

Sunset Harbor Resort Condominium Association, Inc.

Board of Directors Meeting

April 8, 2025

A regular meeting of Sunset Harbor Resort Condominium Association, Inc. Board of Directors was held on April 8, 2025 via Microsoft Teams, hosted at Hyatt Vacation Club at Windward Pointe, 3675 Roosevelt Boulevard, Key West, Florida 33040.

Present from the Board of Directors were: George Detsis, President; Marilyn Gordon, Vice President and Treasurer; Diane Gilreath, Secretary; Don Heisler, Vice President/Member Relations and Dennis Thomas, Member at Large

Present from Management Company were: Fabian Garcia, General Manager; Bill Whelihan, Vice President, Resort Operations; Jon Dindo, Area General Manager; Adam Baraniewicz, General Manager, Hyatt Vacation Club at Windward Pointe; Rey Martinez, Area General Manager; Brandon Weilenmann, Assistant Vice President, Finance; Holly Snyder, Regional Director, Finance; Florence Khoo, Assistant Vice President, Architecture and Construction; Joe Gamb, Associate Director, Architecture and Construction; Jonathan Doepke, Director, Corporate Operations; Kyle Lanke, Staff Accountant; Zafer Aaron, Manager, Association Management and Colleen Keane, Board Relations Specialist, Association Management

Owners in attendance were evidenced by the sign-in sheet attached to the minutes of record.

CALL TO ORDER

George Detsis, President, called the meeting to order at 9:03 a.m., Eastern Time.

ESTABLISHMENT OF QUORUM

Mr. Detsis announced with all Board Members present, quorum was met.

APPOINTMENT OF RECORDING SECRETARY

Mr. Detsis appointed Colleen Keane to serve as Recording Secretary.

PROOF OF NOTICE OF BOARD OF DIRECTORS MEETING

Notice of Board of Directors Meeting was provided via email to Board Members on November 22, 2024 and posted on site as required by the Association documents. The Agenda was posted in the lobby and placed in all arrival packets the Sunday prior to the meeting.

APPROVAL OF AGENDA

A motion was made by Don Heisler to approve the Agenda as presented. The motion was seconded by Marilyn Gordon and unanimously carried.

APPROVAL OF PREVIOUS MEETING MINUTES

A motion was made by George Detsis to approve the February 11, 2025 Board of Directors Meeting Minutes as presented. The motion was seconded by Marilyn Gordon and unanimously carried.

RESORT OPERATIONS REPORT

Fabian Garcia presented an update on resort operations. Highlights included:

- Forecasted 2025 occupancy is 96.2%
- 2025 year-to-date occupancy is 96.3%
- Guest satisfaction scores were reviewed; overall guest satisfaction is 76%, villa cleanliness is 73% and activities is 84%
- Upcoming projects were reviewed, including the roof project
- Wisuite, the new thermostat system, was reviewed; the system can be controlled from outside of the room
- Maintenance and upkeep projects were reviewed

The Board discussed the pool gate and the possibility of changing the lock system to a quick release option allowing for timelier exits that do not require a room key. Marilyn Gordon reported that she had conversations with guests/owners who feel it is dangerous not to be able to exit quickly in emergencies and/or fire. One of the guests were present at the meeting.

Mr. Garcia will research options and costs.

FINANCIAL REPORT

Holly Snyder provided an update on financials. Highlights included:

Year-to-Date Financials

- 2025 unaudited year-to-date operating fund deficit is (\$38,900). The Board requested this be projected to the end of the fiscal year.
- Key operating variances include:
 - Housekeeping – \$27,844 savings driven by reduction in contract labor
 - Insurance – \$7,764 savings driven by actual premiums less than budgeted
 - Credit card expense – \$6,077 savings driven by new credit card payment surcharge implemented in 2025
 - Transportation/Garage – (\$6,375) unfavorable variance driven by less parking fees from rental room revenues
 - Club rental revenue – (\$57,396) unfavorable variance driven by timing of club rental revenue postings
- Maintenance fees unpaid by site were presented annually, from February 2021 to February 2025. The Board requested to see the trend presented year-over-year.

Accounts Receivable

- As of February, 2025 Maintenance Fees were 4.98% uncollected
- 15 foreclosures and Deed in Lieu of Foreclosure were completed in 2024
- No Deed in Lieu of Foreclosure have been completed in 2025

The Board reviewed a detailed delinquency and foreclosure timeline. The Board discussed that it takes the Management Company's corporate office too long to complete the foreclosure process and return units to the Association for resale. Specifically, the Board states it takes an excessive amount of time for the attorneys to bring foreclosure units to a final sale. Ms Gordon stated that the process for most units goes past the regulation process of time. Ms. Gordon stated the Board was not notified of a foreclosure sale which took place on December 18, 2024, and the unit was not returned to the Association. The Board requested a clear workflow of the process for foreclosure, including the steps that are taken after the foreclosure process and up to the transfer of the deed to the Association. Rey Martinez will send a foreclosure timeline slide to the board.

RESERVE UPDATE

Mr. Garcia provided an update on reserves.

The Board reviewed the cash flow which included an assessment of assets and possible SIRS related projects.

The Board and Management Company discussed SIRS and the constant assessment of assets and reserve funding.

Mr. Whelihan shared that execution of projects and strategy does not change; the change comes with how to fund components in SIRS report requiring 100% funding.

The Board discussed the possibility of creating a subcommittee to work with Finance and Accounting relative to reserves and cash flow scenarios related to SIRS. Diane Gilreath stated she would be interested in serving on a SIRS committee.

2025 Reserve Projects

2025 projects were reviewed including the following:

Replace balcony furniture
Replace villa phones/telephone headset
Replace carpeting in entire villa with vinyl flooring
Replace pool water heaters
Purchase new guest computer and printer
Fire sprinkler/Reserve Study/UL5 infrared inspection, lighting protection system evaluation
Inspect balcony
Install new Property Management System
Replace roof
Rooftop compressors
Install new thermostat
Replace unit water heaters
Install telephone VoIP
Maintenance on wood deck related to SIRS

The Board discussed painting of all interior surfaces in the units.

Mr. Detsis noted the Reserve Fund is decreasing, which could pose a challenge if a major event requiring significant funding were to occur.

A motion was made by George Detsis to approve \$260,247 to paint 40 units, all walls and ceilings. The motion was seconded by Marilyn Gordon and unanimously carried.

The Board discussed reupholstering the seagrass chairs in the villa living room versus replacing the chairs. Mr. Garcia presented, and the Board agreed, that the seagrass chairs were too worn to refurbish. Two new chair options were considered. Ms. Gordon reminded that the arms of the chairs were to be selected with light color wood, rather than dark brown. Samples were to be presented with photos from Fabian when received.

A motion was made by Marilyn Gordon to spend \$21,357.00 to replace the seagrass chairs in the villa living room with new chairs sourced by the Aldrich company, rather than proceeding with reupholstering the chairs. This change increases the project by approximately \$21,000. The motion was seconded by Don Heisler and unanimously carried.

Mr. Martinez noted the current tariff situation and hopes not to have to request additional funding.

UNFINISHED BUSINESS

Action Items Update

Action Item #1

Mr. Martinez provided an update on Guest Satisfaction surveys:

- Mr. Detsis stated the Board wants to improve the response rate and suggested including the survey in the welcome packet
- Mr. Garcia noted the location of the current comment card box is not ideal and possibly the reason no comment cards have been received
- After further board discussion, the Board decided to remove the comment box from the lobby area since no guest previously had provided any satisfaction feedback.
- Ms. Gordon stated that some guests/owners still do not receive the email satisfaction survey. Mr. Garcia will put the guest survey in the Welcome Packet. The Board approved removing the comment card box from the lobby.

Action Item #2

The Board continued discussion on the pool keys noting that in an emergency it is difficult to exit the pool gate

without a key

- The Board would like to explore the option of installing a button that can automatically open the door for exit purposes without the need of a key, Mr. Garcia will research options.

Jon Dindo provided an overview of the General Manager Annual Summit Meeting.

Ms. Gordon asked about the tardiness of receiving maintenance fee portion of the reserve deposits. Ms. Gordon stated the deposit of the reserve portion of the maintenance fee was received on 4/7/25. The deposit is generally received in February. The loss of interest income was approximately \$10,800. Ms. Gordon requested the interest income amount be transferred to the Association reserve investment account.

- Brandon Weilenmann reminded the Board that a centralized accounting department typically manages investments, however Sunset Harbor was removed from the centralized process to allow the Board to handle Association investments
- Mr. Whelihan shared additional firms that can optimize the return with expenditures and inquired if the Board is interested in beginning a Request for Proposals process
- Ms. Gordon will continue to work with the Wells Fargo investment banker on fund management and will work with Mr. Weilenmann to discuss more details of his proposal

PMS System Update

Mr. Whelihan shared Oracle Opera Cloud, a system operator, has been secured; negotiations on the refinement of the system are ongoing and costs have not yet been confirmed.

NEW BUSINESS

First Right of Refusal

Mr. Martinez discussed First Right of Refusal. Highlights included:

- The developer's First Right of Refusal is currently paused through December 31, 2025 and will resume on January 1, 2026
- Mr. Heisler has received guidance from Association Counsel stating once a developer no longer has units for sale, they do not have First Right of Refusal
- Mr. Martinez noted he has not seen a written opinion from Association Counsel stating the developer can no longer have First Right of Refusal if they have no units left for sale
- Mr. Whelihan informed the Board that the Management Company would ensure the developer was not in violation of any state statutes
- Mr. Heisler shared the Boards desire to know if the developer plans to reengage First Right of Refusal
- Mr. Whelihan stated it is unknown at this time if the developer will reengage but noted the ability would be there on January 1, 2026
- Mr. Whelihan noted a clear understanding of the agreement and the roles for all involved will be identified

Transient Parking and Resort Fees

The Board reviewed a Management Company recommendation to increase parking fees for transient reservations. Post meeting this topic was found to be an error and thus dismissed.

Record Date

A motion was made by Don Heisler to set the record date for 2025 on behalf of Sunset Harbor Condominium Association, Inc. to be fixed as August 15, 2025, in accordance with the Association bylaws. The motion was seconded by George Detsis and unanimously carried.

Expense Policy

A motion was made by Don Heisler to approve the Expense Policy for Sunset Harbor Condominium Association, Inc., as presented and attached to the minutes of record as Exhibit A. The motion was seconded by George Detsis and unanimously carried.

The Board answered questions from Owners in attendance.

Owner Comment: A question regarding the timeline from the end of Foreclosure sale to when the deeds are transferred to the Association; suggesting a metric for number of days be implemented and tracked. The Management Company stated they commit to 90 days. It was discussed that this seems to be a long time with the digital tools available. Don Heisler requested the number of days be tracked so it can be measured and the Board determine if improvement is needed.

Owner Comment: Dishwasher cycles can be excessively long. Consider this when time for replacement.

Announcement of Next Meeting Dates

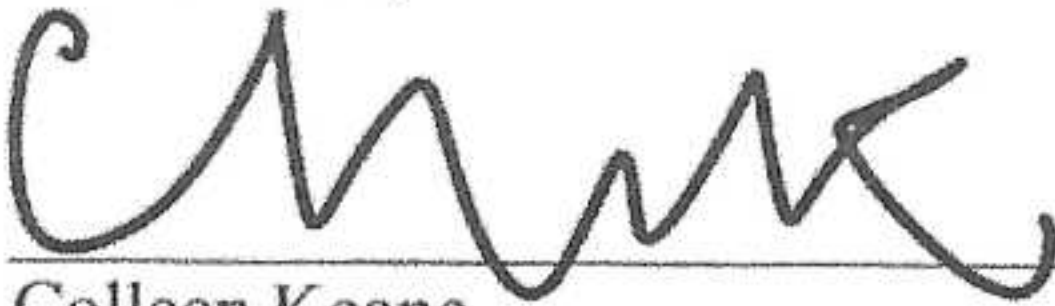
Tuesday, August 19, 2025 – Board of Directors Budget Meeting

Tuesday, October 14, 2025 – Annual Meeting and Board of Directors Meeting

ADJOURNMENT

There being no further business to come before the Board, a motion was made by George Detsis to adjourn the meeting at 12:23 p.m. The motion was seconded by Don Heisler and unanimously carried.

Submitted by:

 08.29.25
Colleen Keane Date
Recording Secretary

Approved by:


 8-29-25
George Detsis Date
President

EXHIBIT A

Board Travel Policy

Sunset Harbor (SSH) Condominium Association. Inc.

Travel/Lodging Guidelines

Association travel/lodging guidelines are provided to inform Board members who attend specified Executive Board meetings of reimbursable travel expenses. These expenses are in conformance with the United States General Services Administration (GSA) travel regulations. Travel expenses are charged to the Association and its members.

The following expenses will be reimburse, as follows:

- Generally, two meetings annually (Reserve and Annual Budget). A third meeting may be needed during the year on an as needed basis as approved by the Board President
- Reasonable airfare including luggage fees
- Airport parking fee; or in lieu of airport parking, shuttle/limo service fee from residence to airport and return to residence
- Car rental (economy or compact) including insurance; or taxi fee from Key West airport to resort on day of arrival and taxi fee from resort to Key West airport on day of departure
- Highway toll fees from airport (e.g., MIA or FLL) to SSH and return to airport
- Per diem expenses for a maximum of three (3) days lodging at a Key West Hyatt Residence Club resort. Days of travel are at .75 percent approved GSA per diem daily rate (arrival/departure days), days 2 and 3 are at approved full GSA per diem daily rate
- Should a Board member prefer to drive his/hers privately owned vehicle (POV) from residence to the SSH resort and return to residence, travel mileage reimbursement will be at the approved GSA mileage rate (as mileage calculation from zip code of residence to zip code of SSH resort). Travel mileage expenses in POV cannot exceed reasonable roundtrip airfare cost
- A travel expense report, including all travel related receipts, must be submitted to the SSH General Resort Manager, as post marked, within thirty (30) days from the Executive Board meeting. Reimbursement to the Board member will be made within sixty (60) days of Executive Board meeting