

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

August 15-16, 2011

I. CALL TO ORDER/ROLL CALL

President Dick Garrett called the meeting to order at 9:02 a.m. on August 15, 2011, at the Caribbean Beach Club, Ft. Myers Beach, Florida. Mr. Garrett called for a Pledge of Allegiance to the American flag. With a roll call the following persons were in attendance:

Board of Directors:

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

Vacation Resorts International (VRI):

Jan Samson, Senior V.P. of Resort Operations, VRI
Jeff Wharton, Director of Resorts, VRI

General Manager

Ed O'Connor

TheMVPSERVICE

T.J. Bryant

Owners:

No owners were 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.

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

III. APPROVAL OF MINUTES

Meeting minutes from April 27, 2011 and June 7, 2011

MOTION: Tom Andres moved to approve the April 27, 2011 as presented and the June 7, 2011, meeting minutes. The motion was seconded by Ed O'Connor and approved unanimously.

The June 7, 2011 minutes change: Page 3 of 6, Item IV. A, as recommended by John Vary: Ed O'Connor reported that the opposing attorney requested a meeting with the judge to set a trial date and asked to depose Clay Morrison the gentleman expert from Texas, on his evaluation of the undamaged portion of the damaged building.

MOTION: Dave Zibolski moved to approve the June 7, 2011 minutes as amended. The motion was seconded by Tony Annunziato and approved unanimously.

IV. EXECUTIVE SESSION

Postponed until the following day as necessary.

V. FINANCIALS/COLLECTIONS

A. Financial Report

Tom Andres reviewed financial statements through June 2011. Included in the review were the Cash Balances Report, Accounts Receivable Summary, Comparative Income Statement, Reserve Report and Cash Flow Analysis.

Special Assessment – Mr. Andres estimated a shortfall of \$5,000 - \$6,000 from paying the final mortgage payment, which may be made up from the operating account.

B. Colebrook Loan Status Report

A loan to rebuild the fire-damaged north building was secured from Colebrook in the amount of \$3.5 million dollars, with an interest rate of prime plus 2.75%, minimum interest rate of 9.25%.

Tom Andres reported that the current balance is \$162,899, with two payments recently made in the amount of \$250,000.00 and \$200,000.00.

C. Delinquency Report

1. 2011 Maintenance Fee Delinquency

Dick Garrett and Jeff Wharton reviewed the latest delinquency status at 644 intervals, representing 28.7% of the ownership.

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New Owner	1	\$ 0
Bankruptcy	8	\$ 20,381
CCCI collections	37	\$ 25,949
Pinnacle Collections	157	\$315,589
Uncollectable	7	\$ 20,237
Deedback	23	\$ 36,827
Payment Plan	43	\$ 3,797
Association	175	\$ 87,562
Active Accounts	90	\$ 36,526
Foreclosures	<u>69</u>	<u>\$141,239</u>
Total	644	\$651,581

Dave Zibolski questioned the status of specific names on the delinquency lists and requested that management monitor regularly and make contact to resolve payment plans and active accounts.

2. 2010 Special Assessment Delinquency

Billed 5/22/11 delinquent by 7/1/11

Total 2011 collected: \$582,447

Total 2011 delinquent: \$219,455

Total 2010 collected: \$730,849

Total 2010 delinquent: \$125,028

Total 2009 collected: \$726,365

Total 2009 delinquent: \$98,689

Total 2008 collected: \$731,807

Total 2008 delinquent: \$76,545

Total 2007 collected: \$949,922

Total 2007 delinquent: \$77,079

D. Foreclosure Status Report

Management reviewed Greenspoon-Marder's foreclosure spreadsheet and requested authorization to send another 50 accounts to foreclosure. No action was taken.

E. Deed Back Status Report

Wilkinson Title reports that 23 accounts are in the process of deeding back to the Association.

F. 2012 Reserve Projects Review

Provided in Manager's Report.

VI. MANAGER'S REPORT

A. RCI Scores

Ed O'Connor reported that the staff is doing all they can to maintain RCI comment card scores at the highest level, and they should obtain a Silver Crown award again this year.

B. Completed/Future Projects

Ed O'Connor provided a list of completed projects and future projects from 2011 – 2012. Mr. O'Connor suggested that some property conditions and some of the proposed projects must be considered when reviewing the 2012 budget (exhibit attached).

Engineering firm Arnold/Sanders submitted a proposal to provide plans and engineer a ground-floor bathroom facility at a cost of \$3,800.00 (exhibit attached).

MOTON: Ed O'Connor moved to table discussion until the following day. The motion was seconded by John Vary and approved unanimously.

The matter was not discussed further and will be placed on the October agenda.

5 minute break.

VII. UNFINISHED BUSINESS

A. Fire Insurance – Status of Lawsuit

1. Results of Recent Legal Activity

John Vary provided a status report of the depositions from the Fire Insurance Lawsuit. After February, the attorney asked to amend the motion from the complainant regarding the undamaged portion of the building. Mr. Morrison estimated the damage at 2 million dollars for the undamaged portion of the damaged building. Previously the judge allowed consequential damages, owner usage loss, loan to rebuild and lost rent.

2. Possible Future Action

The defense hired their own expert and asked to delay depositions of their expert until late October.

3. Projected Court Date

No trial date will be set until the remaining depositions are complete. Eventually the higher court may push for a trial date to clear the judge's case file.

B. Committee Reports

1. Web Site

Ed O'Connor is receiving comments from owners to improve the web site with new pictures and other information.

Board members discussed changing the method by which owners receive future newsletters. To reduce printing and mailing costs, three of the four newsletters will not be mailed to owners and will be accessible on the web site. All newsletters will be placed on the web site for owners to view. The October newsletter will include a notice to owners wishing to receive mailed copies of the newsletter.

2. Governing Documents (Articles, Bylaws, Declaration)

Dave Zibolski reported that, after months of work and effort, a final copy of the governing documents is available to the Caribbean Beach Club owners, as determined by the General Manager.

MOTION: Dave Zibolski moved that the governing documents be placed and accessible on the web site for the owners to access. The web site should say that copies are available upon request. The motion was seconded by John Thomson and approved unanimously.

3. Axis Lawsuit

Previously discussed.

4. Board Rules & Regulations

Tony Annunziato questioned the legitimacy of the rules and regulations as in some cases rules are not followed by the owners and guests and in turn not being enforced. Mr. Annunziato pointed out examples of rules that owners and guests violate regularly, and asked for a review of the rules that management will follow, enforce, and address violations. Ed O'Connor requested input and recommendations from the Board to revise the current list and methods of enforcement. The Board will discuss recommendations in October.

C. Well Monitoring Report

Ed O'Connor reported and the Board reviewed a favorable report from American Environmental Engineering of Florida, Inc. The State reduced the monitoring activity to two wells 2 visits per year and will continue until the State advises otherwise.

Lunch break 12:00 – 1:12 p.m.

VIII. SALES REPORT

A. General Sales Report

T.J. Bryant from TheMVPSERVICE sales company provided a sales report through the month of July, with a strong month and on track to sell another 100 weeks this year.

Ed O'Connor reviewed a preliminary deed-in-lieu program where staff from Caribbean Beach Club, VRI, and TheMVPSERVICE set up a strategy to contact select owners delinquent in their maintenance fees and offer to take these back in the name of Caribbean Beach Club. Joe Takacs of TheMVPSERVICE is offering to pay a \$200 release fee per interval week on every sale of inventory once the agreement is signed.

Board Members tabled further discussion and requested a written proposal from Mr. Takacs prior to making a final decision.

Upon review of the Mr. Takacs' Deed in Lieu offer on Tuesday morning, Dave Zibolski requested a specific timeline the team will need to make contact with all owners.

Discussion continued Tuesday, August 16, 2011.

MOTION: John Vary moved to accept the proposal from TheMVPSERVICE for partial payment of the title fees through December 31, 2012, for the title release fees in the amount of \$200.00. The motion was seconded by Dick Garrett. Motion withdrawn by John Vary.

MOTION: Ed O'Connor moved to authorize management to take back any account over \$1,500.00 as a deed back and collect the \$225.00 from each owner. The motion was seconded by Dick Garrett. Approved: Ed O'Connor, Tom Andres, Dick Garrett. Opposed: John Vary, Tony Annunziato, John Thomson, Dave Zibolski. The motion failed.

MOTION: John Vary moved to give the Manager authority to take back delinquent units. The motion was seconded by Dave Zibolski and approved unanimously.

B. 2012 Sales Projections

Previously discussed.

IX. NEW BUSINESS

A. Becker & Poliakoff Legal Service Engagement

Tabled until the following day.

Discussion continued Tuesday, August 16, 2011.

Joe Adams, Managing Partner from Becker & Poliakoff's Ft. Myers/Naples location which represents over 900 clients, outlined different areas of coverage & specialization within the firm. Mr. Adams reviewed his experience, responsibilities, fees, and work within the state Associations and Community Association legislation.

MOTION: Dave Zibolski moved to transfer Caribbean Beach Club's legal representation to the Becker & Poliakoff Ft. Myers office. The motion was seconded by Tom Andres. Approved: Dave Zibolski, Tom Andres. Opposed: John Thomson, John Vary, Tony Annunziato, Ed O'Connor. The motion failed.

The Board of Directors requested a 2010 and YTD history of Becker & Poliakoff expenses, and obtain a quote from a CPA firm for a ballot count. The matter will be placed on the October 31, 2011 agenda.

B. 2011 Projects

1. Blacktop Resealing

Ed O'Connor reviewed bids to reseal and restripe the blacktop parking lot to reduce additional deterioration and cracking.

MOTION: Dave Zibolski moved to approve Driveway Maintenance, Inc. in the amount of \$3,426.00 from reserve account #942, paving & walkway account. The motion was seconded by Tom Andres and approved unanimously.

2. Walkway/Stairwell Painting

MOTION: John Thomson moved to table the walkway/stairwell painting proposals until the following day. The motion was seconded by Dave Zibolski and approved unanimously.

Discussion continued Tuesday, August 16, 2011.

MOTION: Dick Garrett moved to proceed with Mario's second proposal with a warranty stipulation that it will be guaranteed within the first year. The motion was tabled until after the budget discussion.

Discussion continued after the budget discussion.

MOTION: Tom Andres moved to accept Mario's Painting proposal in the amount of \$5,585.00 which includes sales tax and a one year warranty charged to reserve expense 942,

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paving and walkways. The motion was seconded by Tony Annunziato and approved unanimously.

C. Voting Committee – 2011

Dick Garrett appointed the following Board members as the 2011 voting committee: Dave Zibolski, John Vary and Ed O'Connor.

D. Maintenance Fee ABC Policy

The Board of Directors reviewed the Assessment Billing & Collection (ABC) Policy established for a billing and collection timetable and provides the Association's ability to serve lock out notices, for both the maintenance fee billing.

MOTION: Dave Zibolski moved to remove the word "and" from the last sentence of the 7th paragraph of the ABC Policy. The motion was seconded by John Vary and approved unanimously.

MOTION: Dick Garrett moved to approve the Assessment Billing & Collection Policy as presented. The motion was seconded by Dave Zibolski and approved unanimously (exhibit attached).

E. Ratification of Contracts

Ed O'Connor reported that no contracts were entered into since the last meeting.

F. Surveillance System

MOTION: Dave Zibolski moved that upon recognition of damaged CBC property, the manager or designee will review the surveillance system in an attempt to identify the person(s) responsible and if identified, charge the indented individual(s) via their charge card on file for the entire cost of replacement of the property per CBC governing documents. The motion was seconded by John Thomson and approved unanimously.

Dick Garrett called for a recess of the meeting at 3:05 p.m. until the following day, August 16, 2011.

Dick Garrett opened the meeting with a roll call at 9:00 a.m. on August 16, 2011. A quorum was established with 7 of 7 Board members present. Two owners were present. Representing VRI were Jan Samson and Jeff Wharton. Mr. Garrett asked to discuss the tabled items.

G. Newsletter

Dave Zibolski recommended changes to the method of sending the newsletter to owners to reduce costs. With the printing, mailing, and postage costs of each newsletter, Mr. Zibolski

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recommended converting the newsletter to an electronic version, simply placing it on the Association's web site and making it available to all owners with computer access. Any owners wishing a paper copy may contact the Association to be added to an ongoing mailing list.

MOTION: Dave Zibolski moved that effective 9/01/11, Caribbean Beach Club will only print the annual meeting notice newsletter. All others will be available electronically on the Caribbean Beach Club's web site or via owners' e-mails if they provide that information to VRI. Any owner wanting a hard copy will have to request one from the Caribbean Beach Club office. The motion was seconded by John Thomson. Approved: Dave Zibolski, John Thomson, Tom Andres, Tony Annunziato, John Vary, Dick Garrett. Opposed: Ed O'Connor, who questioned the availability of computers to all owners and the legality. The motion was approved.

H. Insurance Review

Vern Corbin from Willis Company, the Association's Insurance Broker, arrived to provide a summary of changes within the insurance industry and the probably maximum loss (PML) factor – a new barometer for the insurance industry depending on property vulnerability. This year's increases look like they will be flat, maybe factor a 3% increase into budgets to protect the Association's budget.

X. 2012 BUDGET

A. 2012 Maintenance Fee Budget

Tom Andres suggested that any advance airline tickets purchased may be submitted to him for approval and payment at that time.

The 2012 Budget was presented for review and approval. After many hours of extensive discussion of each line item, Board members reviewed and made adjustments to the operating and reserve line items of the budget.

Tom Andres suggested adding a contingency line item to the budget. No action was taken.

MOTION: Tom Andres moved to accept the 2012 budget as: Operating \$454.89, Reserves \$68.11, totaling \$523.00, plus property tax. The motion was seconded by John Thomson and approved unanimously.

B. 2012 Reserve Funding

Previously discussed in 2012 Maintenance Fee budget portion of the meeting.

XI. FUTURE MEETING DATE

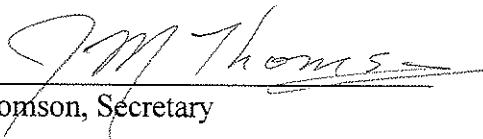
The future meeting date is as follows:

October 31, 2011 – 9:30 a.m. – Budget and Annual meetings

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XII. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:20 p.m., August 16, 2011.

BY: 
John Thomson, Secretary

DATE: Jan 31 2012



CARIBBEAN BEACH CLUB OWNERS ASSOCIATION, INC.
ANNUAL MAINTENANCE BILLING PLAN
(STATE OF FLORIDA)

The following is the Annual Maintenance Billing Plan policy for the Caribbean Beach Club Owners Association as adopted by the Board of Directors on February 20, 1998, and reconfirmed on August 15, 2011.

NOVEMBER 15th

You will be mailed the first annual maintenance notice for the next year's annual maintenance. **Payment is due upon receipt.** Failure to receive a statement does not relieve the owner of the responsibility of payment or constitute cause for cancellation of annual maintenance, penalties, and fees.

DECEMBER 15th

A reminder notice is sent to owners who have not paid to date.

JANUARY 15th (or 60 days after the first annual maintenance notice, whichever is later.)

Delinquency Date. If you have not paid your annual maintenance, your account is delinquent. You will be mailed the final annual maintenance billing notice, including all penalties, fees and interest. **THIS NOTICE SERVES AS THE LOCK OUT NOTICE AS STIPULATED IN FLORIDA STATUTE 721.13(6)(A) AND ALL DELINQUENT OWNERS WILL BE DENIED ACCESS OR USE.** Your reservations are canceled and you may not make or hold a reservation after this date.

THE EXCHANGE COMPANY WILL BE NOTIFIED OF CANCELLATION PURSUANT TO FLORIDA STATUTE 721.13(6)(C). Exchange requests of any type will not be confirmed. Confirmed reservations are subject to cancellation.

There is no guarantee that you will be able to receive a confirmed exchange after your account is brought current.

THIS WILL ALSO BE YOUR FIRST NOTICE OF OUR INTENT TO RENT YOUR WEEK PURSUANT TO FLORIDA STATUTE 721.13(6)(F)1. Use weeks resulting from delinquencies are available for Bonus Time, Vacation Time, and the Administrative Hold Program. Proceeds of such rentals will be applied to your account, net of any rental commissions, cleaning charges, travel agent commissions, or any other commercially reasonable charges usually incurred by the managing company.

If you are delinquent, the following charges are added to all delinquent owner accounts:

- a. A Reinstatement Fee of \$25.00
- b. Maximum interest allowed by law per month beginning January 15st
- c. An exchange, deposit, or confirmation cancellation fee of \$15.00 or 5% (whichever is less)

If you are delinquent, your reservations are canceled and you may not hold a reservation until your account is brought current. Exchange requests will not be confirmed. Existing confirmed exchanges will be blocked. There is no guarantee that you will receive a reservation or confirmed exchange after you have brought your account current. You must pay all charges in full to have your occupancy reinstated.

FEBRUARY 15th

Management will send a notice detailing all charges and fees that will be added if the delinquent account is not paid in full in 15 days and is submitted for legal and/or collection action.

The Board of Directors may, at its discretion, submit delinquent accounts to an attorney for formal notification of default and demand for payment (Legal Notice). The cost of Legal Notice will be added to delinquent owner's accounts.

MARCH 1ST

The Board of Directors may, at its discretion, implement any of the following actions. Any related costs for these actions will be added to the delinquent owner's account.

- a. Engage professional collection agencies to collect payment.
- b. Pre-Notification of Lien & Record a Claim of Assessment Lien.
- c. Foreclose on the Claim of Assessment Lien.
- d. Institute a Small Claims suit or other legal action.

NOTE: A \$25.00 charge will be added to your account for any payment that is not honored (bad check, insufficient funds, etc.). If the first payment is not honored for any reason subsequent payment including applicable late fees must be by secured funds (cash, money order, cashier's check).