

Tangerine Bay Club Association Inc.,

A Not-For-Profit Corporation

Minutes of The Meeting of The Board of Directors

Wednesday, June 22, 2022

A scheduled meeting of the Board of Directors was held via the Zoom online platform on June 22, 2022.

The meeting was called to order at 2:15pm by the President, Clare Villari. Clare stated that no owners had provided advance notice of their intent to record the meeting. Therefore, no owners nor the Association recorded the meeting.

A quorum was established. Board Members present in the online meeting were Clare Villari, Jim Curtis, Ed Moravitz, Jeff Spalter, Dave Van Ess, Mike Wells and Karen Wiltsie. General Manager Michael Canacari was also present

Proof of notice was posted per Association Bylaws and Florida Statutes 718.

Board Actions:

1. **Minutes of prior meeting** – no comments. **Motion to approve minutes** made by Dave seconded by Ed. All Approved. Michael will post.

2. **General Managers Report**

Pool deck – still waiting on tiles.

Road project – remains on target. There are 24 owners on site – transportation being arranged since roads will be closed.

Lanai Handrail painting underway – building 350A is first.

Roof project – it will cost about \$34k/building to bring our roofs up to wind lift standards. Bids are coming in. A special board meeting to approve contract might be necessary over the summer.

Roofs will be done over 2023 and 2024. Important for owners to communicate with GM Michael if planning renovations.

Pavers by the pickleball courts will start next week – perhaps a bit premature as the root barrier work may begin at same time.

Owner questions

How does roof project tie into our increasing insurance costs? Once project is complete we will be reassessed. At end of project, we will meet Miami-Dade County wind lift code which should be helpful to insurance costs.

How are we handling rot on privacy screens? Being fixed as lanai painting progresses

Motion to approve Gulfside Painting contract for \$16.2k made by Karen and seconded by Jim. All approved.

3. **Special Assessment Approval**

On June 6 our Finance Committee met in an open meeting to discuss how we would fund the costs of the Association's lawsuit against the Peter D. Kasdin Trust, owner of Unit 136, which are estimated to be about \$360K (\$4K/Unit) to take us through trial in early 2023. There were three options to consider for this unplanned and unbudgeted large expense:

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Operating Surplus - owners money accumulated over years when expenses came in under budget - a “rainy day” fund. This was not a viable option because the Operating Surplus already funded the costs of the lawsuit since the Board approved moving forward with the lawsuit in Nov 2021 through June 1, approximately \$65K, and is now at a minimal level.

Reserve Fund - owners money that is fully committed to capital projects. We limit borrowing from the Reserve Fund to two circumstances: a) emergencies, e.g., storm recovery; and b) budgeted expenses that come early in the calendar year before being fully funded by owners’ quarterly fees, e.g., annual insurance premium due May 1.

Special Assessment - collection from owners of new money specifically to pay the expenses of the lawsuit. It is this SA option that the Finance Committee recommends to the Board and that the Board is prepared to approve today by Board Resolution.

4. Clare read the 2022 SPECIAL ASSESSMENT RESOLUTION

Whereas, the Association engaged litigation counsel in November 2021 pertaining to unauthorized alterations to common elements, and associated issues, by the owner of Unit 136. The dispute is now in contested litigation and expected to continue for some time.

Whereas, the Board of Directors has determined that it will be in the best interests of the Association and its Members to continue to pursue the relief sought in the lawsuit and defend against any claims brought by the Unit owner.

Whereas, the Board of Directors has determined that it will be necessary to levy a special assessment to pay attorney fees charged by general and litigation counsel, as well as costs and expenses associated with the contested litigation.

Whereas, Section 9.1 of the Declaration of Condominium and Section 11.5 of the Bylaws authorizes the Board to levy a special assessment for unusual, unexpected, unbudgeted, or non-recurring expenses.

Now therefore, upon due consideration of the foregoing, the Board of Directors adopted the following Resolution at a Board meeting held on June 22, 2022, upon not less than 14 days posted and delivered notice in accordance with Section 5.7 of the Bylaws.

1. The foregoing recitals are true and correct and incorporated herein.

2. I move the levy of a special assessment in the total amount of \$360,000 (\$4,000 per Unit) for the purpose of funding the pursuit of the Association’s claims in the lawsuit against Peter D. Kasdin, as Trustee of the Peter D. Kasdin Trust, and the defense of any claims that may arise as a

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result of the lawsuit, including legal fees, costs, and expenses. The special assessment shall be payable in two equal installments of \$2,000 due on or before August 1, 2022, and November 1, 2022.

3. In the event the lawsuit is resolved before the due dates, the Board of Directors is authorized to decrease the total amount of the special assessment to reflect the cost savings and reduce the amount of the installment payment(s) due from each owner.

4. To the extent there are any monies left over after the conclusion of the referenced lawsuit, the balance shall be handled in accordance the Section 718.116(10), Florida Statutes, which provides that any excess funds be considered common surplus, and may, at the discretion of the Board, either be returned to the Unit owners or applied as a credit toward future regular or special assessments.

5. Assessments and installments on assessments which are not paid on or before ten (10) days after the due date shall bear interest at the rate provided in the Declaration, from the due date until paid. The Association may, in addition to such interest, charge an administrative late fee. Any payment received by the Association must be applied first to any interest accrued by the Association, then to any administrative late fee, then to any costs and reasonable attorney fees incurred in collection, and then to the delinquent assessment.

6. Management is directed to deliver a copy of this signed Resolution to each Unit owner no later than June 30, 2022, to allow the owners to budget for and make timely payment of the Special Assessment.

5. There were no questions from the Board.

6. Owners questions/comments

1. Will we recover funds – yes, if we win
2. What if Kasdin loses and appeals – we will decide how to proceed but the \$360k does not include the cost of an appeal
3. Various comments of support for the Board's approach to litigation; some owners expressed hope that everything that can be done, will be done, to make a court trial a last resort
4. A couple of questions specific to the lawsuit were asked but could not be addressed due to attorney client privilege
5. Suggestions on negotiations/mediation were made

7. Clare thanked the owners for their support, recognizing that this has not been an easy task to manage.

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- 8. Motion to adopt the 2022 Special Assessment Resolution** to levy a Special Assessment in the total amount of \$340K (\$4K per Unit) for the purpose of funding the pursuit of the Association's claims in the lawsuit against the Peter D. Kasdin Trust, owner of Unit 136, and the defense of any claims that may arise as a result of the lawsuit, including legal fees, costs, and expenses. The Special Assessment shall be payable in two equal installments of \$2K due on or before August 1, 2022 and November 1, 2022 was made by Ed and seconded by Jim.
- 9. A roll call vote was taken – approved unanimously.**
- 10.** Motion to adjourn the meeting was made by Karen and seconded by Dave. All approved. Meeting adjourned at 3:24.

Jeff Spalter, Secretary, Tangerine Bay Club Association Inc. Board of Directors