

Tangerine Bay Club Association Inc.,

A Not-For-Profit Corporation

Minutes of The Meeting of The Board of Directors

Wednesday, September 21, 2022

A scheduled meeting of the Board of Directors was held via the Zoom online platform on September 21, 2022.

The meeting was called to order at 2:06pm by the President, Clare Villari. Clare stated that Mr. & Mrs. Peter Kasdin had provided advance notice of their intent to record the meeting. The Association announced and recorded the meeting as well.

A quorum was established. Board Members present in the online meeting were Clare Villari, Jim Curtis, Jeff Spalter, Dave Van Ess, Mike Wells. General Manager Michael Canacari was also present. Andy Schaer (appointed to the Board during meeting was also in attendance). Karen Wiltsie was absent.

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

Board Actions:

- 1. Minutes of prior Board Meeting on June 22, 2022** – no comments. **Motion to approve** made by Dave seconded by Jim. All Approved. Michael will post on website.
- 2. Minutes of Closed Board Meeting on June 7, 2022** – no comments. **Motion to approve** made by Jim seconded by Dave. All Approved. Michael will post on website.
- 3. Board Member Resignation/Appointment** – Ed Moravitz resigned from the Board, effective Aug 26. A replacement can be appointed by the Board. Clare recommended Andy Schaer to replace Ed for term ending 3/24. Clare shared Andy's experience and background and made a **Motion to approve** Andy as a Board Member for the remainder of the term of the vacant seat. Seconded by Dave. All Approved. Andy welcomed to the Board.
- 4. Finance Committee Appointment** – Clare recommended that Pat Wilkinson join the Finance Committee – Board approval for this appointment is not required. Clare shared Pat's background and experience. Pat welcomed to the Finance Committee. Michael advised that the Finance Committee now will have to be an open meeting since, with Andy now a Board Member, four Board Members (a Board quorum) are Committee Members.
- 5. General Counsel Change** – Chad McClenathen who has been TBC council for 20+ years will retire effective Dec 31, 2022. Cindy Hill, attending the meeting, was introduced as Chad's replacement, effective Jan 1, 2023. Cindy specializes in condo association law, she advised that she would do a robust handover with Chad. She provided an overview of a new law passed by the FL Legislature, and signed by the Governor, in May 2022. The Building Safety Act (BSA) was passed in response to the condo building collapse in the Miami area in June 2021. All condo associations in FL must comply with the BSA by year-end 2024.
 - 1. Highlights of new Milestone Inspection requirements** shared by Cindy. She advised that we ensure appropriate documentation of Board actions as it relates to inspections.

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- 2. Highlights of new Structural Integrity Reserve Study** shared by Cindy. A key item for TBC is that reserve funds can not be borrowed to fund operations even for short periods of time.
- 6. Reserve Study** – TBC’s 2022 reserve study is about to be complete. The next study – due 2024 will reflect new statutory requirements which likely go beyond the items that we have historically included in our studies. It was recognized that the existing TBC reserves and process are quite robust.
- 7. Bylaw Amendment for Line of Credit** – Historically TBC has borrowed from its Reserve Fund to pay its annual insurance premium. Due to the new BSA this type of borrowing will no longer allowed. The Board recommends that a line of credit be secured to address this payment and the potential costs associated with storm damage not covered by insurance. A positive vote by a majority of owners is required in order to amend the Bylaws. Bill Chapman has explored line of credit options and working with Enterprise Bank (our current bank) is the lead case to establish a line of credit. There is a one-time underwriting fee of \$2,500. The TBC Membership Association will be the designated borrower. The LOC will not be established until the Bylaw amendment is approved. Clare asked for a motion to approve the distribution to owners of a ballot and related information regarding the proposed Bylaw amendment. If this Bylaw Amendment is approved by Owners, Bill (Treasurer) and Karen (FC Chair) will recommend an LOC agreement to be reviewed by the Board and its General Counsel. Plan is to put the LOC in place by the end of 2022. **Motion to approve** distribution to owners of the proposed Bylaw Amendment made by Jim; seconded by Dave. All approved. Expect distribution to Owners in next 48 hours.
- 8. Ratification of Roof Contracts** – The 30-year-old roofs are scheduled for replacement in 2023 and 2024 with an expected cost of \$1.5M which is in line with our expected cost and is fully funded in the Association’s Reserve Fund. The original estimate was \$1.1M, but \$.4M was added to allow for strapping that will give us full wind mitigation meeting the Miami-Dade County standard. The roofing contact was circulated to/approved by the Board and signed by VP Jim Curtis on 8/4 to reserve a spot on Crowther’s 2023 schedule. Mike Wells asked Michael to ensure that the roofing contract include a Professional Liability provision of at least \$5M. Clare asked for a **Motion to Ratify** the Board’s Aug vote to approve the contracts with Crowther Roofing (\$700k – 5 buildings) and Delta Engineering (\$50k). Moved by Dave, second by Mike. All approved.
- 9. Late Fee on Owner Delinquent Payments** - During the past 2 years, there have been several Owner delinquencies; a few owners are in a pattern of paying late. Clearing up an owner late payment, takes time and effort by our GM, our Board President, and Lighthouse Property Management which also charges us an administrative fee to do so. Currently, we have an Owner with an accumulated delinquency of \$46K. That situation is now being handled by a Collection

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Attorney. Our Association has filed in Sarasota County a Claim to Lien against the Owner's Unit who has 45 days to settle the delinquency. If not settled by the deadline, the Association will move to foreclosure the Lien and get what the Association is due from the Unit's sale proceeds.

1. Under FL Statute the interest rate charged on an owner delinquency is 18% and the administrative fee for each quarter of the delinquency may be, as determined by the Board, up to the greater of \$25 or 5% of each quarterly fee that is delinquent.
2. 5% of TBC's quarterly fee is \$328. For many years, TBC's Late Fee has been \$50.
3. Clare asked for a **Motion to approve**: In accordance with FL Statute 718 and the Association's Declaration, in addition to interest charged on Assessment sums not paid on or before 10 days after the due date at the rate of 18% per year, the Association will charge an administrative quarterly Late Fee as determined by the Board. Effective October 1, 2022, the administrative quarterly Late Fee will be \$250. Any late payment made will be applied first to interest, then to Late Fees, attorney's fees and costs, and finally to the unpaid Assessment. Moved by Mike, seconded by Jim. All approved.

10. Update on Kasdin Lawsuit – Clare read the following update from the Association's litigation attorney which is based on publicly available information: A non-jury trial is currently scheduled for the May 8, 2023 trial term before Judge Kevin Bruning.

The court has ordered the parties to engage in a mandatory pre-trial mediation no later than March 21, 2023. Standard procedure.

The parties are currently engaging in Discovery – the pretrial process of gathering information.

In the Discovery process, Mr. Kasdin has provided documents from his records to the Association's counsel. Our Counsel has also obtained project records from Mr. Kasdin's contractor, plumbing subcontractor, and kitchen designer.

On 9/9/22 TBC's Counsel served Mr. Kasdin with a written request to enter Unit 136, to remove a panel off the end of the kitchen peninsula to evaluate the plumbing vent pipes, and then repair the cabinets.

This request is based on obtained emails (during Discovery) - emails between Mr. Kasdin and his kitchen cabinet designer. In those emails the cabinet designer told Mr. Kasdin, "You could easily pop open the cabinet at the end of the peninsula and see what size pipe is coming out of the floor."

Mr. Kasdin has 30 days to respond as to whether he will allow this inspection of the otherwise concealed plumbing stack work that was done.

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The following question was posed by Board Member Jeff Spalter: When was the email exchange between Kasdin and his cabinet designer that indicated the cabinet panel could be easily popped off to allow the Association's engineer to inspect the relocated, concealed plumbing pipes?

Clare responded: April of 2021.

Jeff remarked: That's about a year and half ago – so Kasdin has known for some time that there is a reasonable way for our engineer to inspect the pipes.

Clare commented: That's how she reads the information.

11. General Managers Report

Pickleball and Tennis court work is progressing. Have to resurface – will seek owner input on options. Work will take a few days in late fall/early winter.

Pool Deck Paver project – working on matching colors.

12. Open Session – No owner questions. Next meeting 10/26 will include 2023 Budget information.

Motion to adjourn made by Jim and seconded by Dave. Meeting ended at 3:54pm.

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