

Minutes
CARIBBEAN BEACH CLUB ASSOCIATION, INC.
Board of Directors Regular Meeting
Ft. Myers Beach, FL

February 23, 2009

I. CALL TO ORDER/ROLL CALL

President Dick Garrett called the meeting to order at 9:33 a.m. at the Caribbean Beach Club, Fort Myers Beach, Florida. The following persons were in attendance:

Board of Directors:

Dick Garrett, President
Dave Zibolski, Vice President
Tom Andres, Treasurer
John Thomson, Secretary
John Vary
Ed O'Connor
Tony Annunziato

Vacation Resorts International (VRI):

Alex Fogel, Sr. VP of Resort Operations, VRI
Jeff Wharton, Director of Resorts, VRI

Others:

Joe Takacs, Broker, TheMVPSERVICE
TJ Bryant, Sales Associate, TheMVPSERVICE

Owners:

27 owners present

II. NOTICE VERIFICATION/QUORUM

Ed O'Connor stated that meeting notice was posted in the Board approved location in accordance with the condominium documents and Florida Statutes.

A quorum was established with seven of seven Board members available in person.

III. APPROVAL OF MINUTES

MOTION: Tom Andres moved to approve the January 5, 2009 meeting minutes as submitted. The motion was seconded by Dave Zibolski.

Change: Item V B. Paragraph B. 4th sentence, starting with Ed O'Connor reported....

Change: Item VI A. Replace Ed O'Connor's name with Dave Zibolski.

Add to the end of the paragraph: Dave Zibolski asked that the newsletter is sent out January 15th.

Page 2, last line: Ed O'Connor stated, not suggested.

Page 3, V. B., 5th line: Ed O'Connor reported, not suggested.

MOTION: Tom Andres restated his motion to approve the January 5, 2009 meeting minutes as amended. The motion was seconded by Tony Annunziato and approved unanimously.

IV. FINANCIAL REPORT

A. Treasurer Report

Tom Andres submitted financial statements through December 2008. Mr. Andres reported he thoroughly reviewed the financials, and will discuss further in the special assessment report.

MOTION: John Vary moved to reconsider the vote to accept the monthly financials via e-mail format. The motion was seconded by Dave Zibolski and approved unanimously.

MOTION: Ed O'Connor moved that the Board of Directors authorize acceptance of the monthly financials via e-mail format. The motion was seconded by Dave Zibolski. Voting Yes: Dave Zibolski, Tom Andres, John Vary, Ed O'Connor. Voting No: Tony Annunziato, John Thomson, Dick Garrett. The motion was approved.

B. Delinquency Report

Jeff Wharton reviewed the latest delinquency status at 607 intervals, representing 27% of the owner base.

Bankruptcy	14
Collection (1 st)	26
Collection (2 nd)	00
Uncollectible	116
Deed-back	40
Payment plan	17

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Association	135
Foreclosures	00
Active Accts.	<u>259</u>
	607
Total	607 or 27% delinquency

2008 Special Assessment billed 5/28/08, delinquent by 8/15/08
Collected \$703,926, delinquent \$172,342
2007 Special Assessment billed 8/6/07, delinquent as of 10/15/07
Collected \$942,358, delinquent \$100,178

C. Foreclosure Report

Ed O'Connor reported that no accounts are currently in foreclosure.

V. SPECIAL ASSESSMENT

A. Colebrook Loan Status

Tom Andres reported on the status of the Colebrook construction line of credit loan previously approved by this Board of Directors. The original loan was made available through September 31, 2007, and extended to December 31, 2008, for \$3.5 million dollars, with an interest rate of prime plus 2.75%, minimum interest rate of 9.25%. As previously reported, the Association has drawn down the entire amount of \$3,500,000.00.

B. Special Assessment Discussion

Tom Andres provided an analysis of the Treasurer's recommendations for the 2009 special assessment. Mr. Andres computed the 2009 principle and interest needs based on the 12/31/08 line of credit balance of \$1,838,195.00.

MOTION: Tom Andres moved to Special Assess the members of Caribbean Beach Club \$410.00 for the purpose of paying approximately twelve months of interest on the Line of Credit, to prepay the January 15, 2010 principle payment in the approximate amount of \$613,000.00 and to repay the Operating Fund \$15,000.00 that was borrowed from it to pay Jenkins and Charland at the recommendation of our attorney. The \$410.00 will be due and payable by the unit owners when all of the legal requirements have been met by the Association for making a Special Assessment. The motion was seconded by Ed O'Connor and approved unanimously.

MOTION: Tom Andres moved to borrow \$15,000.00 from the Operating Fund in order to pay an old construction expense outstanding that is payable to Jenkins and Charland that our litigating attorney recommended that Caribbean Beach Club pay. The inter-fund loan is to be repaid to the Operating Fund no later than October 30, 2009 from the proceeds of the Special Assessment. The motion was seconded by John Thomson, and approved unanimously.

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MOTION: Tom Andres moved that a copy of any future motion(s) made by the Board of Directors that relates to an accounting matter be forwarded to VRI's accounting department by the current Director of Resorts or Association Manager so that the accounting department can appropriately comply with the Board of Directors decree. The motion was seconded by John Thomson, and approved unanimously.

C. Special Assessment ABC Policy

Jeff Wharton submitted the Special Assessment Billing & Collection (ABC) Policy (exhibit attached).

MOTION: Ed O'Connor moved to approve the Special Assessment Billing & Collection Policy (ABC) as submitted, with a billing date of April 1, 2009. The motion was seconded by Tom Andres and approved unanimously.

VI. MANAGER'S REPORT

Ed O'Connor provided a report of recent accomplishments.

Ali Malek from American Environmental Engineering reported on the previous 4 quarters of monitoring the underground wells on the north end of the property. Mr. Malek reported the last 2 quarters are performing higher than accepted cleanup target levels. Mr. Malek explained his company can provide 4 different types of active remediation to assist in reducing contaminants from the site. The Board asked for 30 days to review his recommendations.

Ed O'Connor recommended that no action should be taken until the next set of readings come in, and possibly hire another company to compare readings.

MOTION: John Thomson moved to approve \$1,000.00 expense and to allow Ed O'Connor to contact a second engineer to look into the well monitoring. The motion was seconded by Tony Annunziato and approved unanimously.

Ed O'Connor submitted the following motion:

MOTION: Ed O'Connor moved to approve the following motion.

Whereas: The Board of Directors is charged by the Documents, as a body, with the administration of the affairs of the Association, and

Whereas: the President, as Chief Executive Officer of the Association is vested with Executive powers and General Supervision of the Association and

Whereas: for the last two years members of the Board have engaged in activities without the knowledge of the President and beyond their authority as Board members, and

Whereas: for the last two years members of the Board have ignored the previously established chain of command by bypassing the Resort Manager and President by communicating directly with the VRI Director and personnel, and

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Whereas: such communication exceeds the authority of said Board members and is seriously detrimental to the effectiveness of the Board President, Director of Resorts, Resort Manager and the cohesiveness and efficient operation of the Board as a unit.

Now Therefore Be It Resolved:

That all matters concerning resort issues, VRI issues or other issues concerning CBC be referred first to the Resort Manager for resolution, then should the Resort Manager fail to resolve such issue within five working days, it may be referred to the Director of Resorts with notice at the same time to the Board President.

That issues involving fiduciary matters and the Resort Manager be referred to the Board President and/or the Director of Resorts.

This Resolution shall not apply to communication of officer and committee members.

That any communication with the Director of Resort, in violation of the above policy shall be immediately brought to the attention of the Board President by the Director of Resorts.

Resolve this 23rd day of February, 2009.

The amended motion was seconded by Tony Annunziato.

Voting Yes: Ed O'Connor, John Vary, Dick Garrett, Tom Andres, Tony Annunziato.

Voting No: Dave Zibolski, John Thomson

The motion was approved.

VII. SALES REPORT

Joe Takacs from TheMVPSservice provided a progress report to the Board of Directors. Mr. Takacs indicated he has 214 listings, 80 owner and 134 HOA, with 18 sales pending, 4 of which are HOA weeks.

Joe Takacs requested Board approval to contact owners who do not visit the resort. Mr. Takacs suggested he will provide an off-site sales program by inviting owners to an off-site program. Mr. Takacs submitted a draft of a letter to authorize and make owners aware MVP is conducting an off-site sales program.

MOTION: Ed O'Connor moved to take back the deeds from 116 owners declared by the credit company as uncollectible and presently known to us, and waive monies for the transfer of title. The motion was seconded by Tom Andres and approved unanimously.

MOTION: Ed O'Connor moved to release an owners' list to TheMVPSales for the purpose of contacting owners for outside sales. The motion was seconded by Tony Annunziato.

Voting Yes: Ed O'Connor, Tom Andres, Tony Annunziato, John Thomson, Dick Garrett, Dave Zibolski, Voting No: John Vary. The motion was approved.

MOTION: Ed O'Connor moved to move into executive session to discuss litigation after the lunch break. The motion was seconded by Dave Zibolski and approved unanimously.

Lunch break; 11:50 a.m. – 1:00 p.m.

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The Board of Directors did not enter into an Executive Session.

VIII. OLD BUSINESS

A. Condo Docs & Term Amendments

Dave Zibolski reported on the proposed amendments:

MOTION: Dave Zibolski moved to set a meeting on May 26, 2009 to reconvene a special owners meeting at 6:00 p.m. The motion was seconded by John Thomson and approved unanimously.

Each amendment was voted on by the Board of Directors:

Declaration of Condominium

Article XIV Assessments

MOTION: Tom Andres moved to accept changes to Declaration of Condominium, Article XIV, Assessments, as submitted. The motion was seconded by Dave Zibolski and approved unanimously.

Article XV Insurance Provisions

MOTION: Tom Andres moved to accept Declaration of Condominium, Article XV, Insurance Provisions, with changes as submitted. The motion was seconded by John Vary and approved unanimously.

Article XVII Maintenance and Alterations

MOTION: Tom Andres moved to accept Declaration of Condominium, Article XVII, Maintenance and Alterations, with changes as submitted. The motion was seconded by Dave Zibolski and approved unanimously.

Article XXII Miscellaneous Provisions

MOTION: Tom Andres moved to accept Declaration of Condominium, Article XXII, Miscellaneous Provisions, with changes as submitted. The motion was seconded by Dave Zibolski and approved unanimously.

Articles of Incorporation

Article VI Articles of Incorporation

MOTION: Tom Andres moved to accept Article of Incorporation, Article VI, as submitted. The motion was seconded by John Vary and approved unanimously.

Article IX Articles of Incorporation

MOTION: Tom Andres moved to accept Article of Incorporation, Article IX, as submitted. The motion was seconded by Dave Zibolski and approved unanimously.

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Bylaws

Article III Bylaws, Meeting of the Membership, Section II

MOTION: Tom Andres moved to accept Bylaws, Article III, Section II, Meeting of the Membership, as submitted. The motion was seconded by Dave Zibolski and approved unanimously

Article III Bylaws, Meeting of the Membership, Section III

MOTION: Tom Andres moved to accept Bylaws, Article III, Section III, Meeting of the Membership, as submitted. The motion was seconded by Dave Zibolski and approved unanimously

Article IV Bylaws, Directors

MOTION: Tom Andres moved to accept Bylaws, Article IV, Directors, as submitted. The motion was seconded by Dave Zibolski and approved unanimously

Article V Bylaws, Officers

MOTION: Tom Andres moved to accept Bylaws, Article V, Officers, as submitted. The motion was seconded by Dave Zibolski and approved unanimously

Article X Bylaws, Amendment to the By-Laws, Section 2 and 3.

MOTION: Tom Andres moved to accept Bylaws, Article X, Amendments to the By-Laws, Section 2 and 3, as submitted. The motion was seconded by Dave Zibolski and approved unanimously

B. Tally of Ballots

The results of the proxy ballot concerning two items, with a total of 447 week represented:

Item I: Amendments Yes - 394, No - 53

Item II: Staggered Terms Yes - 441, No - 6

C. Jenkins & Charland Summons

Previously discussed and addressed in the motion to repay Jenkins & Charland.

D. Committee Reports

Each Ad Hoc Committee submitted an update on the progress report and recommendations.

1. Web Site - John Vary, Dick Garrett.

John Vary reported the new web site is running with new pictures coming very soon, and a list of for sale units will be on the site very soon.

2. Governing Documents – Dave Zibolski, John Thomson

Dave Zibolski previously reviewed in the amendment motions.

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3. Axis Lawsuit - Ed O'Connor, John Vary

John Vary reported that Axis requested discovery with several employees, which was completed in August 2008.

The attorneys are in the process of filing a motion for a summary judgment. The case may see some activity late spring or early summer.

4. Board Rules & Regulations – Tony Annunziato, Ed O'Connor

No report.

E. Reserve Study Proposal

Ed O'Connor provided 3 proposals from qualified vendors to complete a reserve study.

MOTION: Dave Zibolski moved to approve the proposal from Hughes Reserves as submitted. The motion was seconded by Dick Garrett and approved unanimously.

F. Take Back of Units

No further report, previously discussed.

G. Crib & High Chair Proposal

Ed O'Connor provided a comparison between usage of in-house equipment vs. outside contractor equipment, and the challenges with maintaining in-house equipment. Management will continue to use an outside vendor to service the owners' needs for cribs and high chairs.

H. VRI Contract Amendment

MOTION: Dave Zibolski moved to accept the 7th amendment to the contract with VRI. The motion was seconded by Tony Annunziato.

Voting Yes: Ed O'Connor, John Vary, Dick Garrett, Tony Annunziato.

Voting No: Tom Andres, Dave Zibolski, John Thomson

The motion was approved.

I. Credit Card Fee

MOTION: John Thomson moved that owners who use a credit card to pay the annual maintenance or special assessment expense will be charged a credit card fee. The additional fee will be 3% more, and come into affect January 1, 2010. The motion failed for a second.

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IX. NEW BUSINESS

A. RCI Comment Card Report

Ed O'Connor presented the most recent RCI Comment Card Report. Mr. O'Connor reported on the high scores in specific areas, and complimented the staff for their efforts to improve in all areas.

B. Rental Analysis Report

Jeff Wharton provided results of year end rental activity:

37% of owners rental

19% of delinquent report

77% occupancy for CBC in 2008

65% occupancy in December, 2008

C. Correspondence

Owner requests to deed back units:

Owner: Murphy, 116/16, 116/35, 116/36

MOTION: John Thomson moved to accept a deed back letter as stated. The motion was seconded by Dave Zibolski and approved unanimously.

Owner: Crowther, 105/16, 212/18, 118/22, 118/23

MOTION: Ed O'Connor moved to accept a deed back if the owner pays \$225.00 per unit. The motion was seconded by Dave Zibolski and approved unanimously.

Owner: Packett, 323/37

MOTION: Dick Garrett moved to accept a deed back if the owner pays the closing cost. The motion was seconded by Dave Zibolski and approved unanimously.

Owner: Fischer, 324/37, 206/39

MOTION: Dick Zibolski moved to accept a deed back if the owner pays the closing cost. The motion was seconded by Ed O'Connor and approved unanimously.

Owner: Novak, 118/42

MOTION: Dick Garrett moved to accept a deed back letter as stated. The motion was seconded by Dave Zibolski and approved unanimously.

Owner: Talbot, 206/44

MOTION: John Thomson moved to accept a deed back letter as stated. The motion was seconded by Dick Garrett and approved unanimously.

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Owner: Osmulski, 202/50

MOTION: John Thomson moved to accept a deed back letter as stated. The motion was seconded by Dave Zibolski and approved unanimously.

Owner: Grant, 204/51

MOTION: John Thomson moved to accept a deed back letter as stated. The motion was seconded by Dave Zibolski and approved unanimously.

Owner: Kinser, 110/48, 110/49

MOTION: Ed O'Connor moved to accept a deed back letter as stated. The motion was seconded by Dave Zibolski and approved unanimously.

Owner: Stover, 117/45, 120/46, 120/47

MOTION: Dave Zibolski moved to accept a deed back letter as stated. The motion was seconded by Ed O'Connor and approved unanimously.

D. Ratification of Contracts

Ed O'Connor stated that no contracts were entered into since the previous meeting.

E. Future "Minute Approval" Meeting Schedule

Dick Garrett suggested it was not necessary to continue with monthly meetings to approve minutes. Future meeting schedule will include a minute approval meeting within 30 days, only after a regular Board meeting.

F. Timeshare in Perpetuity

John Thomson introduced a recommendation concerning extending the life of the timeshare Association, and asked that the Association attorney provide an opinion. Jim Jennings suggested setting up alternatives prior to the 2019 final date.

MOTION: John Thomson moved to have legal counsel who is now working on updating the CBC condominium documents investigate and recommend whether CBC can go to a "Timeshare in Perpetuity". The motion was seconded by Dave Zibolski.

Voting Yes: John Thomson, Dave Zibolski.

Voting No: Tom Andres, Ed O'Connor, Dick Garrett, John Vary, Tony Annunziato.

The motion failed.

G. Pool House Roof

Ed O'Connor reported on the condition of the roof and wood trim surrounding the pool house, and reviewed the proposals to repair the roof, soffit and fascia.

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MOTION: Dave Zibolski moved to accept the proposal from RA Saylor Contractor and to negotiate with the contractor to use aluminum vented product for the fascia replacement. The motion was seconded by Tony Annunziato and approved unanimously.

H. South Building Air Conditioning

Ed O'Connor reported on the condition of the window air conditioning units in the south building. Mr. O'Connor explained the conditions of each, mildew problems and repair issues. Mr. O'Connor provided quotes from different vendors to replace the window units with a split system. Additional information was needed, and will be resubmitted at a future meeting.

I. Insurance

The Board of Directors is looking into soliciting competitive bids from Commercial Insurance Brokers for this year's insurance coverage.

X. FUTURE MEETING DATES

The future meeting dates are as follows:

March 23, 2009 – 6:00 p.m. – Minute Approval Telephonic Board Meeting

May 26, 2009 – 6:00 p.m. – Special Owners Meeting

August 17-18, 2009 – 9:30 a.m. – Budget Workshop

November 6, 2009 – 9:30 a.m. – Budget and Annual Meetings

Dates in bold print recently updated or changed.

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:44 p.m.

BY: _____
John Thomson, Secretary

DATE: _____