

CENTURY PARK CONDOMINIUM NO. 2 ASSOCIATION, INC.
(MEETING MINUTES)

Meeting Date: April 28, 2022

Meeting Time: 7:07 p.m. Meeting

Location: Community Clubhouse—8950 W. Flagler Street, Miami, Florida 33174

Purpose: Annual Budget Meeting

Meeting Called to Order at approximately 7:07p.m.

Presiding Officer of the Meeting: Erick Alonso

Calling of Role/Quorum: Directors/Officers Present: Erick Alonso, Ramon German, Erika Pflucker, Jose G. Almonte Sanchez

Directors Not Present: Lidia Perez Rosado

Also Present: Fernando Garrote, Gables Management (property manager) Matthew Estevez, Association Attorney,

Approximate Number of Members Present: 25

Minutes taken by Matthew Estevez

The meeting began by establishing a quorum through roll call. Mr. Garrote called the meeting to order. Mr. Estevez volunteered to take the meeting minutes herein reflected. A quorum was established and Mr. Alonso asked Jackie Pena, Vice President of Acentria Insurance, to give a slide presentation on yet another significant increase in liability insurance rates, again causing a financial strain on the Association's budget.

Ms. Pena spoke for approximately 30 minutes regarding the market conditions that have caused the increase across South Florida and in particular the Association. The main cause of the increase in rates, according to Ms. Pena, was the condition of the insurance market, which has deteriorated further since the collapse of the Surfside Towers on June 24, 2021. Ms. Pena characterized the current conditions as an insurance crisis across the State of Florida that may require a legislative fix in Tallahassee and provided news articles describing the situation she described in more detail. Due to the lack of options available in the current insurance market, the Association contracted with the insurer of last resort, Citizens, which is the only company willing to underwrite a policy under the current circumstances, including the existence of an open litigation claim against a prior insurer. The policy premium increased to \$326,846.55, which divided by 373 units equals \$877 per unit, per year.

Former board member Antonio [last name not known] inquired whether it would be advisable to obtain a loan to replace the roof in order to make the condominium more insurable. Ms. Pena advised that the replacement of common elements does not necessarily reduce rate and provided examples of clients of hers that have taken such measures to no avail. The one positive note is that the policy with Citizens has an increase cap of 12 percent per annum on renewals.

Nelson Avendano and his wife Lidia made a complaint that the meeting was being held post decision on the policy and that the membership should have been apprised of the options prior to the decision being made. Ms. Pena stated that this option was the best and practically the only option available. Ms. Pena also stated that of the approximately 4000 associations she services or has serviced, CP2 was the only Association that requests her appearance to speak before the membership in an effort to provide transparency. Ms. Pena explained that the prior policy was set to expire on April 13 and the Association had to act quickly considering that it is a statutory requirement to always have insurance at all times. The insurance companies also have a practice of providing quotes only days before expiration, which places added pressure on associations.

Mr. Garrote advised that he had also put out bids with different agents to obtain competitive bidding. Mr. Garrote confirmed the difficult conditions in the marketplace stating that one policy option was over \$500,000 and that the option provided through Ms. Pena was the best option.

Thereafter, the floor was given to the Association's insurance litigation counsel, Ms Lois Crespo and Jessie O'Hara, who are representing the Association in a lawsuit against our prior insurance carrier, Heritage, for hurricane damages not covered under the policy in place at the time of Hurricane Irma. Ms. Crespo stated that the complaint had been filed against Heritage and the Court issued a streamlined case management schedule. Ms. Crespo covered the deadlines associated with the case management schedule as follows: June 2022 - disclosure of witnesses, exhibits and expert witnesses, August 22: Mediation; October 31, 2022 - trial readiness deadline.

A discussion ensued concerning expert witnesses and their role in this case, including the costs associated with expert witnesses. A discussion ensued regarding the common defenses used by insurance companies.

Mr. Garrote provided a brief analysis of roof expenses that the Association continues to incur as a result of the damages caused by the Hurricane. He also went through the budget numbers and the shortfall caused by the extraordinary increase in the insurance premium, which is approximately 46%, he said. As such, Mr. Garrote suggested the Association pass a one-time special assessment in the amount of approximately \$216.00 to cover the shortfall. Otherwise, the budget would need to be amended to raise monthly assessments on all unit owners. Members in attendance unanimously agreed that a one-time special assessment was preferable to amending the budget.

Mr. Estevez explained that a significant participation would be required to obtain sufficient quorum to hold a vote in favor of the special assessment. A special assessment meeting was proposed and Mr. Garrote agreed to work with the attorney to set a date within the next 45 days to seek passage of the special assessment.

Mr. German motioned to adjourn the meeting, which was passed unanimously.
The meeting was adjourned at 840pm