

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.
Minutes of the Meeting of the Board of Directors
June 1, 2023

In the absence of the president, the vice-president called the meeting to order at 10:03 a.m. on the date above noted at the location and time specified in the notice of meeting.

Those present were:

Earl Monari, Vice-President (via phone)	Avi Rapaport, Director (via phone)
John "Randy" Kuhl, Treasurer (via phone)	Joseph Schechter, Director (via phone)
Charles Erwin, Secretary	Chris Gourdie, General Manager
Yossi Edelkopf, Director (via phone)	Carol Post, Bookkeeper (via phone)
Shaya Katz, Director (via phone)	Darren Kerr, USI insurance broker (joined at
Chris Palamidis, Director (via phone)	end of meeting via phone)

Mr. Monari explained that usually the first agenda item at board meetings is owner requests to be heard before the board, but for this meeting, it will be moved to the end since there will be a lot of discussion about the special assessment for the insurance premium and he wanted to get the other business handled first. He also stated that there was supposed to be a presentation to the board about fiberoptics, which would not be taking place.

The minutes of the February 2, 2023 board meeting were then presented to the board. There being no corrections, the minutes were approved as submitted. The minutes of the April 25, 2023 board meeting were then presented to the board. There being no corrections, the minutes were approved as submitted.

The next item on the agenda was the treasurer's report. Randy Kuhl stated that all the members received the written report, so he wouldn't read it. He pointed out that the first line gives the board a positive feeling, that there was a surplus of income to expenses of \$34,000 for the month and \$109,000 for the year, but obviously that will change. He stated that this has been a very fluctuating year as far as expenses, that Mr. Gourdie has implemented a reduced program related to labor intensity and payroll, creating a surplus, as well as some other surpluses. He cautioned the board not to look at that as a surplus that is available, because this report only goes through April, and there will be upcoming expenses for the balance of the year. He stated that in creating the budget for this year, no one anticipated the type of increase in premiums the Association saw at the May 1 renewal, and though the insurance numbers didn't change during the first four months of the year, they will change dramatically. He indicated he would be happy to answer any questions, but underbudget and overbudget items are detailed well in the report.

Mr. Edelkopf stated that the board was concerned that with less staff there would be a lower-quality product for users of the Association. He asked if there was a decrease in the quality of the condo due to the decrease in staff. Mr. Kuhl stated that he can't personally answer that question but Mr. Gourdie could, relative to complaints coming in about what hasn't been done that has been done in the past. He stated that he deals with the numbers and will be happy to answer questions regarding that, but deferred to Mr. Gourdie for the answer to Mr. Edelkopf's question.

Mr. Gourdie stated that the decrease in quality will be more obvious as time passes. Currently, the Association is just maintaining the property rather than improving it. He said it's a lot harder now, which is to be expected with less labor. He suggested keeping going and seeing what the next quarter looks like. He stated that not all of the cost for the temporary labor is included in the financial statements, and Carol Post stated that that is correct, that two months of payment to the temp agency were held back due to them not providing updated insurance certificates. Mr. Gourdie stated the certificates were received today, so those expenses will now go through.

Mr. Edelkopf summarized Mr. Gourdie's answer by saying there has been no decrease in quality. He then asked Mr. Gourdie if any of the decrease in staff was intentional or did people just leave. Mr. Gourdie responded that these were people who quit and were not replaced. Mr. Edelkopf stated that the board should congratulate Mr. Gourdie for the decrease in staffing while still maintaining the quality of the condo. He stated he is sad that the insurance went up so much, but he is glad to hear that there is probably a lot of additional room to keep going in terms of making the operation a little bit slimmer without lowering the quality, which the board was most concerned about. Charles Erwin felt that some of the issues with the value of the property are areas that the Association can't control, such as Scott House not improving his areas, which is causing a lot of the problems.

The next item on the agenda is the general manager's report. Mr. Gourdie stated that since the Association has reduced its building staff, they have only completed three buildings of the twelve slated this year, so they are almost three behind. He stated that was something the board needed to consider, that there are things as a board and a manager that need to be addressed, how they want to staff the department and how to improve it. He felt that the most important maintenance the Association does is on the buildings, because they are all wood and are old, so that should be a main focus. He stated that Association staff continues to work on the lakelofts, which pull a lot of labor away from the multi-unit buildings, and referred the board to the report showing pictures of issues such as stairways separating. He stated that the Association is always going to have to be replacing pickets, handrails, stairs, etc., because they are exposed and get direct rain coming off the roofs. He stated that the only way to stay ahead of it is to be constantly painting and protecting them.

He also reported that the Association is starting to see horrible plumbing issues, in that the original copper piping under the slabs is starting to have leaks. The Association has to call out a leak detection company to find them, but so far, Lennox Henry, the building manager, has been able to handle all the repairs, which involve breaking up the flooring and the concrete slab, making the repair, repouring the floor and repairing or replacing the flooring, which, when damaged by the Association for repairs, is the Association's responsibility. He reported that a lot of owners are renovating their units and DIY people are doing things causing other problems. He pointed out a picture where an owner didn't seal their new shower off and it leaked into the downstairs unit, and another picture where someone installed a new toilet and shoved it down to fit, put a couple of extra wax rings on it and actually broke the drain pipe below it, which caused a leak in the bottom unit. He stated the Association has a really good crew with its lights, signs and mailboxes, Luz and Angel, who are doing a great job, are self-motivated and just want the supplies to do their job.

He pointed out some pictures of mailboxes and explained the mailbox expense account is overbudget because of all the people separating their B and A units. He explained that originally the Association didn't assign a box for every door, because there were a lot of owners who were snowbirds and didn't use their mailboxes. However, now, there are a lot more renters and year-around occupancy. As far as landscaping, he stated that the planting stage comes in July when the rains begin, but the crew has done a lot of mulching, stone work and tree work. He added that they've had to replace a lot of irrigation since the water company had the irrigation off for six to eight months due to pumps being down. He explained that sprinkler heads get broken regularly due to people driving on the turf, age, roots, etc. He stated that since the pumps have come back up, Osvaldo Diaz, the Association's irrigation person, has done a fantastic job of getting on top of the problems and has about 80 percent of the property repaired where he is now just replacing broken heads. Lastly, he pointed out sales and collections, listed under administration, and said collections aren't too bad.

The next item on the agenda is the auditor's management representation letter. Randy Kuhl stated that he felt Andrea Doane has done a great job reviewing the numbers over the course of the years and he sees no need to switch representation. Mr. Kuhl moved and Charles Erwin seconded a motion, which was approved unanimously, to retain Andrea Doane of Doane CPA firm to handle the Association's audit and tax filings for the year 2023.

The next item on the agenda was appointment of a budget committee. Mr. Monari stated that Randy Kuhl, the Association treasurer, has been the chairman of that committee. He asked Mr. Kuhl if he wanted to move forward on anyone he wanted to appoint. Mr. Kuhl stated that he felt the committee had good representation last year with Yossi Edelkopf, Earl Monari, Chuck Erwin, and himself as chair, that they worked well together. He stated that the president appoints the budget committee chairman, but since Mr. Monari was running the meeting, he could make the appointment. Mr. Edelkopf stated that he did enjoy working with the committee and felt that this year, the budget committee would probably be the most important committee in Grenelefe's history since it never saw such an impactful increase on a line item out of its control. He stated it was a crazy increase and the budget committee has to come up with solutions to not just throw up its hands and say it's out of control. He said that last year the budget committee decided to see how 2022 ended in regard to lowering expenses, if the quality won't go down. He indicated that the payroll went down by a huge amount, but the quality has not gone down yet. He stated that he thought about it all year and came up with a very detailed plan that he would like to give to everyone, the owners as well, because he felt that people are not working with as much urgency as they need to be in terms of fighting rising costs and that the past approach to handling the budget is no longer acceptable.

Mr. Monari stated that the budget committee would review that and work from there. He felt they should keep with the same group and asked if anybody had any other comments. Mr. Edelkopf asked if any of the new board members wanted to join the budget committee and asked if Chris Palamidis was the only new board member. Mr. Edelkopf suggested another potential member as well, and Mr. Monari felt that it wouldn't be good to get too many people involved because zeroing in on things and getting everybody together might be cumbersome. Mr. Edelkopf felt it was essential to get a new look, because what was happening is no longer efficient enough to carry on.

Mr. Gourdie stated that Chuck Erwin just indicated to him that he would switch places with Mr. Palamidis and keep it as a four-person subcommittee. Mr. Monari said that was fine with him and asked what Mr. Edelkopf thought. Mr. Edelkopf agreed and stated that there were a few things that need to be noted, the first being that Chris Gourdie is not going to be partaking in this year's budget. He stated that what happened was last year Carol Post went through the job of providing a snippet. He asked if this year, since Mr. Gourdie won't be doing much for the budget committee, instead of Ms. Post coming up with the budget, the budget committee comes up with its own budget. He said last year Ms. Post came up with the budget and everyone sat in the budget committee and accepted it. He stated that since this year the operations have proved that expenses could be lowered so much, the committee has to make it its challenge to not just let Ms. Post do it in North Carolina and instead come up with its own budget from scratch without losing quality, still doing 12 buildings and plumbing repairs and still keeping landscaping nice, but still have to lower costs. He asked if the budget committee could come up with an entirely new budget being this is such an important year.

Mr. Gourdie responded that since the board members are not as close to the day-to-day operations, it needs to be a combination, and he is happy to continue to give feedback. He stated that Ms. Post understands the operations. Mr. Edelkopf argued that Ms. Post is in North Carolina and he's in Grenelefe more often than she is. Mr. Gourdie stated that Ms. Post has been with the Association for more than 20 years, so she understands what is happening. Mr. Edelkopf stated that a lot has changed over the past year, that insurance went up in a way it has never gone up, so it's going to take a new action from someone new to do something in a new way that he feels Ms. Post is not privy to.

Mr. Monari stated that the board has appointed a budget committee, and although he understands Mr. Edelkopf's points of view, this should be handled in a committee meeting, not in an open board meeting. He stated that the discussion of it is fine, but the committee needs to decide the direction to go. Mr. Edelkopf asked who is going to create the initial budget. Mr. Monari felt that didn't have to be stated at this point, that the budget committee has its duty to do it the way they feel it should be done, and that is where they should have that conversation. Mr. Edelkopf said he was fine with that but to give him a date and time when they can have that conversation. Mr. Monari stated that he would talk to Mr. Kuhl as chairman of the budget committee, and he can make that decision. Mr. Kuhl stated that it is important to get the committee in place first and then they have to deal with certain things, that that's part of putting a budget together, which requires extracting the financials. He referred Mr. Edelkopf to the treasurer's report, which has all the financial information with it, and said there are running numbers that give an idea as to how much is being spent on materials and other items, and those numbers are pretty well set. He added that he understands insurance is an uncalculated thing.

Mr. Edelkopf stated that he would like to be the chairman of the budget committee, because he would like all the team members to spend multiple hours and come up with a proposed budget. Mr. Monari stated that he has already appointed Mr. Kuhl as committee chairman. Mr. Edelkopf asked Mr. Kuhl if he would be okay if he took Mr. Kuhl's spot as chairman this year and come up with a proposed budget by not just sitting at a computer in Excel and throwing in numbers, that he has spent a year speaking to everyone on a weekly basis to understand everything. He

stated that he felt Mr. Gourdie knows that he's not just trying to have a number and fit whatever he can in the number. He said that the board can see the Grenelefe results from his side, that with his condos he has doubled output in terms of income and has five-star reviews on Google, and the only bad reviews he has are people putting complaints with the condo on him. He stated he is coming with a very genuine heart and isn't looking to mess anyone over or lower the quality. He said, if Mr. Kuhl is okay with it, that he would like to chair the committee and for the four of them to come up with a new budget of how to run the operation, being that Mr. Gourdie isn't going to be here and Ms. Post is in North Carolina. He stated that he is the most worthy person to do it since he's the one taking the most interest and putting the most time into it.

Mr. Kuhl stated that it's not up to him, it's up to the president, and if Mr. Rasmussen wants to select Mr. Edelkopf as chairman of the budget committee, it's fine with him. Mr. Edelkopf stated that if Mr. Kuhl wanted to continue as chairman, he will stay with that, but if Mr. Kuhl was okay with stepping down, he would go to Mr. Rasmussen and ask. Mr. Monari stated that, as vice-president sitting in for the president, he feels that the budget committee should stay the same, with Mr. Kuhl being the chairman of the committee. Mr. Edelkopf asked Mr. Kuhl if he was okay with Mr. Edelkopf being chairman or did he want to remain chairman. Mr. Kuhl stated that he has done it for several years, is familiar with the process, understands his concerns and prefers to continue. Mr. Edelkopf then asked if they could set a time for the budget committee to have a pre-conversation this year before getting the proposal, and Mr. Kuhl said sure and reminded Mr. Edelkopf that they are under obligations as far as time, that the committee has to start dealing with the budget by July 1. Mr. Edelkopf asked if the committee was available today, and Mr. Kuhl stated that he already has a full day today. Mr. Edelkopf said that his life is operations of real estate, so he can do this all day every day and doesn't understand why Mr. Kuhl wants to continue as chairman when he has other obligations. He said his purpose is to run Grenelefe in the best possible way, that he has zero life besides Grenelefe and asked why Mr. Kuhl wouldn't want him to give the best possible service.

Mr. Monari left it up to Mr. Kuhl, as chairman of the budget committee, to set a date when he feels comfortable, and if it's prior to July 1, that's fine. Mr. Edelkopf stated that it has to be far before July 1, because it has to be done before the proposal comes up. He wanted to get the date nailed down then and asked Mr. Kuhl what day works for him. Mr. Kuhl stated that he won't reschedule the doctor's appointment he has this afternoon, that he has to deal with certain health issues but that doesn't mean there is any limitation on his time. He told Mr. Edelkopf that he was being unkind and demanding. He said if Mr. Edelkopf wanted to meet next week and talk, they could do that. Mr. Edelkopf asked what day next week works best for him. After checking his schedule, Mr. Kuhl said Tuesday morning at 9:00 and asked if that was okay with Mr. Monari and Mr. Palamidis.

Ms. Post then stated that, as the person responsible for creating the minutes, she needed to correct the record, that things were said that were very misleading. She stated that she does not sit up in North Carolina and pull numbers out of her butt, that she is actually logged into the computer at the Association office and has access to all of the financial transactions. She stated that she gets with every one of the managers of the departments who submit what their needs are, and she uses past history, as well as these conversations, to project what the future needs are going to be. She stated that the process is not random, as implied in the previous discussion. Mr.

Edelkopf stated that he has spent a year and a half being the nice guy and it has gotten him nowhere, so at the risk of offending everyone, he's going to start saying things the way they are. He stated he's just trying to get the place running as best as it can with the lowest cost, and if it comes at the risk of offending people, he's sorry, he's not trying to be hurtful. Ms. Post stated she's not offended, but she is responsible for creating the record, and since the statements regarding the preparation of the budget were very misleading, she wanted to get it corrected on the record.

The next item on the agenda was a proposed special assessment for the insurance premium. Mr. Monari explained that the Association is faced with a situation where it will have to specially assess the owners, and everyone has received the amounts of the proposed assessment. He stated that the premiums likely will not go down again. He asked if Darren Kerr, the broker with USI, was on the phone, that he would like him to respond to a letter an owner sent and asked to be read into the minutes of the meeting. Mr. Kuhl asked if Mr. Monari wanted to get a motion to authorize the special assessment, then open the floor to discussion and entertain comments from owners. Mr. Monari stated that he would like to get Mr. Kerr on the phone first and once he is on the phone, prior to reading the letter and concerns from the ownership, to do the motion for the assessment.

Mr. Kuhl then moved and Chuck Erwin seconded a motion to authorize the proposed special assessment for the purpose of being able to pay the insurance premiums provided by the Association's insurance broker, as a result of the increases, which the Association has been told are continuing forward, so the Association can cover the property as required by law. Under discussion, Mr. Edelkopf stated that Alya's position, which the board has heard over and over, is that even though insurance has gone up, there are a lot of ways to fight this rather than the board putting its hands in the air and giving up. He stated that Alya is not in support of any assessments and feels that there are other ways to offset this increase. Mr. Monari stated that his feeling is that if the Association doesn't have an assessment for the increased premiums that it is opening itself up to a problem with the rest of the operation of the Association. He stated that if the board was going to start playing the reducing game all the way down, the Association is not going to be able to do its job in taking care of the property. He added that it also feels to him that once the Association gets into a non-assessment situation, it has to worry about its reserves, and they have already been at a level that the board would like to maintain, if not grow. He stated that he feels the Association needs this assessment.

Mr. Edelkopf stated that it's not a lowering costs game, that it's been proven in 2023 that it could be done. Mr. Monari argued that that is on a short term, not that it can be done all year. Mr. Edelkopf stated Mr. Monari was giving excuses, that it's been done and it's just got to continue. Mr. Monari stated that the carpentry department was already three buildings behind on its preventative maintenance. Mr. Edelkopf stated that that was because the Association has 90-year-olds fixing the buildings and isn't using real contractors, that if the Association got young people that could handle the job, then it could be done. He stated the Association had sub-par workers. Mr. Monari disagreed. Mr. Edelkopf stated that Mr. Gourdie agrees with him, and Mr. Gourdie said no he didn't and told Mr. Edelkopf to not throw his name out. Mr. Edelkopf stated that Mr. Gourdie said that in the office yesterday, and Mr. Gourdie argued that Mr. Edelkopf was commenting out of context.

Mr. Edelkopf stated that if they take the average age of the guys working on the buildings, they will find out why they are three buildings behind, that it has nothing to do with money. Mr. Monari stated that it has to do with manpower, that the Association doesn't have the manpower to cover the work, and that it won't in the future according to what Mr. Edelkopf wants to do with being lean and trim. Mr. Edelkopf stated that it already happened, that Mr. Monari is giving excuses, that things are getting to a reckless point and it's unsustainable. Mr. Monari argued that Mr. Edelkopf's cutting back is going to change the complexity of the situation. Mr. Edelkopf stated that he didn't mean the employees' age; he meant their capability.

Mr. Monari stated that Mr. Edelkopf was getting into an area that is an operations part of the Association that shouldn't be touched on at this point. Mr. Edelkopf said that Mr. Monari said the carpenters were three buildings behind and he said why they were behind. Mr. Monari stated that he disagreed and felt that if the Association could have kept the budget intact and not had to worry about the assessment, it could have hired two or three more people and kept that in line. Instead operations are going to suffer down the road. Mr. Edelkopf stated that he said the committee needed to lower costs by trimming down the operations, and the other members said if that happened, the quality would go down. He stated the quality did not go down, all of the good workers left, and the Association is at a desperate point, and he thought that was why Mr. Gourdie was leaving, that he is seeing everything is getting to a very dangerous point. Mr. Monari stated that Mr. Edelkopf was now speaking for Mr. Gourdie, but the Association is in a situation where it can't force itself into nonproduction of taking care of the units, that the small jobs don't get taken care of because the Association doesn't have the manpower to do it in a timely fashion, although they're trying and doing as good a job as possible. He felt that the board would be neglectful if it chose to cut and trim and take the premium increase out of the budget instead of specially assessing. Mr. Edelkopf stated that this is reckless spending.

Mr. Erwin asked about the renewal date on the insurance, and Mr. Gourdie responded that it was May 1, that beginning this month, the payments went from \$40,000 to \$72,000 monthly for the next eleven months. He advised looking at the cash flows month by month before deciding that an assessment isn't necessary. Mr. Edelkopf said to take actions in other areas to fix the budget, that it's an easy out to charge more money to the poor owners, that inflation is crazy, the economy is uncertain and it's irresponsible to expect all the owners to pay more money because the board is too lazy to work harder.

Mr. Monari asked if anyone else wanted to chime in on the discussion. Mr. Gourdie asked about the letter that is supposed to be read and explained that Mr. Kerr is on the line to answer questions. Mr. Monari asked if the board would prefer to hold off voting and go into discussion, and Mr. Gourdie stated if there wouldn't be an assessment, there would be no need to discuss. Mr. Monari agreed and called for a vote. Mr. Gourdie asked if it was okay if he asked one of the owners present what he thought, and Mr. Monari agreed.

Patricio Sanchez stated that he is the owner of two units and his family owns another five units. He stated that he has been in banking all his life and that inflation is bad, but he didn't feel the owners should have to pay for a mistake made by the insurance company or broker or whoever, that he didn't think it's fair. He stated the owners are paying a lot of money for the few things they are getting now, the value of the units is going down, and he doesn't think it's fair to pay

more. Another owner stated they are paying more and everything around them has gone down, and that he has been there four years. Mr. Gourdie asked if he means the maintenance has gone down, and he said yes, the maintenance of the grounds. The owner stated it's a combination of all.

Mr. Monari stated that since the meeting has been opened for individuals to speak, he should probably read the letter at that point and let Mr. Kerr address the points. Mr. Gourdie stated that he didn't think there was a question about why or how the insurance got that way, that he believed the comment was that the owners in the office are against an assessment because they don't feel they're getting value now, that the maintenance isn't there and the landscaping has gone downhill.

An owner asked if he could make one more comment, and stated that he and his wife have been looking at other properties to see what's going on in the industry as far as condo associations, and stated that the owners at Grenelefe are paying more than many other associations in the region that have pools, tennis courts, mini golf, etc., and Grenelefe has nothing now. Mr. Edelkopf stated that that is exactly what he has been saying for a year and a half. He stated that he took the budget from a similar condo with all the amenities in the world, and though Grenelefe has nothing, its budget is double, and every time he tries to do something to help the budget, the current board is not letting him. He stated that, as owners of 417 condos, that is where they stand as well and what their frustration is. He gave the example that when the US government budget goes up, instead of actually trying to stop wars and stuff like that, they're just going to try to take away people's retirement. He said the board can't take from people just because it isn't active enough to make a serious effort at lowering costs, that it's just not fair.

Henry Roman stated that he wanted to see if he could clearly understand what the assessment meant. He asked if the \$356 for his unit type is the actual increase, and Mr. Gourdie explained that it is a one-time fee. Mr. Roman asked when the assessment would have to be paid, and Ms. Post stated that it would be up to the board, but she was suggesting splitting the assessment into two payments, with half due during the third quarter and half during the fourth quarter, and this was how she calculated the cash flow estimations. Mr. Gourdie added that the assessment is just to pay the additional premiums through December and doesn't include next year. An owner asked about the shortfall for 2024, and Mr. Gourdie explained that when the budget is done for 2024, the budget committee will have to take into consideration that the overall cost of insurance went from \$397,000 to \$810,000, so starting in January, those numbers will have to be budgeted in.

An owner asked about the fees for next year, if they would increase, and Mr. Gourdie stated that they will, because of the insurance. Mr. Edelkopf stated that it is Alya's position that it should not increase, and Mr. Gourdie said that if a lot of stuff was eliminated, the costs could be kept similar. Mr. Monari asked if Mr. Edelkopf is wanting to eliminate a lot of items in the budget to keep it the same, and that is what will have to be discussed in the committee meeting. Mr. Edelkopf stated that he didn't think it will get done in the committee meeting, that he tried doing it last year, but it comes down to the same fact, that there are condos with ten times the amenities as Grenelefe but are paying half of the fees, so instead of increasing the fees, which is the easy thing, they have to put their heads together, and he didn't feel it was a budget committee issue,

and that some people on the board are not interested in lowering the costs for everybody else, that it's not their priority. He stated he knew the increases were coming because of inflation and insurance, and he wanted to prepare for that by lowering costs last year in the budget committee, and everybody told him it was going to make the condo go down, and the only thing making the condos go down is that there are no amenities and the owners are paying through the roof. He stated that they have to take a serious look at what they're doing, that it's just not working.

Joseph Schechter then asked if he could make a motion, since Mr. Edelkopf is volunteering his time to be leader of the budget committee, and have the board vote on it. Mr. Monari stated that there was already a motion on the floor. He added that the chairman is appointed by the president, and he has already made the statement that since he is heading the meeting, that Mr. Kuhl should continue as committee chairman, and that Mr. Edelkopf and Mr. Kuhl then had a conversation wherein Mr. Kuhl stated that he would like to maintain being the chairman of the budget committee. Mr. Gourdie explained that parliamentary procedure states that if there is a motion on the floor, a new motion can't be introduced. Mr. Monari then called for the vote. A vote was taken and the motion failed, with Chuck Erwin, Randy Kuhl and Earl Monari voting in favor and Yossi Edelkopf, Shaya Katz, Avi Rapaport, Joseph Schechter and Chris Palamidis opposed.

Mr. Monari then stated that there was a gentleman who took the time to write a letter and wanted it entered into the meeting minutes. He stated that he is an acquaintance of the man and he has been a long-time owner at Grenelefe. Mr. Gourdie stated that Mr. Kerr is on the line to address some of the areas, that regardless of whether the assessment passed, the Association still has to pay the bills, so it is good for everyone to understand why the premiums went up so much. Mr. Edelkopf asked if there is no special assessment, what does the board have to do in order to get the bills paid. Mr. Gourdie stated that the board needs to sit back and take a look at it, but it's not something they can do on the spur of the moment. Mr. Edelkopf stated that the decision in operations needs to happen in the next month, not in 2024. Mr. Monari stated the board will have to address it initially, because it will have to decide what to keep and what not to keep and what will put the Association in a position to pay these bills. Mr. Gourdie stated that it will have to be at another board meeting, that it hasn't been noticed and isn't on today's agenda. He stated the president needs to be involved, that he's the one who calls meeting. Mr. Edelkopf asked if he can make a motion for the meeting, and Mr. Gourdie explained that Mr. Rasmussen will make it happen. Mr. Edelkopf asked if the notice would require another 14 days, and Mr. Gourdie said 48 hours, so Mr. Edelkopf suggested having a meeting Monday morning. Mr. Gourdie said he will send the president an email and as soon as the president gives him a date, he will let the board know. Mr. Monari agreed that the board needs to meet soon to see where the Association stands and where it's going to proceed to at this point. Mr. Gourdie stated that cash flow numbers will need to be run so the board understands the enormity of trying to cover costs with the current budget and no assessment.

Mr. Monari then stated that he needed to read the letter he mentioned previously into the record. He stated the letter is from Gerald Hall from Pekin, Illinois, and read the following:

I received your letter regarding the shortfall on the budgeted versus actual cost of insurance, and I have the following questions and comments that I would ask

that you read into the record at the upcoming meeting so that there may be some discussion.

1. Has the Association sought bids from other insurance companies?
2. Why do we have terrorism insurance? I realize that the world has changed a lot since the catastrophe of 9/11, but realistically, what are the chances that the condominium association will suffer an act of terrorism? Do we really need it?
3. What are the limits of our general liability insurance and why is the umbrella so costly since it is the back-up to the general liability coverage and should cost far less than its more than 50% cost compared to the general liability coverage? Further in that regard, how many times in the history of the Association have we ever had to call upon our umbrella carrier? As above, do we really need it?
4. I appreciate that D&O insurance is nice for the directors and officers, but for liability to attach, they have to have done something procedurally incorrect and that failure has to have resulted in a loss to the Association. Somewhat like our terrorism and umbrella coverage, do we really need it? In my nearly 30 years at Grenelefe, I always have been impressed with the professional nature of the Association's operations, and I think that this is a lot like the umbrella policy, how often has it ever been used in the history of the Association, and given the good job that the directors and officers do, why do we need it? And can't we indemnify them instead?

All the best to everyone. Hopefully the clubhouse and golf courses will come back to life someday, but it still is a beautiful location.

Very truly yours,

Gerald L. Hall

Mr. Monari stated that Darren Kerr is on the line from the insurance company and he did send back a response, but asked him to address the questions since he is present in the meeting. Mr. Kerr started with questions three and four in the letter, specific to the D&O insurance and the issue of the umbrella policies. He explained that Florida has become a very litigious state and said that if people look at the amount of claims that are generated out of residential properties within the state of Florida, they far exceed any other state in the union, and as a result, pricing follows. He stated that the gentleman that sent the letter is correct, that umbrella pricing used to be pennies on the dollar, because the piercing of the initial layer of general liability insurance that Grenelefe possesses was not ever pierced, and while it may not have happened for Grenelefe, on a macro level, umbrella policies are being pierced all the time and having to pay out on claims, and as a result, pricing for umbrella coverage has skyrocketed.

He explained that, as far as the D&O, the claims now are astronomical. D&O insurance, the same as umbrella, used to be pennies on the dollar, \$2,500, \$4,000 for D&O policies, but those have gone away because of the contentious nature of associations and boards, that old board

members are suing new board members and association members are suing the board. He stated that it has nothing to do with the professional nature of Grenelefe; it has to do with the contentious nature of people willing to sue everybody. For Grenelefe to indemnify every board member, should there be a lawsuit filed, that is not a rational thought process to go without D&O insurance in the current marketplace.

He then went back to questions one and two, stating that USI has relationships with every highly-rated carrier, and a list of the markets that would be willing to consider Grenelefe was provided to the board. He stated that the insurance market in Florida, specific to condominium associations and homeowners associations, has completely collapsed. He explained that it started to deteriorate in the beginning of 2022, and then Ian came along and totally took out the rest of the market. He stated that there are limited carriers that are interested in insuring Grenelefe, and it has to do with the property being frame construction and located in Florida. He explained that there were only two markets willing to insure Grenelefe. One was the current program, which is a layered program, and the second program was Citizens, the state insurer. However, Grenelefe did not qualify for Citizens for many reasons. He explained that, as the insurer of last resort, in 2008 when the market collapsed, they took on every property, but now their mindset has changed and they are denying properties every day because they are not wanting to take on properties that have any blemishes, that there can be no existing damage, everything must be what they deem to be acceptable, and those rules are changing daily. He stated that, based on the marketplace, Grenelefe has the best coverage possible, that the inflationary aspects spoken about are the reality of the marketplace, and even if they had been able to put the Association with Citizens, the premium would not have been substantially different. Mr. Kerr asked if anyone had any questions and, there being none, he left the meeting.

Mr. Monari then asked if the owners present had any other matters outside of the insurance that they would like to present. One of the owners asked, as far as the people that do the grounds, he has noticed that a lot of times they do their trimming and leave it all over the place. Mr. Gourdie stated that that is Benchmark, the vendor, and the Association is having to stay on them, that they should be doing their job but they're not. The owner stated that his understanding was that hiring the outside company increased the Association's costs, and Mr. Gourdie responded that it did. Mr. Edelkopf argued that the costs absolutely went down, and the only reason they went up is because the Association hired Benchmark but was paying all its staff that was doing the landscaping, so it has been double paying, and he doesn't know why that was done. He stated that is a misperception that keeps getting projected by Chris Gourdie. Mr. Gourdie stated that that is a misstatement, that he has three people in grounds, including the irrigation guy. Mr. Edelkopf stated that Mr. Gourdie never fired his landscaping people. Mr. Monari demanded that Mr. Edelkopf allow Mr. Gourdie to answer the comment he just made, and Mr. Edelkopf insisted that what Mr. Gourdie was saying was false, and it was said at the annual meeting as well. Mr. Gourdie stated that the numbers bear out that Mr. Edelkopf is wrong. He stated he has three people on staff now in landscaping, and one of them happens to be the irrigation tech, so that is two people down from nine, so Mr. Edelkopf's math is not working. Mr. Edelkopf asked if Mr. Gourdie fired any of those people or they quit, and Mr. Gourdie reminded Mr. Edelkopf that those people had to be laid off. Mr. Edelkopf asked why the Association didn't let go of all of its landscaping people and bring in a landscaping company. (Note: See minutes of the 4-28-22

board meeting, pages 9-11, for details regarding costs and what services were deemed more cost-effective to be kept in-house.)

Mr. Edelkopf then addressed the issue of the landscaping people leaving stuff around and asked who is managing the landscaping company, that if the landscaping company isn't doing a good job for the Association, the Association shouldn't be paying until they do the job. Mr. Edelkopf asked if someone is managing the condominium and who is running the show. He stated that all the answers are sideways answers of misleading facts. Mr. Gourdie stated that time will tell how Grenelefe looks after Mr. Edelkopf's plan to cut goes into effect. Mr. Edelkopf stated that he wants to step up to that challenge, that he can't wait.

Mr. Monari then asked if there were any other comments from the owners who were present. Another owner stated that he notices that people on Camelot drive through like it's I-4 and asked if the Association can install speed bumps. Mr. Gourdie explained that Scott House owns the roads and the Association can't improve his roads without his permission. He stated that Mr. House also owns the amenities. Mr. Erwin said that they don't have the problem at the lakelofts, because they have craters.

An owner asked what is the story with the swimming pool, and Mr. Erwin stated that Scott House owns it. Mr. Gourdie agreed, stating it is not part of the Association. Mr. Edelkopf stated that the Association as a condominium should be thinking about building its own amenities, that he has been petitioning for the Association to try to build its own clubhouse, its own pools, its own dog parks, and nobody else wants to get on and do the work. Mr. Gourdie asked how the Association would pay for all that. Mr. Edelkopf stated that the current board has never wanted to do anything about it. Mr. Monari argued that that was not true, that Mr. Edelkopf gave the board an option at the beginning that he would do it on his own or have the Association do it and recycle it through the budget, but the board decided it would be better for Mr. Edelkopf to do it on his own. He stated that Mr. Edelkopf had indicated that either way would be fine with him, but now he is saying the board didn't cooperate with him. He stated that it was discussed early on, and Mr. Edelkopf hasn't done anything toward it.

Mr. Edelkopf stated that the question was whether the Association as a condo was doing anything, and now Mr. Monari is putting it on Mr. Edelkopf. He stated that this was a question about the condo. Mr. Monari stated that Mr. Edelkopf put it on himself in the beginning when he came into the property. Mr. Edelkopf stated that the owner was asking the board for the condo why there are no amenities, and the fact that Alya is not providing those has nothing to do with the board or the owner who asked the question. Mr. Monari argued that as soon as the question was asked, Mr. Edelkopf jumped up and made the statement that it was the neglect of the board, but when the option was discussed early on, that option was that if the board wanted to get with him and do it themselves as an association and take care of it, and Mr. Edelkopf indicated that he would be willing to do it himself and charge a fee for it, and the board decided that that would be the way to go. He stated that Mr. Edelkopf has done nothing but table it, so don't say the board hasn't done anything. Mr. Edelkopf stated that he is on the board and is therefore including himself in that statement, and the board has done nothing. Mr. Monari stated that Mr. Edelkopf has done nothing as an individual that was going to do it. Mr. Edelkopf agreed and stated that no one on the board has done anything to provide the owners with amenities, which they deserve.

Mr. Edelknopf said the correct answer to the question is that it was a shortfall of the board, that the condo shorted the owners by not providing the amenities. Mr. Monari stated that Mr. Edelknopf even told him at one point that he had money in escrow to install a pool on his own and was willing to do it but has not moved forward. Mr. Edelknopf insisted that that has nothing to do with the owner's question, which was would the condo provide it, and no, the condo has done nothing to provide it. Mr. Monari added that he is answering the owner's question about what happened there and what the situation was at the time. Mr. Edelknopf stated that was a year and a half ago and asked if the condo has done anything since that time to provide amenities, and it has not. Mr. Monari stated that that is correct, but the Association has a budget that is escalating, and Mr. Edelknopf is saying that he wants to change the budget to make sure it becomes a lean machine, and in doing that, he's not going to start to have amenities, because they are costly. Mr. Edelknopf agreed, that the board first needs to get the current spending under control, because it's out of control if the Association isn't even getting normal landscaping, that the current operation will have to get a lot better. He felt that after two months, when the board sees it's all working, then he would love to bring up building a pool and a clubhouse so all the condo members can enjoy the beautiful Florida sun. He stated that after two months, he thinks he can get the condo spending and operations in control. (Note: See minutes of 2-3-22, page 2, and 6-2-22, page 3, for early discussions regarding a pool. Also see 2-2-23, pages 10-12.)

Mr. Monari asked if there were any other owner comments, and Mr. Gourdie stated there were none.

At 11:22 a.m., Chuck Erwin moved and Chris Palamidis seconded a motion to adjourn, which was approved unanimously.

Respectfully submitted,

A handwritten signature in dark ink, appearing to be 'Charles Erwin', written in a cursive style.

Charles Erwin
Secretary