

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

March 19, 2012

**I. CALL TO ORDER/ROLL CALL**

President Dick Garrett called the meeting to order in the Owner Clubhouse at 9:30 a.m. at Caribbean Beach Club, Ft. Myers Beach, Florida. Jeff Wharton introduced Laurie Meier as the new General Manager of Caribbean Beach Club. 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, Sr. Vice President of Resort Operations, VRI  
Jeff Wharton, Director of Resorts, VRI

Caribbean Beach Club:

Laurie Meier, Manager Candidate

Others:

Joe Takacs, TheMVPSERVICE

Owners:

19 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.

**MOTION:** John Vary moved to amend the agenda; New Business – VRI management contract renewal discussion. The motion was seconded by Dave Zibolski and approved unanimously.

### III. APPROVAL OF MINUTES

**MOTION:** Tom Andres moved to approve the October 31, 2011 Board of Directors Board Meeting minutes as submitted. The motion was seconded by Ed O'Connor and approved unanimously.

**MOTION:** Tom Andres moved to approve the October 31, 2011 Board of Directors Regular Meeting minutes as submitted. The motion was seconded by Dave Zibolski and approved unanimously.

**MOTION:** Tom Andres moved to approve the November 9, 2011 Teleconference Meeting minutes. The motion was seconded by Dave Zibolski and approved unanimously.

**MOTION:** Tom Andres moved to amend the January 17, 2012 Teleconference Meeting minutes. The motion was seconded by Dave Zibolski and approved unanimously.

Change: Item III. B. Tax Allocation (last sentence re-write): "Dave Zibolski suggested the Board add to the newsletter that the Board is responsive to viable owner requests."

**MOTION:** John Vary moved to approve January 17, 2012 Teleconference Meeting minutes as amended. The motion was seconded by Dave Zibolski and approved unanimously.

**MOTION:** Tom Andres moved to approve February 15, 2012 Teleconference Meeting minutes as submitted. The motion was seconded by Dave Zibolski and approved unanimously.

### IV. FINANCIAL REPORT

#### A. Treasurer Report

Tom Andres stated he completed an analysis of the cash flow through the rest of the year and it appears Caribbean Beach Club has enough to operate. There is 1.3 million in cash, with \$527,729.00 specifically designated for reserves. Accounts receivables; \$363,000 due, with a budgeted uncollectable amount of \$268,000, or 21.72% estimated. Real estate taxes were overestimated, which will be credited against next year's taxes, based on the factored percentage. Mr. Andres reviewed the reserve account starting balance, expenses year-to-date.

John Thomson questioned a \$200 reserve expenditure for painting, and requested moving the \$200 expense back to operating.

1. Reallocation of Funds

Tom Andres outlined each of the negative balances at the end of 2011 from the Capital Improvements and Swimming Pool categories.

**MOTION:** Dave Zibolski moved to ratify the transfer of \$13,882.00 to eliminate the negative reserve accounts; Capital Improvements and Swimming Pool, taking the funds from the 2011 Furniture and Equipment category. The motion was seconded by John Vary and approved unanimously.

B. Delinquency Report

Management reviewed the latest delinquency status at 609 intervals, representing 28% of the owner base.

Active Accounts	107
Payment Plans	43
Collection (1 <sup>st</sup> )	2
Collection (2 <sup>nd</sup> )	0
Uncollectable	101
Bankruptcy	10
Deed back	17
Foreclosures	122
Association	201
New Owners	<u>6</u>
	609

Jan Samson compared the results against the previous years, as of February 2011 – 662 accounts or 29.5% delinquency.

10 minute break

C. Deed Back Status Report

Management reported that many accounts have no response from owners that previously requested deed backs to the Association. As of this report, 5 accounts are actively deeding back and the others will be removed and transferred to uncollectable status.

D. Foreclosure Status Report

Management submitted a status report recently updated by Greenspoon-Marder, a Florida law firm handling foreclosures on behalf of the Association. Currently a total of 122 interval weeks are in foreclosure.

**MOTION:** Dave Zibolski moved to request that all 101 uncollectable accounts be sent to foreclosure. The motion was seconded by Tony Annunziato. The motion failed.

**MOTION:** Dave Zibolski moved to amend the motion to send 50 accounts to foreclosure from the uncollectable group. The motion was seconded by Tony Annunziato and approved unanimously.

**V. MANAGER'S REPORT**

**A. ADA Pool/Hot Tub Pool Chair Lift Status**

Ed O'Connor reported the pool lift is in place and has been tested. Employees are becoming familiar with the use of the equipment and a guest use policy is in place.

Jan Samson briefed everyone stating that industry representatives, including ARDA lobbying on behalf of the timeshare industry, attempted to repeal the portion of the ADA Standard requiring pool lifts at all public accommodations. The Department of Justice replied with a burdensome interpretation of the ADA Standard, although further appeal resulted in a two-month extension until additional clarification is issued.

John Vary expressed concern with the Department of Justice's interpretation of the law and how this affects the portable lift purchase by the Association. Ed O'Connor assured the Board that the lift is adaptable to a permanent status if the law changes, which would also require the purchase of a second lift.

**B. RCI Comment Card Scores**

Ed O'Connor reported on the most recent RCI comment card scores. Currently resort scores are at Gold Crown levels, even though few cards were sent in.

**C. Completed Projects**

Ed O'Connor reviewed completed projects (exhibit attached).

**D. Future Projects**

Ed O'Connor provided a list of recommended projects between 2012 – 2016 (exhibit attached).

**E. VRI Sale**

Jan Samson outlined a recent purchase by Interval Leisure Group (ILG) of Vacation Resorts International (VRI). Jan Samson reassured that no management structure changes will be made, and suggested ILG will bring new resources to the property to help the Association with rentals, marketing and computerization.

12:25 p.m., 1 hour lunch break

## **VI. UNFINISHED BUSINESS**

### **A. Committee Reports**

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

#### **1. Web Site - John Vary, Dave Zibolski**

Richard Garrett confirmed that Dave Zibolski will replace him as the committee member.

Dave Zibolski requested a copy of the signed and recorded documents for the web site.

Mr. Vary reviewed a recommendation and suggestions from David Siktberg with ideas to redesign the web site at a cost of \$3,500.00 for setup, \$250 graphics designer, and \$150 per month to maintain it during the year. The Board agreed to table consideration of establishing an owner-only portion to the web site.

#### **2. Governing Documents – Dave Zibolski, John Thomson**

No report.

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

John Vary reported that on February 27, 2012 there was a final conference in front of the new judge responsible for the case where all outstanding issues would be resolved. Both sides filed a summary judgment stating they have all the answers and should win the case, which brings the case back to the judge to decide how the issue should be resolved. Based on the proposed length of the trial we were taken off the March calendar, moving the case towards an August trial date, for which we are first on the docket, unless the judge rules against us on the motion. If a motion is ruled against the Caribbean Beach Club, an appeal will be filed.

Based on the two causes of action, the Caribbean Beach Club (CBC) Board of Directors recently voted to accept a settlement on the second cause: the damage to the part of the building that the fire did not touch, or undamaged portion of the damaged building. Axis was willing to negotiate a settlement on this portion of the claim. Initially Axis Insurance filed an offer of judgment that if CBC collected less than \$250,000.00 offer of judgment, CBC would pay their legal fees. If CBC lost the case, the owners may be responsible for 1.1 million legal fees from Axis' attorney. The Caribbean Beach Club Board of Directors settled this portion of the claim by accepting a settlement for \$350,000.00. As soon as the agreement is signed by both parties, a copy of the agreement will be available to the owners. Axis will not be eligible for their legal fees, CBC would pay our attorney's fees and cost accumulated so far, and CBC would retain the balance.

The jury trial scheduled for August is based on the other cause of action claim against for 2.1 million.

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

The committee submitted a set of rules and regulations without unanimous agreement of the committee. Ed O’Connor suggested Board recommendations of change to the language. Questions were raised on specific items within the set of rules.

The Board recommended a revision allowing the manager to have discretion to some of the rules.

**MOTION:** Ed O’Connor moved to approve the Rules & Regulations as amended. The motion was seconded by Tom Andres. The motion was tabled until the next meeting.

Dick Garrett asked two owners to represent the Association, independent from the Board of Directors, to serve as the Violation Committee. The two volunteer owners are Mr. Kingsnorth and Mr. Jennings.

#### B. Well Monitoring Report

Ed O’Connor reported there were no updates on the well monitoring. The two wells are performing with good reports, and the outlook is positive for reduced monitoring in the future.

#### C. Ground Level Bathroom Study

Ed O’Connor requested review of the proposal by Arnold/Sanders for the Design and Engineering for a new pool bath under the north building.

**MOTION:** Tom Andres moved to accept the proposal from Arnold/Sanders to study the ground level bathroom, with proceeds to come out of operating. The motion was seconded by Dave Zibolski. Approved: Ed O’Connor. Opposed: Tom Andres, Dave Zibolski, John Vary, John Thomson, Tony Annunziato, and Dick Garrett. The motion failed.

Dave Zibolski commented that not enough people have responded, the cost is too high, and it may cause problems.

## VII. SALES REPORT

Joe Takacs from TheMVPSERVICE reported strong sales during January and February, with consistent good sales yearly. Mr. Takacs listed recommendations to improve sales via marketing, promotions, events, coupons, etc., and suggested improvements to the web would help immensely. Mr. Takacs asked the Board to consider other marketing ideas; allowing a renter to receive a reduced rate if they tour with sales, a rent-one-buy-one program, and to allow day-use

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on the property to attract local residents who purchase a week. A sample of a day-use policy was reviewed by the Board. Mr. Takacs reviewed II's new points program and recommended that the Board consider affiliating.

## VIII. NEW BUSINESS

### A. Entrance Door Proposals

#### 1. Front Office Doors

Bids were presented to replace the front office entrance doors.

**MOTION:** Dick Garrett moved to table the front office/south and middle entrance door decision until the next meeting. The motion was seconded by Dave Zibolski. The motion was approved.

Dave Zibolski suggested that more qualifications from suppliers were needed.

#### 2. South & Middle Building Doors

Ed O'Connor reviewed each of the proposals, from 4 vendors, for 29 unit entry doors for the south & middle buildings. Per John Thomson's question, Ed explained the utility doors were not in need of replacement. Dave Zibolski asked to have the contractor's work reviewed. Management will provide revised quotes at the next meeting.

### B. Mattress/Box Springs (Center & South Buildings)

Ed O'Connor provided quotes from multiple mattress and box springs companies, including Serta, Sealy and Simmons. Each included a coil count, foundation description, and quilted options.

**MOTION:** John Thomson moved to approve the purchase of Sealy queen mattress set #600DSx Firm/Plush Euro pillow-top at a total cost of \$13,059.20, to be paid from reserve account #945. The motion was seconded by Dave Zibolski and approved unanimously.

### C. Property Insurance Bids for 2012 - 2013

Review of the property insurance package was requested to compare the coverage with a competitive Broker. Due to a delayed response from the underwriter, John Vary requested a follow-up teleconference Board meeting to review the bids.

### D. Ratification of Contracts

Ed O'Connor stated that 3 contracts were entered into since the previous meeting. John Thomson questioned separate purchases of three items for one area, stating the 3 items should be considered as one purchase and require prior Board approval.

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1. National Business Furniture – Reception Desk \$1,979.00
2. National Business Furniture – Computer Desk \$1,137.00
3. National Business Furniture – Four Drawer File Cabinet \$1,247.00

**MOTION:** Tom Andres moved to ratify the 3 contracts as presented. The motion was seconded by Dave Zibolski and approved unanimously.

Ed O'Connor presented a proposal to purchase a new office copier.

**MOTION:** John Thomson moved to accept the copier bid as presented, expensed to reserve account #945. The motion was seconded by Tony Annunziato and approved unanimously.

#### E. Management Contract

John Vary stated Vacation Resort International's contract runs out at the end of 2013. With new companies on the beach that provide resort management services on Ft. Myers Beach, Mr. Vary proposed seeking some bids to review in August.

**MOTION:** John Vary moved to appoint Tony Annunziato and John Vary to explore and solicit other management companies in this area, and based on the results of that solicitation, the committee will present other companies at the August Budget meeting. The motion was seconded by Dave Zibolski and approved unanimously.

Tom Andres suggested presenting 10 questions for each management company to respond to as part of their presentation.

### IX. FUTURE MEETING DATES

The future meeting dates and revised start times are as follows:

- March 29, 2012 – 6:00 p.m. Teleconference meeting
- August 6-7, 2012 – 8:30 a.m. – Budget Workshop
- October 29, 2012 – 8:30 a.m. – Budget and Annual Meetings

### X. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:05 p.m.

BY:   
John Thomson, Secretary

DATE: Sept 02 / 2012



# EXHIBIT

**Caribbean Beach Club**  
**Completed Projects**  
**3/19/12**

- Supplemented mulch on east side of property (contract).
- Painted main office windows (contract).
- Converted lighting from turtle lights (in-house).
- Refurbished three luggage carts (in-house).
- Painted lanais (in-house).
- Installed ten new pool lounge chairs (contract).
- Replaced all lanai chairs (in-house).
- Refurbished front office (in-house).
- Installed pad and fence for ADA lift (contract).
- Painted east and west walls of front office (in-house).
- Murals painted on north wall of front office (contract).
- Dolphin and mail box painted (contract).
- Level blocks in hot dog area (in-house).
- Assembled ADA pool lift (in-house).
- Improved 9900 accessibility in front office.

# EXHIBIT

**Caribbean Beach Club**  
**Recommended Future Projects**  
**3/19/12**

- Paint pool coping (in-house).
- Replace 28 mattresses, south and center building (Reserve).
- Replace 28 exterior doors south and center building (Reserve).
- Repair and seal dock (in-house).
- Convert all stove tops to 220 amps (contract).
- Replace exhaust fan in pump room (in-house).
- Repair tiki huts (contract).
- Replace pool exterior lights (contract).
- Replace room pictures (in-house).
- Replace front office exterior doors (contract).
- Reinspection of walkways (contract – due in November).
- Retile unit 204 (contract).
- Restrap remaining pool lounge chairs (36) (contract).
- Replace pool filters (in-house).
- Refurbish gazebo (contract).
- Improve water heating system for S building washers.
- Replace nine TV's with 24" (in-house).
- Further improvement on accessibility of 9900 in front office.