

Antigua Condominium Association
Minutes of the Meeting of the Board of Directors
(Executive Session)

April 18, 2024

The meeting of the Board of Directors of the Antigua Condominium Association was called to order by Mike Falkner, president, on April 18, 2024, at 7:00 p.m. The meeting was held via Zoom. The following directors were present: Mary Dischinger, Randy Ditch, Mike Falkner, Kat Ilkhani, Mike Keenan, Robert Mayer, Ellen Schweiger and Rosey Whittaker. A quorum was present.

Kirk Parsons of ETC, the condominium's consulting engineer, was present via Zoom.

The meeting was held in executive session pursuant to Maryland Condominium Code §11-109.1(6) to consider the terms or conditions of a business transaction in the negotiation stage and §11-109.1(8) to discuss two individual owner assessment accounts.

Individual Owner Assessment Account

Mary Dischinger presented an account in which there were charges for a smoke detector on November 28, 2018, and a claim on January 1, 2019, totaling \$473.10. The owner disputes the charges and neither Mary nor Amy could find any documentary support for them. In addition, they are very old. After discussion, Mary Dischinger moved and Ellen Schweiger seconded that the charges be removed from the account. On a voice vote, all directors present voted in favor of the motion. The directors voting in favor were Mary Dischinger, Randy Ditch, Mike Falkner, Kat Ilkhani, Mike Keenan, Robert Mayer, Ellen Schweiger and Rosey Whittaker.

Coating Project

Kirk Parsons reported that he had received four bids for the coating project. The base bids for the exterior work ranged from \$1.1 to \$1.8 million. The bids for the rotunda work ranged from \$400,000 to \$565,000. The total for both the exterior and rotunda work ranged from \$1.5 to \$2.4 million. The proposed start dates are in September 2024 with the estimated work days needed to complete the work ranging from 120 days to 260 for the exterior work and 60 to 260 days for the rotunda. In addition to the contractors' costs and fees, we should budget a 10% contingency and 5% for ETC's fee.

Ev-Air-Tight is the biggest company with about 300 workers during the work season. It has been in business for 100 years. Larry Genovere purchased the business about 10 years ago. It has done a lot of work at the Antigua. It has a good management style. Northern is a local company from Ocean City and has been in business for about 25 years. During the construction season, it has about 50 workers. All States is also local to Ocean City and has about 75 to 80 workers. Kirk had the least information about East Coast which probably has about 40 to 50 workers. He is presently working on a project with them. They asked the most question during the bidding process and should have a firm grasp on the project requirements.

All the contractors will be using a silicone coating and sealant. Three identified Dow as the manufacturer. Kirk wants the contractors to use the same manufacturer for both the coating and the sealant. They tend to be more compatible than using different manufacturers.

Kirk was asked if the project could be delayed until 2025. He said that there is a difference between the exterior and the rotunda. The rotunda is better protected from the elements than the exterior. The rotunda can be done in 2027 without adverse consequences. However, the exterior is more exposed. The existing coating is allowing moisture to get in and damage the concrete. While the building is not in danger of collapsing, if we delay the exterior work there will only be more cracks and the condition will worsen. It is best to do the exterior work this fall.

Kirk was asked about the four railings that have been installed in the building. He said that they were not in the contract. He cautioned against simply deciding to remove the railings. There is a safety issue if the top of the parapet walls are not 36 inches. ETC had been involved in looking at the railings several years ago but nothing was done with its report. He noted that the railings need to be properly installed so that they meet certain requirements.

Kirk was asked about the noise level during construction. There will be noise and it will be heard generally throughout the building, particularly grinding when the texture is being removed. He is not sure of the level, but there will be noise. There may be flexibility in the start date to accommodate September rentals and use, but that depends on the contractor and the amount of time that he will need to complete the work. Also, the better weather is in the fall rather than the spring and it is better to make use of the fall weather as much as possible. As for the use of the pool, work can start on the oceanside of the building to minimize dust from getting into the pool or the pool area.

The antennas should be removed and we should check our contracts with AT&T to see how this is addressed. While it is possible to leave them up and caulk around them, it is better to remove them and reinstall them after the coating work has been completed.

The shutters were discussed. Kirk said that the best way is to remove all the shutters and reinstall them after the coating work is completed. It is the most efficient approach and results in a more watertight coating. It is, also, more economical in the long run. The shutters on the first 12 floors could be left in place and caulked around them, but the owner would have to remove the old texture and coating and install the new texture and coating when the shutters are replaced. The shutters on the first 12 floors are attached to the balcony ceiling. If left in place and caulked, the footprint for the texture and coating is the housing that abuts the wall and the vertical track along the wall. There is also the footprint that extends for the length of the balcony on the ceiling which would have to be re-sealed when the shutter is replaced. He estimated that the current cost to the shutter owner would be about \$2,000 to \$3,000 to do this. The future cost would likely be higher due to inflation as would the future cost of new shutters. There is a low risk if the shutter is left in place and caulked. In any event, if when the texture is removed, there is a crack in the concrete or a spall running to or under the shutter, the shutter will have to be removed to repair the crack or the spall. This will not be known until the texture is removed.

The shutters on the 13th floor are different and he strongly recommends that all the shutters on the 13th floor units be removed. The shutters are attached to the exterior wall and cover quite a lot of the exterior wall. Unlike the first 12 floors, there is no ceiling to protect the balcony or the wall. It is

fully exposed to the elements. It is higher up and the higher portions of the building are exposed to additional air pressure and other weather effects than the lower floors. In light of the three panels that Ev-Air-Tight repaired, Kirk expects cracks and spalls elsewhere on the building and on the 13th floor units. There is a crack in the coating between the roof and the top of the window shutters on most of the 13th floor units. Kirk is of the opinion that it is far better to remove all the 13th floor shutters so as to achieve a watertight coating and recommends that they be removed.

Kirk summarized his view on the shutters. The optimum approach is to remove all the shutters. However, the shutters on the first 12 floors pose a lower risk if left in place and caulked. The 13th floor shutters should be removed and reinstalled after the work is completed.

Kirk suggested that the Board interview the prospective bidders to get more information and to clarify aspects of the work. The Board agreed and Kirk will try to set up the Zoom sessions for Monday. He anticipates that each should be about 30 minutes with a short break between each one.

Kirk left the meeting about 9:00 p.m.

Individual Owner Assessment Account

Mary presented a second account in which the owner requested that two late charges assessed on January 16, 2023, and July 18, 2023, be removed from the account. The owner was present and explained that the owner was ill in January and but for these two instances, the account was always timely paid and, in fact, paid six months in advance. It was noted that the two late charges were assessed before the new Condominium Payment Policy was adopted in August 2023 with retroactive effect for late charges to January 2023. After discussion, Mike Falkner moved and Robert Mayer seconded that the two late charges be removed from the account. On a voice vote, all directors present voted in favor of the motion. The directors voting in favor were Mary Dischinger, Randy Ditch, Mike Falkner, Kat Ilkhani, Mike Keenan, Robert Mayer, Ellen Schweiger and Rosey Whittaker.

Shutter Matter

The Board discussed the coating project further and focused on the treatment of the shutters. The Board recognized that the treatment of the shutters needs to be resolved because of the effect on the owners and the coating process itself.

The Board discussed Kirk's preference to remove all the shutters so that a single, uniform texture and coating can be applied which would result in a better and more watertight job. The Board also recognized that to the extent that shutters cannot be reinstalled, the owners would have to purchase new shutters, if they wanted to continue to have shutters. The Board discussed Kirk's statements about the lower risk of an adverse effect of leaving the shutters on the first 12 floors and caulking around them. Kat suggested that some of the shutter owners may find it financially easier to leave their shutters up until the rotunda phase is done in 2027. At that time a coating contractor will be on site and a group of the shutter unit owners could contract with the coating contractor to apply the new texture and coating at a more favorable price than Kirk's estimate of \$2,000 to \$3,000. Another alternative suggested was for the shutter to be removed now and a new shutter installed in a year or two or whenever convenient to the unit owner.

The Board also discussed the different situation between the first 12 floors and the 13th floor as discussed by Kirk earlier in the evening.

The Board discussed whether the condominium association should pay for the cost of the shutters to be taken down or to pay for the cost to take them down and reinstall them. If a new shutter were purchased, the owner would be eligible for the reinstallation cost. By paying these expenses, the shutter owners would have an incentive to remove the shutters and reinstall them, or purchase a new shutter. In addition, they would avoid the future cost of recoating the areas under the shutter than can not be reached if the shutter is left in place. Several expressed the sense that the 80 owners who did not have shutters would object to sharing in any expense to remove or reinstall the shutters.

It was noted that the condominium is ready, willing and able to have the texture and coating applied in the optimal manner as Kirk described, that is, remove all shutters and apply the next texture and coating before they shutters are reinstalled or new ones purchased. If the shutter is left in place, the unit owner would have to be responsible for completing the coating job when the shutter is replaced and be responsible for any leak that may occur before the shutter is replaced. This would reduce or eliminate the condominium from being involved or responsible for the future costs resulting from leaving the shutter in place.

Each director discussed his or her views on the matter. A consensus formed that for floors 1 to 12, the unit owner should be given the option to remove or to leave the shutter in place; however, if left in place, the unit owner would have to be responsible for applying the new texture and coating when the existing shutter is removed and be responsible for all leaks. The unit owner's responsibility would be legally binding, be included in a covenant or license signed by all the record owners of the unit and recorded in the land records. The consensus formed that the condominium would not pay for the removal or reinstallation costs. Finally, the shutters on the 13th floor units must be removed for the coating work to be done.

Robert reported that he spoke with Jim Clark, president of Clark & Sons, earlier in the morning. Jim Clark inspected the shutters and said at the time that he could remove and reinstall most of the shutters. However, he changed his mind and now feels that the multiple layers of coating and caulking, the age of the shutters and their condition would not allow him to remove and reinstall the shutters. He felt that they would be bent or otherwise not be able to be reinstalled. He declined to proceed further with the project. When asked if he would be receptive to individual unit owners contacting him, he said it would not be feasible. Robert also reminded the board that A&A Awning from Chesapeake had probably priced itself out of the market for this job. All this leaves only one shutter contractor available, East Coast Shutters.

At the conclusion of the discussion, Robert moved that:

1. The shutters on the 13th floor units be removed. They can be reinstalled after the coating work has been completed.
2. The Board recommends that the unit owners of shutters on floors 1 to 12 remove their shutters for the coating work. However, the unit owners will have the option of leaving the shutters in place so that they can be caulked around. If the unit owner chooses to leave the shutter up rather than removing it, the unit owner will apply new texture and coating when the existing shutter is removed whether permanently

or as part of a shutter replacement. The unit owner will be responsible for promptly fixing any leaks. The obligation of the unit owner will be in a covenant or license to be signed and acknowledged by all record owners of the unit and will be recorded in the land records. The costs of preparation of the covenant or license, the title review to assure all owners have executed the covenant or license, and the recording and release fees will be paid by the unit owner. The costs of enforcement, if necessary, will be paid by the unit owner.

3. Notwithstanding a unit owner choosing to leave the shutter in place rather than removing it, if during the coating process it is necessary to remove the shutter, the shutter will be removed at the unit owner's expense.
4. All unit owners will have the option to select their own contractor to remove and/or reinstall their shutter(s). If they do not remove their shutter(s) by any deadline or if the unit owner does not sign the covenant or license timely, the condominium will remove the shutter at the expense of the owner. The condominium will not be responsible for reinstalling the shutter(s) or for any damage done to them in the process.
5. The condominium will not pay the costs of removal or reinstallation for any shutter or for a new shutter.

Kat seconded the motion. The motion passed on a vote of 8 to 0, with one director, Sheri Miller, being absent. The directors voting in favor were Mary Dischinger, Randy Ditch, Mike Falkner, Kat Ilkhani, Mike Keenan, Robert Mayer, Ellen Schweiger and Rosey Whittaker.

Reserve Funds and Special Assessment

Robert presented a spreadsheet showing the current balance in the Reserve Fund, future expected contributions, future expected expenses and the year end balances. The year end balance stated in the Reserve Study were also shown. The purpose was to begin thinking about how much can be used from the Reserve Fund to pay for the coating project. This calculation is independent of the contractor chosen.

The special assessment to fund the coating project cannot be calculated until the contractor is selected and the cost identified.

Adjournment

Ellen Schweiger moved and Kat Ilkhani seconded that the Board adjourn. The motion was approved on a voice vote without dissent. Mike Falkner adjourned the meeting at 11:05 p.m.

Respectfully submitted,

/s/ Robert Mayer

Robert Mayer
Secretary