Sunset Harbor Resort Condominium Association, Inc.

Board of Directors Meeting **August 18, 2026**

A regular meeting of Sunset Harbor Resort Condominium Association, Inc. Board of Directors was held on August 18, 2026 via Microsoft Teams, hosted at Hyatt Vacation Club at Windward Pointe, 3675 S 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, Member at Large 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; Rigel Valdes Marrero, Operations Manager, Hyatt Vacation Club at Windward Pointe; Brandon Weilenmann, Regional Director, Finance; Jake Hayward, Area Director, Finance; Ben Alexander, Associate Director, Association Management and Zafera Aaron, Manager, Association Management

Guest Present was: Nicole Verrechia, Sodali and Company

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 9:00 a.m., Eastern Time.

VIDEO CONFERENCE RECORDING
Mr. Detsis confirmed the meeting was being recorded and would be treated as an official association record and maintained for a period of at least one year.

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

APPOINTMENT OF RECORDING SECRETARY
Mr. Detsis appointed Zafera Aaron to serve as Recording Secretary.

PROOF OF NOTICE OF BOARD OF DIRECTORS MEETING
Notice of the Board of Directors meeting was provided to Board members and posted on-site in accordance with the Association's governing documents. The agenda was posted in the lobby and placed in arrival packets before the meeting.

APPROVAL OF AGENDA
A motion was made by George Detsis to approve the Agenda as presented. The motion was seconded by Don Heisler and unanimously carried.

APPROVAL OF BOARD OF DIRECTORS MEETING MINUTES
A motion was made by Diane Gilreath to approve the April 7, 2026 Board of Directors Meeting Minutes, as presented. The motion was seconded by Marilyn Gordon and unanimously carried.

ELECTION PROVIDER
The Board reviewed and discussed the 2026 Annual Meeting Notice and voting process with Nicole

Verrechia, representative of the third-party proxy tabulator.
Ms. Verrechia exited the meeting at 9:30 am.

RESORT OPERATIONS REPORT

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

- Occupancy year-to-date was 94%; year-end forecasted occupancy was 93.2%
- New employees and employee accolades
- Property and project updates
- 93% in 2026 Quality Assurance Audit

Action Item: Send Quality Assurance Audit report out to Board members for review.

FINANCIAL REPORT

Mr. Garcia and Jake Hayward provided an update on financials. Highlights included:

Current Financials

- 2025 audited year-end operating fund balance deficit is ($41,530)
- 2026 life to date fund balance is ($24,038)
  - Repairs and maintenance, administrative and general and water and sewer drove unfavorable variances while housekeeping and resort fee drove favorable variances

Mr. Garcia confirmed that any revenue received related to housekeeping services is realized within the housekeeping department.

George Detsis requested that the monthly financial report more accurately reflect actual variances (favorable/unfavorable) for the month being reported; this would allow for comparison/tracking for monthly trends.

Accounts Receivable

- As of June 30, 2026, 1.5% of 2026 Maintenance Fees were uncollected
- The Board reviewed foreclosures and deeds in lieu

Action Item: Provide further detail regarding the foreclosure process between the auction and the Board being made aware of owned inventory.

RESERVES

2026 Project Status Update

A motion was made by Dennis Thomas to move $269,086 from the Sunset Harbor Resort Condominium Association, Inc. 2025 Reserve Fund to the 2206 Reserve Fund for the Refresh Project, as presented. The motion was seconded by George Detsis and unanimously carried.

A summary of House Bill 913 regarding the Structural Integrity Reserve Study and permitted funding methodology was reviewed by the Board.

Mr. Garcia and Mr. Hayward presented an update on reserve fund cash flow, the reserve study and the below 2026 projects:

Project	Status
Install new PMS System	In Progress
Replace two HVAC unit handlers	In Progress - Waiting for assessment

Project	Status
Replace compressor on rooftop	In Progress - Waiting for assessment
Gazebo roof project	Pending - site plan, permit, and design information
Replace televisions	In Progress; Scheduled for September
Cycle 4 - predevelopment planning	Management update presented; no Board approval recorded
Refurbish existing luggage carts	Complete
Replace icemaker	Complete
Replace pool/spa pump/filters/spa heater	Complete
Assess pool/spa	In Progress; by September
Lock upgrade	Completed

Diane Gilreath stated she was satisfied with the updated reserve study and funding strategy. She asked for focus on underlying building systems, including third-party evaluations, to ensure they are appropriately addressed. It was confirmed that plumbing infrastructure is included within the reserve study.

The Board discussed further evaluating the refurbishment scope against reserve project placeholders for any possible efficiencies.

The Board discussed that project-direction decisions ordinarily require Board consensus or a majority vote. Mr. Detsis stated that, in certain emergency circumstances, the Board President may redirect project priorities after consultation with management personnel, such as in response to a significant property water leak.

The Board also discussed the gazebo project and the need for additional information regarding the existing site plan, permit requirements, and proposed design. No new vote was taken on the gazebo project at this meeting.

Ms. Gordon requested larger text on reserve projects and funding documents for Board packets.

Action Item: Provide reserve and project updates in Board packets in larger print beginning with the October meeting.

Proposed 2027 Reserve Projects

Mr. Garcia and Jon Dindo reviewed 2027 reserve project placeholders.

The Board directed to reduce the placeholder for the Laundry Equipment project by half, to be considered in the October meeting.

The Board discussed evaluating an alternative to Pool Deck Pavers replacement project to repair or seal, extending the life of the asset and benefiting the reserve fund's cash flow.

Action Item: Assign priorities to reserve projects for Board evaluation.

Mr. Dindo outlined the due diligence process and a timeline for management to develop the proposed refurbishment scope, design, and mock-up for future Board review and approval. The Board requested that local providers be considered in the designer RFP process. No refurbishment scope, design, or mock-up was approved at this meeting.

Action Item: Send Board more information regarding the upcoming Villa Refurbishment and all that it entails.

PROPOSED 2027 BUDGET AND MAINTENANCE FEE

Mr. Hayward presented the proposed 2027 budget and maintenance fee which represented an overall 4.4% increase, or $123.03 per unit-week. General assumptions included:

- Occupancy budgeted based on 2026 actuals January-May and forecast June-December
- Inflation
  - 2026 expense trends carried into 2027
  - Line item increases only as stipulated in site contracts and/or budget instructions
  - Wages/Benefits: 3.0% increase for hourly and salaried positions effective March 2026
  - Benefits: Budgeted at current year forecasted rates plus 2.0% increase
- Insurance
  - Mainly comprised of Property, General Liability, Director and Officer with some other categories
  - Property Insurance assumes 10% decrease from 2026 forecast for June 2027 renewal
- Reserves, based on current reserve study and cash flows: 10.5% increase, or $111.77 per-unit-week
- Electricity, water and gas based on 2026 forecast on both consumption and rate
- Housekeeping
  - Contract labor: 3.5% increase
  - Cleaning Supplies: 6.5% increase
  - Guest supplies: 3% increase
- Property Tax
- Property Tax paid in arrear (2027 Budget recognized in 2026)
- Budgeted increase of 20% to provide sufficient ending balance

Action Item: Follow up on any Truth in Millage (TRIM) notice received from the County Property Appraiser's office for expected property taxes.

ACTION ITEMS

The Management Company provided updates on the action items, to be attached to the minutes of record.

Action Item: Transition credit card fee surcharge to be applied in its entirety to Owners choosing this payment option for convenience to begin with the 2028 maintenance fee billing cycle.

Action Item: Provide demo of Matterport Survey and research if a 2D version can be made available for use of the Association.

UNFINISHED BUSINESS

Water Leak Update

Mr. Garcia provided an update on the building water leak. It was reported that approximately 70% of the identified leaks had been contained, resulting in reduced monthly water and sewer expenses. Investigation of the remaining leaks in Buildings 1 and 3 and the laundry room was ongoing.

Assessment, Billing and Collection Policy

Ms. Gilreath stated that she provided a draft revised Assessment, Billing and Collection Policy to the Board but would prefer for Association counsel to review for adherence to Florida statutes. The Board decided to table a review of the policy to the October meeting.

Action Item: Send a copy of the current and proposed ABC policy to the Board.

NEW BUSINESS

Expense Travel Policy

Mr. Thomas proposed reducing in-person Board meetings so Board members would travel only for the fall Board meeting and Annual Meeting, with the stated goal of reducing travel expenses. Following discussion, the Board decided to maintain the current structure of three planned in-person meetings per year.

A motion was made by George Detsis to affirm the Expense Travel Policy for Sunset Harbor Resort Condominium Association, Inc., as presented, and to be attached to the minutes of record as Exhibit A. The motion was seconded by Marilyn Gordon and unanimously carried.

Mr. Thomas stated a concern regarding marketing and pricing of resales by a Board member being unfavorable to the Association's goal of reducing bad debt through sale of Association-owned inventory acquired through foreclosure. Don Heisler agreed to adjust marketing materials to separate Association-owned inventory for re-sale to best support this goal.

Action Item: Provide Association-Owned inventory and acquisition revenue reports for the Board to evaluate scheduled costs in bad debt.

Action Item (Mr. Heisler): Provide copy of authorized re-sale contract to the Board.

Investment Policy

A motion was made by Marilyn Gordon to affirm the Investment Policy for Sunset Harbor Resort Condominium Association, Inc., as presented, and to be attached to the minutes of record as Exhibit B. The motion was seconded by Don Heisler and unanimously carried.

Online Voting System

A motion was made by Diane Gilreath to authorize the Management Company to offer an Internet-based online voting system to members of Sunset Harbor Resort Condominium Association, Inc., pursuant to Section 718.128, Florida Statutes. The motion was seconded by Geroge Detsis and unanimously carried.

2026 Annual Meeting Proxy

A motion was made by Don Heisler to approve the proposed language for the 2026 Sunset Harbor Resort Condominium Association, Inc., Limited Proxy with the recommendation from the Board to vote "yes" to provide for less non-structural component reserve funding than is required by Florida Statutes for the Association's next fiscal year, with the exception of eliminating the bottom portion of suggested reserve contribution ranges. The motion was seconded by Marilyn Gordon and unanimously carried.

Boardvantage

No discussion or action was taken on this item.

Announcement of Next Meeting Dates
Tuesday, October 6, 2026 – Board of Directors, Annual and Organizational Meetings. The Board discussed proposed 2027 meeting dates.

The Board opened discussion to owners in attendance.

One owner in attendance stated the guest user's washers/dryers are composed of all stainless-steel components and do not need to be replaced in the forthcoming 2027 year. In response to an additional question, Mr. Heisler stated that he has historically kept re-sale pricing consistent between interests offered from Owners and those owned by the Association.

A motion was made by Don Heisler to contact at least two firms and request proposals to review the Sunset Harbor Condominium Association, Inc. governing documents recorded with the state of Florida for alignment with current Florida statute. The motion was seconded by George Detsis and unanimously carried.

Action Item (Mr. Heisler): Contact at least two firms and request proposals to review governing documents alignment with current Florida statute.

ADJOURNMENT
There being no further business to come before the Board, a motion was made by George Detsis to adjourn the meeting at 1:05 p.m. The motion was seconded by Don Heisler and unanimously carried.

Submitted by:

Zafera Aaron — Date
Recording Secretary

Approved by:

George Detsis — Date
President

These minutes are subject to approval at the next Board of Directors Meeting