

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.  
Minutes of the Meeting of the Board of Directors  
May 4, 2022

The president called the meeting to order at 1:01 p.m. on the date above noted at the location and time specified in the notice of meeting.

John Rasmussen, President (via phone)	Earl Monari, Director
Tom Leiser, Vice-President (via phone)	Avi Rapaport, Director (via phone)
John "Randy" Kuhl, Treasurer (via phone)	Joseph Schechter, Director (via phone)
Yossi Edelkopf, Director (via phone)	Chris Gourdie, General Manager
Charles Erwin, Director	Carol Post, Bookkeeper (via phone)
Andrew Levy, Director (via phone)	

The president announced a quorum was present and that the notice for this meeting was posted in accordance with the bylaws and statutory requirements.

The only item on the agenda was discussion of the terrorism insurance proposal. John Rasmussen began by stating that the Association received a quote of \$9,600 for terrorism coverage, and the whole purpose of the meeting is to decide whether or not to add that coverage to the insurance.

Yossi Edelkopf stated that he wished Mr. DiNapoli of USI was going to be there, because after Mr. DiNapoli looked into it further, he actually recommended that the Association get that coverage. Mr. Edelkopf stated that the board has discussed getting insurance for lawsuits, and though he didn't believe there was likely to be a terrorist attack at Grenelefe, it's not just buildings in New York City or California that are getting this coverage, that everyone is getting it because banks require it, and people don't want to have a situation where a seller misses the opportunity to sell something and gets angry and sues. He stated the Association does have insurance for lawsuits so may want to pass on this coverage, but he doesn't like that idea and felt this is a small price for the Association to cover itself, and Mr. DiNapoli agreed. Mr. Rasmussen asked who he said that to, and Mr. Edelkopf indicated that he called Mr. DiNapoli directly after receiving the email and finding out he wasn't going to be on the call, because he wanted to hear his feedback.

Mr. Rasmussen then asked if there was any discussion and if anyone wanted to make a motion to obtain the coverage. Randy Kuhl stated that he has been dealing with insurance for the Association for several years, and the board has gone through trying to minimize its costs as best as it could for the benefit of everybody, and as he stated the last time the board met, he can't imagine any kind of a terrorist attack on Grenelefe. He felt if there were, it would be in areas that would be other people's responsibilities, such as the water system, and with so many individual buildings, how would someone pick out one. Mr. Edelkopf stated that a terrorist attack at Grenelefe is unlikely, that he's never even known of a terrorist attack in Florida, but that the way this insurance works is the federal government has a terrorism fund set up, and these premiums

go to the federal fund to recap all the lost money from 911. He stated that the reason all the mortgage companies want terrorism insurance is because the federal government, the same guys that are taking the pool of money are also the ones behind Fannie and Freddie, and that's why it's a Fannie and Freddie requirement. He stated that he's not debating whether there's going to be a terrorist attack, that the discussion is that someone is going to want to finance one way or another, and Fannie and Freddie have a requirement. He felt that if the buyer tries to get financing and the purchase falls through, the Association will be faced with a lawsuit, because it says in the bylaws that the Association's insurance has to be financeable, and not having terrorism insurance makes it non-financeable.

Mr. Kuhl then asked Mr. Edelkopf if this was a requirement for the loan that he made for the purchase of the condominiums, and Mr. Edelkopf indicated it is not, that he's already closed and has financing. Mr. Kuhl then stated that there is no need for it, because no one is financing individual units here, that Mr. Edelkopf is the only one financing. Mr. Edelkopf indicated that he doesn't finance with banks, he finances with private lenders. Mr. Kuhl stated that his point was if he sells his condo, the buyer cannot finance it because the banks know there is one person that has more than 5% of an interest in the condominium. He added that as far as having terrorism insurance, it makes no difference to any of those people in the financing situation, so that is a bogus argument. He stated that he doesn't see any reason to spend \$10,000 that the Association hasn't had to use in the past, that it will never have to use, so why spend \$10,000 for abstract insurance. He stated that he can't commit to the individual owners to spend an additional \$10,000 in insurance for what he feels is a ridiculous coverage that will never be utilized and doesn't provide any protection for people the Association is required to protect as members of the board.

Mr. Edelkopf stated that Mr. Kuhl's assumption that the condos are not financeable is up for discussion, that they can go to a mortgage broker and it could go either way. He argued that it is financeable, that he knows a few people who have bought condos with financing, but regardless, the bylaws state clearly that the Association's insurance should not be the cause for someone not to have financing, and that exposes the Association to a lawsuit. He indicated that Alya feels very strongly and does not want to be exposed to this, that so far every motion he has put forward, he's been voted against, and that since this is just \$10,000 amongst this big policy, he would really appreciate it if the board would go outside of its comfort zone on this one, that it would be a big win for Mr. Edelkopf and his group if the Association could insure against this exposure.

Mr. Rasmussen stated that he wasn't sure that condo owners couldn't get mortgages, because he did get a mortgage on his and also refinanced it, but he checked the prior day, and Fannie Mae and Freddie Mac absolutely will not finance at Grenelefe because a single owner owns too much of the property. Mr. Edelkopf stated that Fannie and Freddie set insurance rules, and the smaller banks don't have their own insurance requirements but instead use Fannie and Freddie's. He indicated that nine out of ten banks he knows of, that is their policy. Mr. Rasmussen stated, and asked the board to correct him if he was wrong, he believed Mr. DiNapoli sent out something stating that terrorism insurance is a requirement only if there is an unpaid principal balance of

more than \$25 million, that he remembered seeing something to that effect two days ago in some of the paperwork Mr. DiNapoli provided.

Mr. Leiser verified that the premium has been quoted at \$10,000 per year, and Mr. Rasmussen stated it had, roughly. Mr. Leiser then asked Mr. Edelkopf if he also carried this type of terrorism insurance on his other properties, and he indicated that terrorism is standard on all of his properties, for this reason. Mr. Rasmussen stated that if the board wanted to carry this coverage, someone needed to make a motion. Mr. Edelkopf made a motion, which was seconded by Joseph Schechter, to obtain the terrorism insurance at the quoted price and add it to the Association's policy in order to limit lawsuit exposure. Randy Kuhl then asked if he was correct in reading that the maximum coverage for any occurrence on the policy is \$250,000. Mr. Edelkopf suggested trying to get Mr. DiNapoli on the call, and Mr. Kuhl stated that he had looked at the proposal and believed that was what the policy called for, and although there is an overall coverage for all the buildings, he believed that per occurrence, there is a maximum reimbursement of \$250,000 and a \$10,000 deductible, and the premium amount for this year's coverage is \$9,600. Mr. Kuhl stated that he wanted to know if that was correct and felt that everyone should be aware of that. Mr. Gourdie read from the proposal, indicating that page two states, terrorism and sabotage limit of liability is \$76 million, which is the total appraised amount of the property. Mr. Kuhl referred to the coverage section on the same page and stated that it looks like for debris removal, the maximum return is \$250,000. Mr. Gourdie stated that it looks like the coverage is \$250,000 for several different items, \$1 million for service interruption, \$1 million for automatic coverage sublimit.

A vote was then taken, and the motion passed, with Yossi Edelkopf, Tom Leiser, Andrew Levi, Avi Rapaport and Joseph Schechter voting in favor and Charles Erwin, Randy Kuhl, Earl Monari and John Rasmussen opposed.

Mr. Edelkopf advised the board that he would be at Grenelefe in five minutes and if anyone wanted to see a renovated apartment, to reach out to him directly and he will take them around. Joseph Schechter then asked if the Association pays for the conferencing service it uses, and Mr. Gourdie stated that there is a cost. Mr. Schechter indicated that he has free conferencing and could extend the savings to everybody. Mr. Gourdie said he would get with Mr. Schechter to discuss it.

At 1:20 p.m., Randy Kuhl moved and Yossi Edelkopf seconded a motion to adjourn.

Respectfully submitted,

*Carol Post*

Carol Post  
Secretary pro tem