

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

August 6-7, 2012

I. CALL TO ORDER/ROLL CALL

President Dick Garrett called the meeting to order at 8:30 a.m., August 6, 2012, at the Caribbean Beach Club, Ft. Myers Beach, Florida. A roll call confirmed 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

Caribbean Beach Club

Laurie Meier, General Manager

TheMVPSERVICE

T.J. Bryant

Owners:

2 owners present.

II. NOTICE VERIFICATION/QUORUM

Laurie Meier 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

Meeting minutes from March 19, 2012, March 29, 2012.

MOTION: Tom Andres moved to approve the March 19, 2012, and March 29, 2012 meeting minutes. The motion was seconded by Dave Zibolski.

Amendments to the March 19, 2012 minutes are as follows:

Section VI B. Well Monitoring Report. Second sentence, change the word single to two.

Section VI A. 1. Last sentence, revised: The Board agreed to table consideration of establishing an owner only portion to the website.

V B. Last sentence, revised: Currently resort scores are at Gold Crown levels, even though few cards were sent in.

MOTION: Dave Zibolski moved to approve the minutes as amended. The motion was seconded by Tom Andres and approved unanimously.

IV. FINANCIALS/COLLECTIONS

A. Financial Report

MOTION: Ed O'Connor moved to table Item A, Financial Report, until the following day, prior to the budget discussion. The motion was seconded by Tom Andres.

Approved: Ed O'Connor, John Vary, Dick Garrett

Opposed: Dave Zibolski, Tom Andres, John Thomson, Tony Annunziato

The motion failed.

Tom Andres reviewed financial statements through June 2012. Included in the review were the Cash Balances Report, Accounts Receivable Summary, Comparative Income Statement, Reserve Report and Cash Flow Analysis. Mr. Andres suggested that the Association maintains a little over 1 million in cash. Accounts Receivable is \$303,369.53 which equates to a 33% delinquency in a dollar amount, with an estimated \$77,000.00 yet to be written off. All reserves are booked up front.

Mr. Andres suggested the Axis settlement payment should be placed in a separate fund and maintained as a liability and given back to the owners.

MOTION: Dave Zibolski moved to request \$129,329.00 payment from account 408.10 to a liability account named "insurance proceeds due to owners". The motion was seconded by Tom Andres and approved unanimously.

Tom Andres stated that the Board will review the tax escrow account during budget discussions.

MOTION: Ed O'Connor moved to table the balance of the June financial report until the following day, along with the budget discussion. The motion was seconded by Tom Andres and approved unanimously.

B. Delinquency Report

1. 2012 Maintenance Fee Delinquency as Provided by Bob Price July 30, 2012

Management reviewed the latest delinquency status at 462 intervals, representing 21% of the ownership.

Active accounts	0	\$ 0
Payment plan	11	\$ 2,920
Meridian collections	20	\$ 13,412
Continental collection	11	\$ 13,058
Bankruptcy	8	\$ 21,619
Uncollectable	61	\$152,139
Deed back	5	\$ 8,310
Foreclosures	139	\$354,374
Association	207	\$105,241
New Owner	0	\$ 0
Total	462	\$671,073

2. Special Assessment Delinquency

Last billed 5/2/11 delinquent by 7/1/11

Total 2011 collected: \$632,295

Total 2011 delinquent: \$83,088

Total 2010 collected: \$746,762

Total 2010 delinquent: \$91,633

Total 2009 collected: \$731,337

Total 2009 delinquent: \$73,722

Total 2008 collected: \$734,939

Total 2008 delinquent: \$60,744

Total 2007 collected: \$958,253

Total 2007 delinquent: \$56,999

C. Foreclosure Status Report

Management provided and reviewed the Greenspoon-Marder foreclosure spreadsheet. Each set of accounts is moving through various stages of the foreclosure process.

D. Deed Back Status Report

Wilkinson Title reports that 5 accounts are in the process of deeding back to the Association.

E. Auditor Engagement Renewal

Management presented and the Board of Directors reviewed a request to renew the auditor engagement by Zimmerman, Zeigler & Chamberlain, P. A.

MOTION: Dave Zibolski moved to approve the Auditor Engagement for year 2012 audit. The motion was seconded by Ed O'Connor and approved unanimously.

F. Deed Back Policy

Management presented and the Board reviewed a new Deed Back Policy. Board members suggested a review of the policy.

MOTION: Ed O'Connor moved to table the review until the next meeting, to allow review of the proposed policy and submit revisions at the next Board meeting. The motion was seconded by John Vary.

Approved: Ed O'Connor, Dave Zibolski, Tony Annunziato, John Thomson, John Vary, Dick Garrett

Opposed: Tom Andres

The motion was approved.

G. ABC Policy Approval

The Board of Directors reviewed the Assessment Billing & Collection (ABC) Policy, establishing a billing and collection timetable of the maintenance fee billing.

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

10 minute break

V. **MANAGER'S REPORT**

A. RCI Scores

Laurie Meier reported that RCI scores continue to perform at Gold Crown levels.

B. 2012 Projects and Future Projects

Management provided a list of completed and future projects establishing a guideline for Board discussion and future planning (exhibit attached).

C. Well Monitoring Report

Management reported and the Board reviewed a favorable report from American Environmental Engineering of Florida, Inc. The State reduced the monitoring activity to 2 wells, 4 visits per year and will continue until the State advises otherwise. The Board of Directors requested a proposal from AEE to discontinue well monitoring.

1 hour lunch break

VI. UNFINISHED BUSINESS

A. Committee Reports

1. Web Site

Yahoo Groups - Mr. Vary reported that the Association attorney advised against having an interactive site, that owner influence may cause problems, establishing it as a read-only site.

Mr. Vary set up and will continue Yahoo groups to allow owners free input and open communication.

Web site - John Vary and Dave Zibolski discussed recent changes with the web site, and problems with access most recently. Laurie Meier reviewed some of the latest improvements and updates to the site.

The discussion continued with ideas for the future of the site, which may include expansive owner information, a password protected owner area, sales marketing, e-mail blasts, notices and recent events.

Laurie Meier provided multiple proposals to the committee from web site designers. The committee will follow up by re-establishing the existing site and provide a recommendation to the Board of Directors. A decision for a web designer was postponed until the following day.

August 7, 2012

MOTION: Dave Zibolski moved to accept Business Master's proposal for the web site contingent on the Dot5 hosting, at \$1980.00, for site production, 30 minutes per month, and 5 gig of capacity. The motion was seconded by Tom Andres and approved unanimously.

Caribbean Beach Club
August 6-7, 2012

2. Governing Documents (Articles, Bylaws, Declaration)

No report.

3. Axis Lawsuit

Previously Judge Porter ruled in our favor with regard to many of the issues. A new judge was assigned by the court, no idea why, nor is any information available on the new judge. The trial date for August 28, 2012 remains, for a jury trial to decide on an outstanding claim of coverage of 2.2 million. Recently an offer of \$924,000.00 was denied. A conference meeting with the new judge is scheduled for August 7th, with a report to follow by the attending attorney.

4. Board Rules & Regulations

The Committee presented a copy of the Rules & Regulations, reviewed each item and asked the Board of Directors to provide input or changes.

MOTION: Ed O'Connor moved to table the approval until August 7, 2012 for final approval after the revised and final version is made available. The motion was seconded by Dave Zibolski and approved unanimously.

August 7, 2012

MOTION: Ed O'Connor moved to adopt the Caribbean Beach Club Rules & Regulations attached as exhibit A, to include the date adopted on the document. The motion was seconded by Tom Andres, and approved unanimously (exhibit attached).

Management will send a copy of the new Rules & Regulations to the Association attorney and make available to all owners.

B. Door Replacement Proposals

Laurie Meier reported that the office doors were installed recently with one slight change, the pool side door opens from the left side instead of the right side. Ms. Meier reviewed proposals from multiple vendors to replace 28 doors throughout the middle and south buildings. Further discussion was postponed until the following day.

August 7, 2012

The door replacement topic continued with concerns to replace the most critical doors, and in the future management would replace damaged doors as necessary.

MOTION: Tom Andres moved to replace 10 doors at a cost not to exceed \$9,000.00. The motion was seconded by Ed O'Connor and approved unanimously.

Caribbean Beach Club
August 6-7, 2012

C. Pipe Hanger Repainting Proposals

Discussion of the rusting pipe hanger under the north building continued, supporting the need to have the hanger repainted under a specific scope of work. Laurie Meier reviewed Scott Paint's scope of work and proposals to complete the project from multiple painting contractors.

MOTION: Dick Garrett moved to approve repainting the pipe hangers at a cost of \$2,490.00, paid from reserve account 944, with the stipulation that the paint contractor will follow the Scott Paint specifications. The motion was seconded by Dave Zibolski and approved unanimously.

D. Tiki Hut Re-Thatching

Management provided a condition report and presented two proposals to replace the thatch roof and bamboo exterior.

MOTION: Dave Zibolski moved to approve Mark Scott's proposal for the replacement of the tiki hut bamboo and repair the thatch roof, in the amount of \$3,600.00, paid from reserve account 944, Capital Improvements. The motion was seconded by John Vary.

Approved: Dave Zibolski, John Vary, Ed O'Connor, Tony Annunziato, John Thomson, Dick Garrett

Opposed: Tom Andres

The motion was approved.

E. Pool Lift Compliance

Management provided a status report and pending timeline of the ADA guidelines, whereby a final decision from the Department of Justice was postponed until January, 2013.

VII. SALES REPORT

A. General Sales Report

T.J. Bryant from TheMVPSservice sales company provided a sales report. The Summer Beach program is maturing fine, now that two sets of coupons were mailed to local households.

Mr. Bryant asked the Board to give Laurie Meier the authorization to sign deeds on behalf of the Association.

MOTION: Ed O'Connor moved to give the General Manager, Laurie Meier, authorization to sign deeds. The motion was seconded by Tony Annunziato and approved unanimously.

B. 2012 Sales Projections

Compared to 58 intervals sold in 2011, 41 intervals were sold through July, with projections of 65 intervals in 2012.

VIII. NEW BUSINESS

A. Management Contract Proposals

Tony Annunziato stated that he contacted three companies, which include management services and sales. Proposals will be presented at the August 2013 meeting.

B. Exterior Painting Proposals

Management presented and the Board of Directors reviewed proposals, scope of work and warranties to repaint the building exterior. Further discussion was postponed until the next meeting.

C. Insurance Review

John Vary reported that he followed up on coverage for the flood policy through Ameriflood due to insufficient limits, to increase the Ordinance & Law (O&L) coverage, which will replace damages up to the current building code. Each coverage outlined is under O&L.

Flood policy – Under O&L, currently the north & center building has \$30,000.00 coverage. The south building has \$30,000.00.

Wind policy – 7 million total coverage for the property, center building \$500,000, south building \$100,000.

All other perils – 7 million total property, \$1 million total property. We need an additional \$1 million.

The existing premium for all other perils is \$14,503, with an estimate of \$11,000 for additional \$1 million O&L coverage. The Broker feels the premium is high, although no other quotes are available, and it would be sold as an endorsement policy.

Tom Andres explained that the extra expense was not included in the 2012 budget and would increase the insurance cost for the Association. The additional coverage will be included in next year's budget.

MOTION: John Vary moved to purchase additional Ordinance & Law coverage for all other perils, excluding wind & flood at an additional premium of \$11,000.00 as long as we have the funds to pay for the coverage. The motion was seconded by Tony Annunziato. All voting opposed, the motion failed.

D. Pool Towel Program/Towel Exchange

Laurie Meier outlined the existing pool towel exchange program, reporting guest usage, labor

Caribbean Beach Club
August 6-7, 2012

costs, and loss of inventory. Laurie Meier recommended, and the Board of Directors authorized, a new program to improve quality and establish controls within the rooms.

E. Board Member Certification

Each Board member who has not completed a DBPR division approved educational curriculum is required to sign a form certifying that they have read the Caribbean Beach Club Condominium Association's Declaration of Condominium, Articles of Incorporation, Bylaws, and current written policies, and will work to uphold such documents and policies to the best of their ability, and that they will faithfully discharge their fiduciary responsibility to the Association's members

F. Voting Committee – 2012

Dick Garrett appointed the following Board members as the 2012 voting committee: Dick Garrett, Tom Andres and Tony Annunziato.

G. Ratification of Contracts

Management reported that no contracts were entered into since the last meeting.

The meeting was adjourned at 4:10 p.m. until August 7, 2012.

President Dick Garrett called the meeting to order at 8:33 a.m., August 7, 2012, at the Caribbean Beach Club, Ft. Myers Beach, Florida.

3 Owners present.

IX. 2013 BUDGET

A. 2013 Reserve Funding, presented by Tom Andres.

10 minute break

Tom Andres reviewed a reserve computation of items of \$10,000.00. Mr. Andres suggested that the existing reserve study includes incorrect information and recommended that the Board approve a new reserve study conducted by a Florida based firm.

MOTION: Tom Andres moved to rescind the contract with Hughes Reserves. The motion was seconded by Dave Zibolski and approved unanimously.

Ed O'Connor suggested that the Board approve the recommendation by VRI to have GAB Robins conduct an on-site study of the property.

Caribbean Beach Club
August 6-7, 2012

MOTION: Tom Andres moved to approve a new reserve study to be completed by GAB Robins at approximately \$4,000.00 cost. The motion was seconded by Ed O'Connor and approved unanimously.

MOTION: Ed O'Connor moved to approve \$170,398.00 reserve calculation as recommended by VRI. The motion was seconded by John Vary. The motion was withdrawn.

B. 2013 Maintenance Fee Budget

Property Tax

Management reviewed the previous year tax allocation and calculation from the 2012 statement billing. Upon receiving the 2011 tax allocation, the 2012 tax calculation for the 2013 statement billing was updated and presented to the Board of Directors.

Discussing the over-billing from the previous year, the Board asked to credit the owners the difference to all owners who paid in 2012. A total credit of \$26,144.00 will be credited based on the amount each owner overpaid. The Board asked to include a credit to the statement or notes on the statement notifying the owners.

MOTION: John Thomson moved to have VRI credit owners overbilled using the 2012 tax allocation on the 2013 billing statement. The motion was seconded by Ed O'Connor and approved unanimously.

MOTION: Ed O'Connor moved to assess zero taxes with the 2013 budget. The motion was seconded by Dave Zibolski and approved unanimously.

Lunch break 1:30-2:00

2013 Budget

The 2013 Budget was presented for review and approval.

MOTION: Tom Andres moved to accept the 2013 budget as presented by VRI. The motion was seconded by Tony Annunziato. With all opposed, the motion failed.

After many hours of extensive discussion with of each line item, Board members reviewed and made adjustments to the operating and reserve line items of the budget.

MOTION: Tom Andres moved to approve the preliminary budget for the maintenance fee assessment of 2244 units, which is \$1,040,922.00, for Operating assessment, which is \$463.87 per interval, and the budget will also include an additional \$170,398.00 for Reserve assessment, which is \$75.94 per interval, totaling \$539.80 per interval week. The motion was seconded by Dave Zibolski and approved unanimously.

X. EXECUTIVE SESSION

Attorneys Corey Harris and Doug Grose from Merlin Law Group arrived at the Board meeting.

MOTION: John Thomson moved to approve an Executive Session. The motion was seconded by Tony Annunziato and approved unanimously.

MOTION: Dave Zibolski moved to return to Regular Session. The motion was seconded by Tony Annunziato and approved unanimously.

XI. FUTURE MEETING DATE

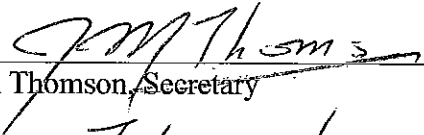
The future meeting date is as follows:

October 29, 2012 – 8:30 a.m. – Budget and Annual meetings

XII. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:15 p.m., August 7, 2012.

BY:


John Thomson, Secretary

DATE:

Feb 25 / 2013

EXHIBIT

MANAGER'S REPORT

CARIBBEAN BEACH CLUB

July 30, 2012

Submitted by: Laurie A. Meier

Along with the items listed below, the completed projects and projected projects list is a guideline for Board discussion for future planning. I am certain that the wish list will continue to grow but also that items that may currently be listed there will possibly be listed as completed items pending Board approval.

2012 Completed Projects (April – July)

Office

Doors have been replaced.

Office furniture rearranged.

A sign board for daily activity announcements has been implemented.

General Cleaning and Organization:

A designated area for beach chairs, pool rafts, toys and noodles has been made at the pool.

The Rubbermaid cabinet from the parking area has been moved to the bike area and fitted with hooks for storage of oars, life vests, fishing poles, bike helmets, etc.

The area under the stairs of the north building near the beach has been cleaned and organized.

The picnic tables have been pressure washed and sanded.

The area by the coffee and pool has been cleared of lost and left items.

The area under the center building has been cleaned, the wall painted and edging stones placed the length of the end wall.

Trimming of the plants and shrubs and a good cleaning of old fronds, leaves, etc. has been completed.

The floor in the north building laundry has been resurfaced and the room repainted. The vending machine is operational

Activities

Along with MVP, a Monday welcome breakfast and orientation was planned and is taking place weekly. MVP pays for the food items and the CBC staff sets up, prepares and cleans following the event. The focus of this event is marketing and guest satisfaction.

We have upgraded the offering of ice cream by naming the event "Create a Wednesday Sundae" where owners and guests purchase a bowl of ice cream and can create their own sundae with a generous display of toppings. An Ice Cream Trivia game has been added.

An Activity Board has been added where the daily activities are noted for the guests.

The cookout has been moved to Friday and we have included offering cheeseburgers and Bratwurst. The move was largely due to staffing issues and it may move to another day during the week in the future. We have added Caribbean island music to events with very favorable comments from owners and guests.

Staff

One employee retired.

Added a new office employee, Mary Hudson.

Changed the process whereby late arrivals can more easily locate their keys (in lock box).

Monthly staff meetings are held with Hospitality/Service and Quality foremost in planning and working day to day.

Each department is working on creating a timeline and setting departmental goals.

New 'uniform' shirts were ordered for Maintenance and Housekeeping.

Staff has decreased the 'off property' trips.

We are tracking occupancy.

We are tracking the number of sundry items given out weekly as prizes.

We are tracking comment cards and guest suggestions.

Possible Future Project Items

Towel Exchange Program.

Learn about the State of Florida's Green Lodging Program.

Reuse, recycle and make wise purchases.

Create an owner survey.

Create a Mission Statement for each department and an overall statement.

Complete overall timeline for resort operational.

Addition of different items for purchase by owners and guests.

Replace the upper railings on the pier.

Upgrade the Screened Room to maximize its use.

Obtain ideas from a decorator for future projects for the interior of the units.

Change the e-mail address for the office and manager so as to allow additional use of Outlook on additional devices (lap top/phone).

EXHIBIT

Caribbean Beach Club Rules and Regulations

1. The personal property of all unit occupants shall be stored within their Condominium units.
2. No garbage, supplies or other articles shall be placed or stored on the decks, balconies, and entryways, nor shall any clothing, towels, laundry of any kind, or other articles be hung from any of the windows, railings, balconies or entryways, or exposed on any part of the limited common elements or common elements.
3. No unit occupant shall sweep or throw any dirt or other substances outside of his unit or on to the limited common elements or common elements of the Condominium.
4. Refuse and bagged garbage and recyclables shall be deposited only in the area provided therefore.
5. No unit occupant shall store or leave boats, trailers, mobile homes and the like on the condominium property, except with permission of the Resort Manager who will consider the available parking slots.
6. No unit occupant shall direct, supervise, or in any manner attempt to assert any control over the employees of the Management firm or the Association.
7. No unit occupant shall make or permit any disturbing noises or do or permit anything that will interfere with the rights, comforts or convenience of the other occupants whether while in their unit or in the common areas of the resort.
8. No occupants shall operate a stereo, television, radio, or any other device with a sound amplifier or speaker, in the unit or in the common areas, in such a manner as to disturb or annoy other occupants of the condominium. All party (s) shall lower the volume as to the foregoing from 10:00 p.m. to 8:00 a.m. each day so that it cannot be heard outside the unit.
9. No sign, advertisement, notice or other lettering shall be displayed, painted or affixed, in, on or upon any part of the Condominium units, limited common elements, or Condominium property by any unit owner or occupant.
10. Complaints regarding the service of the condominium shall be made in writing to the Management Firm, as long as the Management Agreement remains in effect, and thereafter, to the Board of Directors.

11. No flammable, combustible, or explosive fluid, chemical or substance, shall be kept in any unit or limited common area.
12. Rules and Regulations as to the use of the pool and facilities shall be posted as specified in the bylaws of the Condominium Association or as required by law and each unit occupant or guest shall observe all Rules and Regulations relating thereto.
13. All occupants of units must vacate their units no later than 10:00 a.m. on the last day of their stay. No such occupant shall take possession of his unit earlier than 3:00 p.m. on the day on which his/her period commences.
14. No condominium unit shall be occupied by more than four (4) persons in all one bedroom units, and six (6) people in unit 104.
15. With the exception of approved Service Animals, no dogs or pets of any nature may be kept in a unit or on the condominium property.
16. Visitors must register at the front office upon entering the resort property.
17. Parking is limited to one space per unit. A valid resort parking permit must be displayed at all times.
18. With the exception of eyeglasses and sunglasses, no glass of any nature shall be allowed in the pool area.
19. Smoking in any unit, attached lanai, or the Recreation Room is strictly prohibited.
20. Violation of these rules may be punished by a fine not to exceed \$100 per day nor \$1000 for 10 days, or eviction.
Appeal from such fine or eviction should be made in writing to the Rules Committee within 14 days and if not resolved to the Board of Directors at their next regularly scheduled meeting.
21. The Board of Directors of the Association and Management reserve the right to modify these Rules and Regulations as may be required from time to time without the consent of the Condominium Association and its members.



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

EXHIBIT

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 6, 2012.

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).