

Native Sun Resort
Minutes of Annual Meeting of Board of Directors
Wednesday - April 12, 2023

The Annual Meeting of the Board of Directors of The Native Sun Resort was held on Wednesday, April 12, 2023 at 1:00 pm at the Native Sun Resort, 1950 S. Ocean Boulevard, Lauderdale-By-The-Sea. FL and via Zoom conference call. Present on the call were Board members Dave Rojohn, Peter Cohen, Tom Jurcisin and Michael Ohr. Also present on the call were Christian Parks, CPA, Steven Davis, Esq. Present in person were Ralph Marcus, Board member and Anita J. Pearce, General Manager.

Call to Order. The meeting was called to order at 1:03 pm, and re-started at 1:05 PM due to technical difficulties, at which time there were 57 participants on the Zoom call and 7 owners present at the resort.

Proof of Notice of Meeting. Dave Rojohn asked if Anita had the Proof of Notice of Meeting. Anita stated she did have it in hand (but was off camera to display) and that it was properly posted and sent to all unit owners.

Nick Pappas raised a Point of Order, citing Article II(h) of the By-Laws. After a brief discussion, Nick withdrew his Point of Order.

Establishment of Quorum. Dave Rojohn asked Christian Parks if we have a quorum, and Christian responded that we received 457 votes, needing 556 for a 40% quorum.

Nick Pappas raised a Point of Order, citing FS 718.112.4(2) which states that the quorum for a meeting is separate from the requirement for an election of directors where you need only 20% of the eligible owners to have cast their ballots for an election to take place. Steven Davis stated that with no quorum, you cannot conduct a meeting and the Board will rollover to the next meeting. However, the quorum for meetings is separate from the requirement needed for elections, where you need only 20% of the eligible owners to have cast their ballot. Steve stated that if you have met the right number of ballots that you need, then the election can go forward, but if you don't have the right number for a meeting, you cannot conduct a business meeting.

Dave Rojohn asked Christian Parks if we met the requirement with 20% of the eligible voters having cast their ballots, and Christian said we did reach 20%. Dave than asked Christian for a vote count of the 457 votes received:

Tom Jurcisin	177
Ralph Marcus	238
Nick Pappas	354
Dave Rojohn	241

Dave Rojohn welcomed Nick Pappas to the Board, and thanked Tom Jurcisin for his service on the Board. There being a lack of quorum to engage in any other official business of the owners, the announcement of election results ended the election of directors, and no further business was in order.

After some discussion it was agreed to take the opportunity to update the owners that were present at the meeting on several items and allow for questions.

Informational Session. Several reports were given during this portion of the meeting including Officer Reports:

Treasurer's Report: 2022 Financial Update: The year-end cash balancing was completed in preparation of completing the reserve funding for 2022. Based upon collections and the increased cost of property insurance (almost doubling from \$60,000 to \$120,000) and a slightly lower collection rate of about 87% vs our typical 93%, some reserve funding was completed at the beginning of 2023 when the balance of delinquent payments is received. Our collection rate remained strong in the 90's as a percentage. Delinquencies for 2022 were about 13%, again with additional payments being made in January of 2023. Our collection company continues to contact delinquent owners for payments. The improvements completed in 2022 included installing the last floor of patio glass doors on the 4th floor, restoration/resurfacing of the swimming pool, new mattresses for the 2nd half of the rooms, fence repairs, appliance purchases, and air conditioning units and air handlers,

2023 Financial Update: The budget plan for 2023 was provided to all owners and a budget meeting was held in November of 2022 with the budget plan being approved. The major improvements for the resort this year include

funding for our 50 year certification, structural engineering for maintenance shop area, replacement of the windows for the “02 stack” facing south with additional kitchen/bath windows on the 3rd and 4th floors, 4 new kitchens, 4 additional A/C replacements, replacement of the side entry gate by the Laundry Room, replacing the 4 thatch-style tiki umbrellas, sealing and striping the parking lot, replacing the telephone system, floor planking installations for 10 rooms, replacement of ½ of the balcony furniture, replacement of 5 unit entry doors, replace ½ of the unit bi-fold closet doors and tracks, and upgrading of the computer hardware and operating system programming.

40-year Recertification: The final cost of the construction project totaled \$3,202,069.38. At the time final payments were made, the assessments collected covered all but \$209,111.80, which was paid to the contractor by securing a loan for 24 months at 5.25%. We have successfully made 8 of the 24 required payments since the closing date (August 2022 – March 2023) and continue to collect assessment funds towards payments. At December 31st, we had all loan payments for 2023 in the bank account resulting from owners continuing to make their assessment payments. As of today, we have 10 payments in the bank. So, no one that paid their assessments is paying for those who have not. Collections continue and we expect to collect the remaining 6 months of payments that will be due starting in February of 2024 (about \$54,000).

Long Term/5 Year Planning: We have continued to make the reporting of our 5 Year Plan more robust and accurate. The current iteration is posted on the website and is available for viewing. Comments are welcome. Some of the state’s requirements for continued building safety and certification will impact the expenses into the future, both from a financial standpoint as well as from a construction standpoint.

President’s Report: Dave Rojohn added that we are now a year out from completing the 40-year recertification, but in this past year we have also suffered some losses from equipment failures due to the age of the building and its components - sewer pump, filtration pump, swimming pool pump, grills, water heaters, and other operational failures. We do expect occasional outages, but it goes along with the age of the building. Once we finish the four kitchens this year, we will be at 21 kitchens remodeled, and once all of the windows have been replaced with impact glass, we will be able to apply for a wind insurance reduction.

Once we completed the 40-year recertification, the State of Florida passed Senate Bill 4D which is the state version of inspections (as the 40-year was a county requirement). The state inspection has to be completed by the end of 2024, so we will be going out for bids this year for engineering work. Since we have just completed the 40-year recertification, we don't expect too many problems with that inspection, however also included with that inspection is an accounting review of the reserves, so we count on Ralph to have the proper paperwork for the accounting firm that will review our records. In the event any deficiencies are found, we will have until the end of 2025 to correct any issues. Part of the reason we are looking into the Maintenance Shop area this year is to avoid any interaction with the new inspection so that it doesn't develop into a necessary problem, and while we don't know how dire the condition is, we need to see if any repairs are needed prior to this next inspection. The engineering contract has been entered into, and we are waiting for their onsite work to begin.

We have recently corrected some logistic issues with the Lauderdale-By-The-Sea Fire Department (not due to the Native Sun), thanks to help from Tom Jurcisin. Please remember, if anyone has a 9-1-1 emergency, be as specific as possible with the location of the emergency (which floor, inside or balcony, etc.) and provide this information to the dispatcher when you call. We are having some issues with staffing, and ask you to be patient while we search for replacement staff.

Dave encourages all owners to review documents posted on our website and sent via email, such as the 2023 Budget, March Board of Directors' Meeting, and newsletters from January and April. [Please note an error in the April newsletter for Carla Tobin's email, which should be carlatobin#comcast.net. Lastly, reminder that we will have a Board of Directors meeting on Saturday, July 8, 2023, at 9 AM.

Questions and Answers – The Board entertained questions and comments from both the live meeting and the Zoom meeting, including:

- request to post By-Laws and amendments on website;
- request to email the annual meeting package to out-of-country owners;
- request to clarify signage regarding smoking at the resort to ensure occupants know that smoking is not permitted in rooms;

- request for clearer language in the annual meeting voting instructions since the current package is confusing and cumbersome;
- request to identify which rooms are planned for kitchen renovations each year;
- request for new swing set and/or play options for children;
- request for bicycles and volleyball net at the beach.

At the conclusion of questions, the meeting closed at 3:05 pm.

NOTE: Immediately following the Annual Meeting, the Board of Directors reconvened for an organizational meeting to appoint officers. After discussion, it was decided the current officers will be:

Dave Rojohn, President

Michael F. Ohr, Sr., Vice-President

Ralph Marcus, Treasurer

Peter Cohen, Secretary

Nick Pappas, Asst. Secretary

Respectfully submitted,

Anita J. Pearce, General Manager and
Recording Secretary for the Meeting
Native Sun Condominium Assn., Inc.