

RIVIERA DUNES MARINA CONDOMINIUM ASSOCIATION

NOTICE OF BOARD OF DIRECTORS MEETING

OPEN TO ALL ASSOCIATION MEMBERS

DATE & TIME: SATURDAY, MAY 14, 2022 9:00 AM

LOCATION: DOCKSIDE AT RIVIERA DUNES – CAPTAIN'S ROOM
102 RIVIERA DUNES WAY
PALMETTO, FL 34221

AGENDA

- CALL TO ORDER 9 AM / QUORUM
- PROOF OF MEETING NOTICE
- APPROVE MEETING MINUTES FROM ORGANIZATIONAL/BUDGET APPROVAL MEETING HELD ON DECEMBER 11, 2021
- REVIEW OF 1ST QUARTER FINANCIALS
- UPDATE ON RESTAURANT OPERATIONS AND REMODELING PLANS
- DOCK SURFACE UPDATE
- UPDATE ON DOCK ENTRANCE GATE UPGRADES
- LITIGATION UPDATE
- UPDATE REGARDING REVISION OF DECLARATION/RDMCA GOVERNING DOCUMENTS
- DISCUSSION REGARDING BOARD MEMBER REPLACEMENT PROCESS
- ADJOURNMENT

Approved
minutes
at 7:22:22
meeting

RIVIERA DUNES MARINA CONDOMINIUM ASSOCIATION
BOARD MEETING
MAY 14, 2022

A Board meeting of Riviera Dunes Marina Condominium Association was held at 9:00 AM on May 14, 2022 in the Captain's Room of Dockside at Riviera Dunes Restaurant located at 102 Riviera Dunes Way, Palmetto, FL 34221. Board members Michael Harris, Gary Schuster, Jamie Switzer and Anthony Shoaf were all present. RDMCA employees Bill Chamberlain, Luke Knuttel, and Peggy Trotter were also present by invitation. The attached attendance sheet has the names of the other RDMCA members who were also present for the meeting.

Board President, Michael Harris, called the meeting to order at 9:00 AM, and he started by explaining that there will not be any voting on issues during this meeting and that this meeting is to be informational and to update the members of RDMCA, as well as Board members who might not have participated yet in some discussions since only two members can meet at a time, about items listed on the agenda for this meeting that the Board is working on for the Association. Harris also mentioned that they planned to have probably two of these type meetings a year, in addition to the annual meetings.

Harris then asked Trotter to verify that there is a quorum for this meeting, which she did. She also stated that the notice for this meeting had been posted as required.

Harris then stated that the meeting minutes from the organizational/budget approval meeting that was held on December 11, 2021 needed to be approved. Gary Schuster, RDMCA's Board Secretary, made a motion to approve the minutes. Harris seconded the motion and all four Board members voted unanimously to approve these minutes.

Jamie Switzer, RDMCA Vice President, was asked by Harris to give a review of the first quarter financials. Switzer explained that Barry Allen, RDMCA's Treasurer of many years, had resigned from the Board effective March 31, 2022 so he will fill in on the money end of things and will be giving a review of the quarterly financials for the first time today and will do so in meetings going forward. He explained that he will go over the highlights, but if anyone wants more details to please let him know. He first went over the March 31, 2022 Balance Sheet, and there were no questions regarding the numbers on it. Switzer then gave a review of the Profit and Loss Statement for January through March 2022. He noted that the number of slips that are managed by the Association has increased nicely year over year, and he also noted that the marina only charges 7% to manage the slips. He mentioned that the pump out income is lower than the previous year because the Association received a grant for the pump out system, and a term of the agreement is that we can only charge \$5 per normal pump out instead of the \$15 we were charging before. Switzer stated that our fuel sales revenue was very high, and he explained that the Association tries to maintain a 25% margin on the fuel income. Peter Korrie, a slip owner, inquired about getting information on actual gallons sold instead of just monetary values since the pricing has gone up so much in the last couple of months. Switzer explained that Trotter prepares a monthly fuel sale report each month which shows the gallons of gas sold (including a comparison to the previous year), which he can request if he would like that information. Switzer stated that RDMCA's net income for the 1st quarter came in at just below

\$67,000. He detailed the Reserve bank balances as of March 31, and noted that unfortunately we are not making much interest at all on the funds at this time. He ended his review by stating that the first quarter performance versus budget report showed that we were above budget for the first quarter by nearly \$40,000. Switzer asked if there were any questions, and Korrie asked if reserves are set as a percentage of what is coming in or a pre-set amount. Switzer explained that the reserves are pre-set by the numbers that the reserve study show the Association needs.

Next, Board Member Anthony Shoaf gave an update on restaurant operations and re-modeling plans that are being made. First, he stated that he is having monthly meetings with Restaurant owners Ron and Steve. He noted that there had been concern about the state of the outdoor chairs and explained that 70% of the them have been repaired/replaced. He also noted that there has been concern about the stickiness of the patio floors from drinks being spilled, etc. He said that the owners are going to have the patio pressure cleaned on a more frequent basis. Shoaf also stated that the restaurant owners want to install a canopy over the back half of the patio for when it is rainy. He says that the restaurant owners believe having the canopy installed will help increase revenues on those rainy days. Right now, the owners are working on the renderings of what it would look like and what it will cost to build and will present that information to the Board, and Shoaf said that once they have those numbers, they will let the members know that information. He also mentioned that there have been multiple menu changes, and he said he has only heard positive comments about those changes. Also, the restaurant has hired a full-time chef. Shoaf said he has noticed a significant increase in the quality of food offered in the last year. He says that, like all restaurants, sometimes their service is better than others but he has noticed an increase in the quality of service overall in this last year, too. He mentioned that all restaurants are at the mercy of their staff and whether they show up each day or not. Debbie Da Rin, a slip owner, stated that she felt that the front of house management service was lacking. Shoaf stated that he agrees with her on the importance of front of house management, but noted that he, as a Board member, and not a restaurant manager, has no control over that or menu items, staffing, etc. He said that slip owners and boaters can give Trotter their suggestions or complaints, Trotter can give them to him, and he can only pass them on to the restaurant owners who make the ultimate decisions regarding the management of their restaurant. Harris stated that the restaurant is making money and that the owners do remind him that they have consistently paid us, their landlord, better than any previous restaurant operation we've had in the building. Harris said that we can try to put some pressure on them, but must also give them latitude to run their own business. He stated that we want the restaurant to be premier for them and for us. He also stated that the canopy will be expensive, but it will give us clout to put more pressure on the restaurant to operate at their best. Harris explained that this is a situation where we would pay upfront in order to re-negotiate a new lease. He noted that the restaurant eventually will pay for the canopy with future increased revenue, some of which will go to us in a newly negotiated payment agreement. Mike Genovese, a slip owner, stated that he has seen disgruntled patrons walk out and he said that hospitality dictates how successful a restaurant can be. He remarked that a disgruntled patron will tell 20 people about their experience, while happy customers may only tell one or two other people. Genovese also noted that this is a gold mine if marketed correctly. Don Hanzlik, a slip owner, said that while the owners' other restaurants are in more touristy/walkable locations, this is a destination restaurant, so people have to want to come here. He also mentioned that once the hotel is built, that will bring more people here to this restaurant. Da Rin stated that the boaters are already a captive audience. Korrie noted that our current lease

with the restaurant states that the Restaurant should pay for their own capital improvements. Harris said the Board is simply in the process of talking to the restaurant owners, and he reiterated that they still have to find out how much it is going to cost and what the return of the investment will be before they agree, but that they have to be open to talking about it. Switzer explained that often times leases are re-done when capital improvements are made so that the cost will be recovered over the next five years. He also said that he no opinion yet as to whether he agrees with us paying for the canopy up front since he needs more information. Harris stated that they are trying to put pressure on the restaurant owners to be more involved so that the restaurant will be more successful from top down. He mentioned that it is hard to even get quotes for the canopy right now. Jim Law, a slip owner, said that it is a positive that the Board is engaged with the restaurant because it is difficult for a landlord to have any control over a business as the landlord. John Tysseland, a slip owner, reiterated that this restaurant has been consistently paying us a fair price, on time, every month. He also stated that there is negativity at every restaurant. Switzer said he has noticed an improvement in the quality of food and the service. Elizabeth Law, a slip owner, also stated that she and Mr. Law have noticed an improvement. Harris stated that the Board is trying to help the restaurant succeed, and Shoaf stated that the restaurant also has an open ear to us.

Switzer was tasked with providing the dock surface update. He started with acknowledging that based on the amount of money spent on the dock resurfacing, we did not get the outcome that was hoped for and expected. He said that he and Bill Chamberlain, RDMCA General Manager, are trying to get people to come talk to them about the docks, but have not had much luck. He said the company that built the docks are actually in St. Pete, but they can't get them to come out here or answer questions regarding what to do about cracks in the concrete and rusting of the rebar. He said they did get an engineer that specialized in floating concrete docks out here at one point to look at the floating dock structure, and that person commented that the docks were in pretty good shape, and he was not very helpful. Switzer said they are trying to get a non-destructive survey of the docks, and he said they did find people with ground penetrating radar. If they could get this done, they also hope to do test samples in the worst areas. He said they want to protect the slip owners from spending more good money after bad money. The docks stain really easily right now, too, since being resurfaced. He said their goal is to get a proper assessment with a genuine professional engineering report so that we know if we are in good shape or bad shape so that we can plan accordingly. He said the Board will be transparent with the slip owners and communicate with them about the cost of any repairs. At this point, Genovese brought up that he has noticed that there are no emergency/safety ladders around the marina to use in case someone falls in the water. There was discussion about where the best place to put the ladders would be and what the best kind of ladders to use would be. Luke Knuttel, Dockmaster/Assistant Manager, said that there are a lot of variables that have to be addressed and they have to figure out what expense the members are willing to pay. Switzer said that he thinks something is better than nothing, and perhaps he would suggest that deployable ladders be placed at each transformer. Twin Dolphin was recently renovated, but Da Rin said they don't have any ladders either. Harris suggested that if we decide to go with deployable ladders, they should go where the life rings and the fire extinguishers are so everything is in the same place. Switzer then suggested tabling the ladder discussion for a later date.

Chamberlain gave the update on the dock entrance gate upgrades. He said that contractor will be delivering materials this upcoming week for two new 7-feet high fences to go on the North side of the North gate and on the South side of the South gate. He said there will also be a 7-feet high fence between the two gates, column to column, in the middle. Chamberlain said that the powder coating firm is running behind, so they aren't expected until sometime after Memorial Day into mid-June. Switzer asked if there was a plan to somehow block the area where the fuel line goes down to the docks from people being able to just walk on it to get to the docks. If not, they need to figure out a plan for that. Chamberlain also mentioned that the license plate camera for the front entrance of the marina parking lot is scheduled to be installed for the week of May 23rd. He explained that the electrical needed for it is in place, as well as the post that the camera will be mounted on. Switzer suggested that we post signs that say "Smile, you are on camera."

Harris gave the litigation update. He explained that the Master Association passed Amendment 8 last year, and that it effectively reduced RDMCA's votes. His position is that he thinks the amendment is illegal, and RDMCA should get its votes back. That is why there was a lawsuit filed against the Master Association, which is ongoing. Harris said that now the Master Association has a new Board, and he is hoping this Board will meet with RDMCA's Board and they can come up with some sort of compromise. Harris explained that RDMCA pays for 27.5% of all the expenses for the Master Association, but we get almost no votes. He is wanting for RDMCA to either get the votes that were taken from them back, or to give them some money back.

Harris moved on to the next item regarding the revision of RDMCA's governing documents. He said he has talked to the attorney about the first draft, and they said it is almost ready. He explained they are just trying to come into compliance with the laws that have come into play since the original documents were made. This is common among Associations that have been around awhile. Harris said that they hope to have the completed documents ready for the Association members to vote on at this next annual meeting, if all goes well.

Mr. Law said he had a question about the litigation, and when Harris stated that he shouldn't really ask him a question about it since he is on the Master Association Board, Mrs. Law said she would ask it. She said that the votes go hand in hand, meaning more votes means paying more dues. She asked Harris if he would like RDMCA to get the votes back or to pay less in assessments. He said whichever can be done. After some back and forth discussion between Mrs. Law and Harris, John Tysseland (another slip owner) asked why the Master Association took votes away from RDMCA, and Mrs. Law said that would take a bigger discussion. Da Rin asked why fees were not automatically reduced when our votes were reduced. Switzer, among others, said that that is the big question. Mr. Law suggested that since RDMCA doesn't benefit much from the fees paid since much of those fees go to taking care of the grounds around the residential communities, that perhaps we should focus more on reducing the fees instead of getting votes. Harris said he doesn't think we can get that done the way the law is. Tysseland said that the members voted to give the RDMCA Board the power to let the attorneys do their job. Mr. Law said that, as a slip owner, he does not want to see this go to trial since trials are very expensive. Harris said that nothing is set in stone. Bill Malan, a slip owner, said that he is most concerned about preventing future embezzlement as he said embezzlement did occur in the Master Association in the past, and now they are basically dealing with extortion. Switzer

summarized that the RDMCA membership voted to give the Board authority to proceed in settling this matter in whatever way they deem is appropriate. He said he would like to see a couple people from each of the concerned parties get together in a room and have a discussion without the lawyers. Harris said that he had a big degree of hope that the parties can resolve this, but also said that they may not. Switzer said that the Board will do their best to fulfill their fiduciary responsibility in this matter. Korrie asked how many Board members from RDMCA are on the 8-person Master Association Board, and he was told that there are none. Mr. Law stated that he agrees that this is wrong and he wants to work together to get that resolved now that he is on the Master Association Board. Korrie stated that he is all in favor of less litigation since attorneys want to keep it going to get more money. Bob Urso, a slip owner, stated that he is more in favor of paying lower fees than getting more votes. Malan responded that this would be good as long as we don't end up in the same boat as before. Harris ended by saying that the statutes don't give us many options.

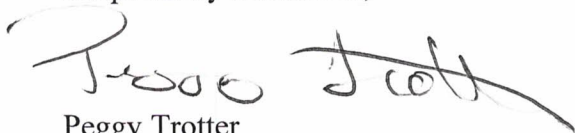
Mr. Law asked if the RDMCA Board has proclaimed an official position regarding the potential apartment complex that is proposed to go up across the street, and Harris said they have not and don't have plans to do so. He said that, he personally, doesn't want the apartment complex. Mrs. Law said they could use a more united front against the approval/building of the apartment complex since it will cause a major congestion issue for our parking lots and surrounding roads, among other issues. After some more discussion, Michael offered that RDMCA will pass information on to its members about upcoming meetings, etc.

Mr. Law said that he noticed that Armed Forces still owns a small, submerged area by the marina and that the Association should probably have it turned over to them.

Lastly, Harris explained that Barry Allen, who had served as RDMCA's Treasurer for many years, has resigned and so there is an open position for the Board. He said that the question is how to fill the almost 2-year term that Barry left available. He said that they plan to send an email out requesting interested members to send in their resumes and the Board will review them and try to pick the best person to fill the position. Tysseland said that sounds like a better idea than just picking someone at random. Switzer said they want to focus on transparency so that it doesn't seem like an "good ole boys club".

There being no more business to discuss, Harris made a motion to adjourn, Schuster seconded the motion, and the four Board members voted unanimously to adjourn at approximately 10:45 AM.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read "Peggy Trotter", written over a horizontal line.

Peggy Trotter
Assistant Secretary