

**On behalf of the Association Myra Horton presented Jan Ling with a thank you gift for her devotion and hard work as President of the Board. Mrs. Horton also reminded owners of the importance of the parking identification permits that are required to be visible in all vehicles while on property. Owners are asked to display their owner's stickers and purchase the tags for all their guests.**

**NEW BUSINESS:**

**An overview of the proposed budgets for Fiscal Year 2008 was presented to the membership for discussion and approval. Two budgets were reviewed budget number 1) showed an increase in monthly fees in order to cover the \$100,000 elevator repairs, \$30,000 funds needed to place in the reserve account and \$190,000 for insurance premiums. Budget number 2) shows a decrease in monthly fees with a special assessment payable in three payments for the above expenses. Action taken by the members present was to approve Fiscal Year 2008 budget number 2) and pay the special assessment as presented.**

**A proposed amendment was sent to the membership prior to the meeting and presented at the meeting by attorney Tyson Whiteside and Val Morel. The amendment is to set-off on behalf of the Association to obtain satisfaction of the unit owners' debt, may attach any and all rental, lease and any other use of premises payments which are derived from the occupancy of the delinquent unit owners' unit by individuals or entities other than the unit owner. Also the amendment included; suspension of members voting rights, right to serve on the Board of Directors and right to use common area amenities. A MOTION was made by Charlie Christian, duly seconded by William Harrington and approved by a majority vote of the owners present and proxy votes.**

**An open discussion was held by owners as they were asked for their input on issues remaining to be addressed at the building. Painting of the hand rails, cracks in the concrete deck, and standing water in the parking lot was mentioned and the Board will take these items under consideration.**

**The next Annual Meeting will be held Saturday, October 25, 2008, time and place will be determined at a later date.**

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**Frank Smith chose to resign his Board seat position leaving two vacant seats. Val Morel and Tom Gunther submitted their name as a candidate. There being no other nominations MOTION was made by Frank Smith, duly seconded by Earl Janssen and unanimously approved by the members present to elect the two candidates as Board members.**

**There being no further business to come before the meeting MOTION was made by Earl Janssen, duly seconded by Ralph Russell and unanimously approved by the members present to adjourn the meeting.**

**Submitted by:**  
**Nancy Wood**

**Approved by:**

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**Myra Horton, Secretary**