



February 13, 2023

Dear Unit Owners,

We will be having our second annual owners meeting on Thursday evening, March 16, 2023. Attached is the meeting agenda, along with information about the election and proxy voting options.

Please complete your election proxy and send it back to the association at your earliest convenience. All mailed proxies and ballots will be embossed, so please mail back these original proxy and vote sheets. All ballots received will be secured in a locked box.

If you are not attending the meeting, you must select a proxy holder for your proxy votes to be counted. **Please note the Owner Designation Voter Section.** Selecting the Association President or other attendee to vote on your behalf allows for votes on procedural issues such as approval of prior meeting minutes. It does not allow the President (or your designated representative) to vote on the proxy items listed below unless the vote section is left blank. So, if you will not be at the meeting, please designate your proxyholder AND make your personal vote count!

**Special Assessments Summary.** You are being asked to fund two extraordinary items: the dramatic increase in our hurricane (wind) insurance premiums and a solution to the unexpected deterioration of our Glass Towers. If owners vote to fund with a one-time Special Assessment, the total commitment would be \$385,000 (\$185,000 for the increased insurance premiums and \$200,000 for the Glass Tower options). This equates to ~4 months of your monthly building association dues (i.e., monthly dues of ~\$1,000, would require a one-time payment of ~\$4,000).

**Board Elections.** We will be holding an election for three (3) open Board seats. These are two (2) year terms ending December 2024.

**If you have any questions regarding the proxy vote items, please submit them to [admin@ultimar3.com](mailto:admin@ultimar3.com). Your votes are critical!** It will help decide the direction your Association will take as it progresses on critical infrastructure in 2023 and beyond.

Regards,

**Ultimar 3 Board of Directors**

Rick Cote, Said Gabriel, Larry Hallas, Sergei Shishkin, Jim Panzarella

## Proxy Vote Summary

**Updated Budget Funding.** We need to fund the anticipated 2023 operating deficit resulting from the unexpected ≈\$185,000 increase of wind/hurricane insurance coverage. We had built into the 2023 budget a 42% increase. This reflected our higher building's appraised value (28%) and expected market rate insurance increases. However, the Florida market for Property wind/hurricane insurance- specifically for barrier islands - froze. The only option for us was from the Florida State sponsored insurance carrier (Citizens) at a cost of \$355,000. As the Association is required to be fully insured for our appraised value, we had no choice but to participate in the program.

The options we have to fund the deficit are through a special assessment of \$185,000 (which equates to ~ 2 months building association dues) or a 20% dues increase commencing with the April payment. Prior year surpluses will be used if needed if the budget year ends in a deficit. **We recommend funding with a \$185,000 Special Assessment.** We will then spend 2023 exploring alternative insurance coverage options. Recall that Citizens allows customers to "opt-out" if they find better coverage. This may lower our net premium cost and minimize our 2024 dues assessment.

**Glass Tower Selection.** Karins Engineering was hired to obtain, critique and analyze third party bids for replacement and demolition of our glass towers (see the addendum below quoting from their report; it is available in its entirety on our website). We will need to either replace our current glass towers with Kalwall fiber glass panels\*\* or demolish them. We have discussed the costs for both with owners at Board meetings and direct correspondence: multiple quotes for replacement (\$437,000 to \$625,000) and demolition (\$337,000 to \$625,000 not including rebuilding the roof access points). Indeed, the cost of replacement is virtually the same as demolition! Keep in mind that approval from both the HOA and State & Local authorities is required for either option.

- ✓ Attached is a simple rendering post the replacement and demolition options.
- ✓ The Kalwall.com has information about their fiber glass panels.

**Here is a photo** of a commercial building using their wall panels.

\*\* Karins Engineering evaluated panel materials and bids from several sources. Specified Architectural Systems (SAS) was the best fit for our building needs. Their bid came in as the least expensive replacement option and comparable demolition costs.

**Your Board recommends replacement of the Glass Towers**

**Glass Tower Funding.** As previously noted, Kalwall fiber glass panels to replace the glass blocks will cost approximately the same as demolition and roof refurbishing: estimated at \$450,000. We have \$250,000 in the Capital Reserve Funds for the Glass Towers. The \$200,000 deficit needs to be funded, and a special assessment is ~ 2 months building association dues.

We have also investigated an alternative funding. We could charge the Capital Reserve Funds with the entire cost of the Glass Tower replacement/demolition and incur substantially higher future year reserve contributions. That increase will be determined by our Reserve Study expert (Dreux Isaac Associates) when they complete a new study later in 2023. However, preliminary analysis suggests an incremental \$75,000 from the 2023 contribution of \$315,000: ~6.2% monthly dues increase, starting in 2024.

Therefore, we can fund this \$200,000 gap via a Special Assessment, payable in 2023 or funding with increased ongoing Capital Reserve annual contributions of ~\$75,000 (6.2% dues increase) starting in 2024. **Your Board believes that funding this deficit with a Special Assessment charge is the most fiscally responsible method for dealing with the Glass Towers.**

**Common Area Painting** The December 2022 Proxy vote approved painting the ceiling in a matte white color palette (Benjamin Moore cloud white paint chip # OC-130). The vote also approved painting the common area's three floors (including the club room, piano room, board room, TV and billiard rooms) in a new lighter color palette at the December 2022 meeting. We now need to decide which of the 2 lighter color palettes to use. The two designers recommended Adobe **White** (Benjamin Moore (2199-70/PPG 1100-2) or **Eggshell Gray** (Sherwin Williams eggshell gray (6071) & Eggshell Versatile Gray (6072)).

Attached please find color pictures of the options. In January, the U3 Bulletin board has presented this information with color tile samples. The display will remain through the voting period.

**Gym** The December 2022 Proxy vote approved the gym remodeling with a gray palette to match the gray tone equipment (i.e., light gray wall paint and rubber flooring with 10% grey speckles). We now must select the wood stain color for the wood gym floor and kick molding after it is sanded. The 2 choices are either a gray stain or the current oak amber stain. **Two (2) independent designers and the Board recommended the gray stain option.** Attached is a picture of the two stain options.

## Board Elections

**You may vote for up to three (3) candidates each serving two (2) year terms ending in December 2024.**

### Addendum

#### **Summary Statement from the Karins Engineering Report\***

“Based on Karins Engineering’s previous product comparison report of the polycarbonate/ fiberglass panels and the review of all bids received to date, Kalwal product panels provided by Specified Architectural Systems (SAS) appears to be the best fit for the Association needs at this time. SAS bid comes in the cheapest for the demo of the glass block and installation of panels compared to the rest of the bidding contractors for this scope of work. However, the installation of new panels will require maintenance over time with typical increased maintenance at 20 years. **The panels can be easily replaced at that time.** SAS has provided a number of project references with the Kalwall product installed for the Association to consider. SAS has also performed work throughout the state meeting hurricane and building code requirements.”

\* Full report available at [ultimar3.com](http://ultimar3.com)



# ULTIMAR III

The ultimate point of view.

Ultimar Three Condominium Association Inc.  
1560 Gulf Blvd. Clearwater, FL 33767

## Owners' Annual Meeting

March 16, 2023 – 5:00 p.m.

Ultimar Three Club Room

### AGENDA

1. Call to order
2. Proof of notice of the meeting
3. Appointment by President of a chairman of the meeting
4. Appointment of quorum certification committee
5. Quorum certification
6. Approval of member meeting minutes
7. Vote outcome on the following:
  - Should the association fund the updated budget gap with a \$185,000 Special Assessment or increase dues 20%?
  - Decision between replacing our current glass towers with a *Kalwall* fiber glass panel system or taking down the existing towers?
  - Should the association fund the Glass Tower deficiency with a \$200,000 Special Assessment or increased future dues starting in 2024?
  - Decision on interior common areas paint color
  - Decision on gym floor stain color
8. Appointment of inspectors of election
9. Opening and counting of ballots
10. Appointment of directors elected
11. Adjournment

#### Zoom Access

<https://zoom.us/join>

Meeting ID: 601 446 0734

Passcode: u3

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Phone Access 646-876-9923

Passcode: 040369

## Glass Tower Rendition with Kalwall Panels and Elimination of Tower



Proxy Vote March 16, 2023  
Interior Paint selection and  
Gym Floor Stain selection

Interior Paint Color Selection  
Adobe White or Gray Shades

**Common Level Walls**

Benjamin Moore  
Adobe White (2166-70)  
or similar PPG (1100-2)

**THIS OR THAT**

**Main Lobby, Board Room**

Sherwin Williams 6071  
Eggshell Popular Gray

**Club & Piano Room**

Sherwin Williams 6072  
Eggshell Versatile Gray

Please voice your opinion!  
Talk to Rocky,  
A Board member  
Or  
ultimar3treasurer@gmail.com

Eggshell Popular Gray

Eggshell Versatile Gray

Proxy Vote March 16, 2023  
Interior Paint selection and  
Gym Floor Stain selection

Gym Floor Selection  
Gray or Amber





# ULTIMAR III

The ultimate point of view.

1. **Updated Budget Funding.** Wind/hurricane insurance coverage increased ~\$185,000 from our original budget. We need to fund the updated 2023 operating deficit. Should the Association fund the deficit via a special assessment of \$185,000 (~ 2 months of dues) or a 20% dues increase. Prior years surpluses would be used as needed. **The Board recommends a Special Assessment.**
  - ASSESSMENT – \$185,000 Special Assessment
  - DUES INCREASE – 20% Dues Increase
  
2. **Glass Tower Selection.** Please decide between replacing our current glass towers with Kalwall fiber glass or taking down the existing towers. **The Board recommends replacement.**
  - REPLACEMENT
  - DEMOLITION
  
3. **Glass Tower Funding.** Both corrective actions are projected to cost approximately \$450,000. The Capital Reserve Fund has allocated \$250,000. The shortfall is \$200,000. We can fund it either via a Special Assessment (~ 2 months of dues) or with future dues increases to replenish the Capital reserve funds starting in 2024. **The Board recommends Special Assessment.**
  - ASSESSMENT – \$200,000 Special Assessment
  - DUES INCREASE – beginning in 2024
  
4. **Painting.** You have approved painting the common areas (All three floors including the club room, piano room, board room, TV and billiard rooms) in a new lighter color. Designers have recommended 2 color palettes: Adobe White (Benjamin Moore (2199-70/PPG 1100-2) or Gray (Sherwin Williams eggshell gray (6071) and Eggshell Versatile Gray (6072). **Your preference?**
  - ADOBE WHITE
  - EGGSHELL GRAY
  
5. **Gym.** You approved a gym remodel in light gray walls and rubber flooring with 10% grey speckles to match the gray tone equipment. The wood floor and kick molding will be sanded and stained. There are 2 possibilities: a gray stain or the current oak amber color stain. **Two independent designers recommended the gray stain option as does the Board.**
  - GRAY
  - AMBER