

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

March 25, 2013

I. CALL TO ORDER/ROLL CALL

President John Vary called the meeting to order in the Owner Clubhouse at 8:30 a.m. at Caribbean Beach Club, Ft. Myers Beach, Florida. The following persons were in attendance:

Board of Directors:

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

Excused Absence:

Dick Garrett

Vacation Resorts International (VRI):

Jan Samson, Sr. Vice President of Resort Operations, VRI
Jeff Wharton, Director of Resorts, VRI

Caribbean Beach Club:

Laurie Meier, General Manager

Others:

T.J. Bryant, TheMVPSERVICE
Rich Egolf, PropCo Real Estate
Ali Malek, American Environmental Engineering

Owners:

7 owners presiding after Executive Session

II. NOTICE VERIFICATION/QUORUM

Management 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 six of seven Board members available in person.

Agenda additions/deletions

MOTION: Dave Zibolski moved to amend the agenda; Manager Projects – pipe hangers under north building. The motion was seconded by Tony Annunziato and approved unanimously.

III. EXECUTIVE SESSION

MOTION: Ed O'Connor moved to open executive session to discuss personnel matters. The motion was seconded by Dave Zibolski and approved unanimously.

MOTION: Ed O'Connor moved to close executive session to discuss personnel matters. The motion was seconded by Tony Annunziato and approved unanimously.

15 minute recess

IV. APPROVAL OF MINUTES

MOTION: Ed O'Connor moved to approve the November 27, 2012 Board of Directors Board Meeting minutes as submitted. The motion was seconded by Dave Zibolski and approved unanimously.

V. FINANCIAL REPORT

A. Treasurer Report

Tom Andres began his financial review with a detailed explanation of the balance sheet equity section. Beginning with existing reserve numbers, previous year reserves, expenses and interest that created a balance to open the following year. Mr. Andres reviewed the 12/31/12 balance sheet, explained the operating fund balance, and profit & loss statement, liabilities, unearned numbers, and provided an analysis of 2012 reserve funding/expenses, 2013 funding/interest & expenses. Mr. Andres explained the full expense of the bad debt expense is expensed in January of each year.

John Vary stated the audited financials from 2012 are due out within the next 30-60 days.

VRI will provide a summary of potential changes to the employees' health insurance policy at the August meeting.

B. Reserve Study

John Vary reported that a draft of the reserve study was submitted to all Board members for a preliminary review. Management will meet with Tom Andres to complete a full review of the reserve study, with updated, corrected information available to the Board by July 1st.

C. Tax Assessment/Allocation/Appeal

Following a substantial increase from the previous year, the Lee County Tax Assessor's office responded that the public school district cap was removed. This previously capped portion increased from 10 to 50% of the value. A representative from the office in charge of the Condominium section is working with management in reviewing the increase and confirmed the previous year's assessment was correctly stated. On March 14, 2013 their office submitted a questionnaire in order to ensure that timeshare properties are assessed fairly and accurately for property tax purposes. Tom Andres explained the increased value is based on the real value of the property.

Lee County responded that the tax allocation by individual unit and week is the responsibility of the property. Management proposed a reallocation which aligns the percentage with the size of the unit. A revised reallocation will be submitted to Lee County for their review.

Tax Allocation

MOTION: Dave Zibolski moved to approve reallocation of the tax assessment for the 2014 budget. The motion was seconded by John Vary and approved unanimously.

Dave Zibolski requested that owners affected by paying too much or too little receive a credit or additional amount for amounts overpaid or underpaid for their respective tax amounts. Management will include the adjustments to the 2013 tax assessment allocation.

MOTION: Dave Zibolski moved to require that VRI make appropriate corrections and issue adjustments to the 2012 tax bill as soon as practical. The motion was seconded by Tony Annunziato and approved unanimously.

Tax Appeal

Management submitted proposals from two vendors to prepare an analysis, review assessor's appraisal records for accuracy and provide appeal recommendations.

MOTION: Ed O'Connor moved to approve retaining Becker & Poliakoff to handle the tax appeal. The motion was seconded by Tom Andres. The motion was opposed unanimously.

Jan Samson provided testimony of her experience with Ryan's performance at another location. Ryan was formerly Thompson-Reuters, a company that specializes in tax appeals.

MOTION: Ed O'Connor moved to approve retaining Ryan to handle the tax appeal. The motion was seconded by Tom Andres and approved unanimously.

D. Delinquency Report

Management reviewed the latest delinquency status at 568 intervals, representing 25.3% of the owner base.

Active Accounts	105
Payment Plans	39
Collection (1 st)	0
Collection (2 nd)	0
Uncollectable	22
Bankruptcy	7
Deed back	5
Foreclosures	183
Association	207
New Owners	<u>0</u>
	568

As of March 2013, the delinquency rate is 25.3%. Management compared the results against the previous years, as of March 2012 – 609 accounts or 27.1% delinquency.

E. Deed Back Status Report

Management submitted a status report of deed back activity by Wilkinson Title, and a foreclosure report recently updated by Greenspoon-Marder, a Florida law firm handling foreclosures on behalf of the Association. With the recent addition of 62 accounts in February, for a total of 183 interval weeks in foreclosure.

F. Deed Back Policy

The Board of Directors reviewed the current policy with no changes.

G. Maintenance Cell Phone

At the request of management, the Board of Directors discussed a reimbursement towards the use of a personal cell phone for the Maintenance Supervisor.

MOTION: Dave Zibolski moved to approve a phone reimbursement of \$30 per month. The motion was seconded by Tony Annunziato. The motion was withdrawn.

MOTION: Tony Annunziato moved to approve Dan Miller's reimbursement of \$30 per month, provided that he does not disclose Caribbean Beach Club as his message on his voicemail. The motion was seconded by John Vary and approved unanimously.

VI. MANAGER'S REPORT

A. RCI Comment Card Scores

Management reported on the most recent RCI comment card scores. Board members suggested using a strategy that supported higher numbers in the past, increase unit inspections, and focus on each guest when lower response numbers are expected.

B. Completed Projects

Management reviewed completed projects (exhibit attached).

C. Future Projects

Management provided a list of recommended projects. (exhibit attached).

D. Pipe Hangers

Dave Zibolski requested management develop a plan to resolve additional rusting of pipes and sprinkler heads under the north building. Management will submit a plan with proposals at the August meeting.

MOTION: Dave Zibolski moved to obtain proposals for the manager to address the rusting pipes and pipe hangers under the north building in time for the Board of Directors to discuss at the August meeting. The motion was seconded by Tony Annunziato and approved unanimously.

12:15 p.m., 1 hour lunch break

VII. 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

The committee reported receiving favorable comments with the revised web site. Owners requested adding Board member phone numbers and Board meeting dates. An enhancement to the site provides rental availability through VRI, which provides an additional option to visitors wishing to rent space, although some dates may not be available for rental.

2. Axis Lawsuit – Ed O'Connor, John Vary

The committee referred all owners to review the information on the web site, which is updated as often as events occur. Currently the status is an appeal status, in the process of submitting briefs and rebuttals by both sides.

B. Well Monitoring Report

Ali Malek from American Environmental Engineering provided a historical background from the point a tank was discovered under the north building. Mr. Malek submitted a well monitoring report and provided three options to the Board of Directors. Mr. Malek explained each option with potential success, ultimately to secure lower contamination readings as a possible means of closure.

MOTION: Ed O'Connor moved to install another test well at a cost of \$2,500.00 to see if the new readings from that well would lower the contamination readings. The motion was seconded by Tony Annunziato and approved unanimously.

C. Dock Repair Project

Management submitted and reviewed two estimates, an in-house and outside contractor bid to make necessary repairs to the dock. The Board of Directors asked to have the proposals re-presented at the June meeting.

D. Mattress Replacement North Building

Management reviewed multiple proposals to replace the mattresses in the north building. Ed O'Connor suggested contacting the current mattress company, Sealy, to credit the remaining warranty against the purchase of a new set of mattresses.

MOTION: Ed O'Connor moved to authorize the purchase of 16 mattresses from Sealy for \$481.00 each with the stipulation that VRI will obtain a credit for the remaining warranty on the existing mattresses. The motion was seconded by Tony Annunziato.

Approved: Ed O'Connor, Tom Andres. Opposed: John Thomson, Dave Zibolski, Tony Annunziato. The motion failed.

E. Ground Level Bathroom Option

In an effort to seek out additional options to provide a ground floor bathroom for the owners, management provided new information for the Board to review. Four options were submitted, with conditions or information stating if the option was feasible. The Board asked for additional information to be presented at the August meeting.

MOTION: Ed O'Connor moved that any consideration of the pool bathroom be moved to the August meeting. The motion was seconded by Tom Andres and approved unanimously.

VIII. SALES REPORT

A. General Sales Report

T.J. Bryant from TheMVPSERVICE reported sales activity for Association and Owner inventory:
2012 – 56 total sales, 45 Association, and 9 Owner, and 2 RCI Points conversions.
2013 – 19 total sales to date, 10 Association, 9 Owner
Sales projections for 2013 are estimated at 75 sales, 60 Association, 15 Owner.

Mr. Bryant reported that he continues to contact delinquent owners for deed backs and listings. The sales staff continues to support the activity program. Beach Blast coupons are sent to local residents to offer low rental rates worth 100% of rental reimbursement with the purchase of a week.

B. TheMVPSERVICE Deed Back Assistance

Jan Samson reported that TheMVPSERVICE agreed to continue the deed back assistance program through 2013.

C. Sales Presentation - PropCo Real Estate

Rich Egolf presented an on-site resale services proposal to conduct an on-site sales program for Caribbean Beach Club. Mr. Egolf outlined his programs to market the facility through various methods on and off the resort facility. Mr. Egolf explained the value of selling off-season weeks for exchange utilizing the VRI exchange program. His company would work with local merchants and real estate companies for referrals, secure local discounts, and use other methods including direct mail and discounted rentals to bring in outside customers.

The Board of Directors asked Mr. Egolf to put together a proposal and submit it to them.

IX. NEW BUSINESS

A. Property Insurance Bids for 2013 - 2014

John Vary reported that three Brokers were invited with one bid submitted for renewal of the flood and other lines of coverage.

Ameriflood, Inc.

Flood coverage with premiums of \$12,393.00 and \$23,086.00.

Willis of Sarasota

Wind – Rockhill \$80,662.63

Property X-wind – Alterra, \$15,329.48

General Liability – Westfield, \$3,652.00

Equipment/Breakdown – Travelers, \$525

Caribbean Beach Club
March 25, 2013

Directors & Officers – Hanover, \$1,840.62
Crime – Great American, \$716.00
Umbrella – Great American, \$25,000.00
Optional O&L coverage to combine the limit of the entire property to \$1,000,000.00 for an additional cost of \$2,902.50.

Mr. Vary reviewed each line of coverage and compared the premiums from the previous year.

MOTION: Ed O'Connor moved to approve the renewal of insurance coverage through Ameriflood, and Willis with the additional O&L coverage. The motion was seconded by John Thomson and approved unanimously.

B. Unit Artwork

Management submitted initial concepts to redecorate the units with new artwork. The Board of Directors requested additional options at a future meeting.

C. A/C Replacement - North Building

Postponed until the June meeting.

D. Building/Grounds

No discussion. Ed O'Connor stated that items were previously raised during meeting.

An owner commented on the total shutdown of the water system on property and recommended using ball valves for shutoffs.

E. Ratification of Contracts

Management stated that no contracts were entered into since the previous meeting.

MOTION: Ed O'Connor moved to close the regular meeting and move into Executive Session. The motion was seconded by Tony Annunziato and approved unanimously.

MOTION: Ed O'Connor moved to close the Executive Session and move into regular meeting. The motion was seconded by Tony Annunziato and approved unanimously.

X. FUTURE MEETING DATES

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

June 24, 2013 – 6:00 p.m. Teleconference meeting

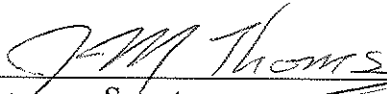
August 12-13, 2013 – 8:30 a.m. – Budget Workshop

October 28, 2013 – 8:30 a.m. – Budget and Annual Meetings

Caribbean Beach Club
March 25, 2013

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 4:20 p.m.

BY: 
John Thomson, Secretary

DATE: July 17 / 2013

EXHIBIT

CARIBBEAN BEACH CLUB

March 25, 2013

COMPLETED PROJECTS

- Web site.
- Upgraded office e-mail – all e-mail addresses are ____@caribbeanbeachclub.net.
- Well pump out.
- Purchased two kayaks.
- Created Five Year Plan outline.
- Lowered 7600 signs at entrance and exit to comply with FMB ordinance.
- Ordered and installed signs for dock; reserved parking and office doors.
- Completed installation of peep holes in entrance doors.
- Re screened gazebo.
- Placed rug, seating and plant and ceiling fan in gazebo (discarded rusted table).
- Pressure washed walkways.
- Painted curbing.
- Painted pool coping.
- Installed new washer – South laundry.
- Installed new washer – North laundry.
- Installed ceiling fan – South laundry.
- Installed water shut-off valves in South building lower level units.

OPERATIONAL

- Held monthly employee meetings.
- Held Housekeeping meeting.
- Staff Training
 - Leyla – Guests First Training
 - Mary – Guests First Training
 - Laurie – Guests First Training/Excel Class/Renewal of FL Real Estate License
- Held weekly Owner meetings and submitted weekly BOD reports.
- Created inbound listing for office use.
- Added daily message board for guests.
- Researched and promoted area activities for guests.

EXHIBIT

2013 PROJECTS

- Replace rotted boards on dock.
- Replace shower stations at pool and beach.
- Replace lighting at pool.
- Upgrade the gazebo/screen room.
- Replace mattresses in North building.
- Add crushed shell and concrete pad (for ping pong) under North building.
- Replace broken pavers with concrete pad.
- Replace broken /cracked tiles in units 217/213 and elevator.
- Upgrade artwork in units.
- Replace linens and bedspreads.
- Replace water shut-off valves in South building upper level.
- Upgrade kitchen inventory supplies.
- Replace signs on property – branding all signs.
 - Door numbers
 - Reserved parking
 - Directional
 - Pool rules
 - Provide units with hairdryers, shelves and hooks

FUTURE PROJECTS

Refer to Long Range Planning worksheet.