

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

October 29, 2012

I. CALL TO ORDER/ROLL CALL

President Dick Garrett called the meeting to order at 8:42 a.m. in the Clubhouse at the Caribbean Beach Club, Ft. Myers Beach, Florida. All present pledged allegiance to the flag, with the following persons in attendance:

Board of Directors:

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

Vacation Resorts International (VRI):

Jan Samson, Sr. Vice President of Resort Operations, VRI
Jeff Wharton, Director of Resorts, VRI
Laurie Meier, General Manager

Becker & Poliakoff

Ellen de Haan, Association Attorney

Owners:

8 owners were present, with others arriving throughout the morning.

Others:

T.J. Bryant, Salesperson, TheMVPSERVICE

II. NOTICE CERTIFICATION/QUORUM

Management stated that meeting notice was posted in the Board approved location and mailed to all owners at their current known address in accordance with the Florida Statutes and condominium documents. Also for the purpose of approving the Association's budget, an affidavit is on file in the minute book stating that notice was mailed to all owners.

QUORUM

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

Agenda amendment:

MOTION: Ed O'Connor moved to amend the agenda: Item V. A. Sales Agency Delegation Agreement – As the current agreement expires 12/31/2012. The motion was seconded by Richard Garrett and approved unanimously.

III. MINUTES

MOTION: Dave Zibolski moved to approve the August 6-7, 2012 Board meeting minutes as submitted. The motion was seconded by Tony Annunziato and approved unanimously.

MOTION: Dave Zibolski moved to approve the September 4, 2012 minutes as submitted. The motion was seconded by Ed O'Connor and approved unanimously.

IV. FINANCIALS

A. Treasurer's Report

Tom Andres provided a summary of the September 2012 financials, stating that the Association's operating cash position is \$255,000 as of September, with \$471,000 in reserves, and \$129,000 held aside due to a payment from Axis Insurance, with \$69,000 in real estate taxes. Once you remove the advance maintenance fees collected, we have \$255,000 in cash to operate through the end of the year. Mr. Andres stated that the Association has \$318,927 in receivables, which is money to be collected from owners, although after 240 days old, it is unlikely we will receive any of this money.

Mr. Andres explained the most recent activity from the Axis insurance payment, attorney expenses and net balance held as a liability to be returned to the owners.

Mr. Andres reviewed each of the variances with revenue and expense line items, and provided an explanation of the prior year surplus, which is being used as an expense against revenue to reduce this year's budget. Overall, Mr. Andres stated, there is enough cash to operate through the rest of the year.

B. September Financials

The Board members questioned individual line item expenses, expressing concern with the overages that will be addressed through proper expense coding and austerity measures. Even though management may not have control over some line items, variances do occur. Management will provide a variance report to the Board shortly after each financial report.

C. Delinquency Report

Management reviewed the delinquency report as follows:

Foreclosure	135	\$784,663
Deed-back	4	\$ 19,297
Collections (CCCI)	16	\$ 17,923
Meridian Collections	10	\$ 21,767
Payment Plan	4	\$ 2,144
Bankruptcy	8	\$ 54,502
Uncollectable	62	\$343,886
Active Accounts	35	\$ 947
Association	204	\$ 99,843
New Owner	0	\$ 0
Total	443	\$1,344,972

This reflects a 19.74% delinquency, a reduction from 23.35% a year ago.

D. Deed Back Report

Management reported there are only 4 accounts with Wilkinson Title per the request of the owners to deed their inventory back to the Association. This process has slowed to a minimum due to the age of each delinquent account.

E. Foreclosure Report

Management reported that 135 accounts are in various stages of the foreclosures process with Greenspoon-Marder. Dave Zibolski expressed concern for the remaining 62 accounts in uncollectable status that are ready to move to foreclosure. Mr. Zibolski pointed out that there is \$353,000 in uncollectable debt the Association has no control over unless the Association owns the inventory.

MOTION: Dave Zibolski moved to approve sending 62 uncollectable accounts to foreclosure, effective January 2013. The motion was seconded by Tom Andres and approved unanimously.

Ed O'Connor suggested contacting all 62 accounts one more time prior to submitting to foreclosure to resolve the debt or deed the unit back. Management and T.J. Bryant committed to making contact with all uncollectable owners by the end of the year.

V. SALES REPORT

T.J. Bryant reported that he expects to complete 50-60 Association sales and 10-20 Owner sales by the end of 2012. The "Beach Blast" program will continue in an effort to bring in outside guests to experience the resort.

A. Sales Agency & Delegation Agreement

Management reported that the Sales Agency & Delegation Agreement between TheMVPSales and Caribbean Beach Club will expire December 31, 2012. The agreement between TheMVPService and Caribbean Beach Club will pay \$200 deed back assistance through 2012, for each interval week, except for BOGO weeks, at the completion of the sale.

MOTION: Dave Zibolski moved to extend the Sales Agency & Delegation Agreement for \$200 deed back assistance through April 30, 2013, contingent on Joe Takacs' approval. The motion was seconded by Tony Annunziato and approved unanimously.

VI. MANAGER'S REPORT

A. RCI Scores

Management reviewed the current RCI comment card score ratings, which are currently at a Silver Crown Award level. Recent scores indicate issues in unit maintenance that management will address by increasing unit inspections to resolve any issues.

B. Completed Projects

Laurie Meier provided a list of completed projects through October 2012, with additional information on the following:

Well Monitoring – Management reviewed the attenuation process to mitigate the continuation of the well monitoring schedule. Once the water table lowers the procedure will be performed, with two additional monitoring to verify the wells are clean.

Pipe Hangers – Laurie reported that 30 days after the pipe hangers were painted, rust started to show on the rods and straps. Jim Harden from Scott Paint reported a scope of work was established, and the contractor followed the original specifications. Mr. Harden suggested that the problem will continue due to existing rust and climate conditions (exhibit attached).

C. Future Projects

Laurie Meier provided a list of proposed projects. Board members reviewed the need to replace the wood railings and walkway of the dock (exhibit attached).

Caribbean Beach Club
October 29, 2012
10 minute break

VII. 2013 BUDGET

A. Property Tax Credit

A property tax credit will be issued for all owners who overpaid the 2011 property tax with the 2012 maintenance fee billing. Jeff Wharton stated that not all owners will receive a credit, noting that some owners did not overpay their tax amount the previous year (exhibit attached).

B. 2013 Budget Approval

Board members reviewed the proposed 2013 budget.

MOTION: Tom Andres moved to accept the 2013 annual maintenance fee budget as submitted by the Board of Directors for a total of:

Operating	\$463.87
Reserves	<u>\$75.94</u>
Total	\$539.80

The motion was seconded by Dave Zibolski and approved unanimously.

Mr. Andres stated that the owners will receive a credit against their billing statement for two items: Money received from Axis Insurance will be issued as a credit on their billing statement for an equal share of \$152,230.29.

Real Estate Taxes – A credit from an overbilling last year of the 2011 real estate tax that was included in the 2012 maintenance fee billing. An owner questioned if there was a provision to consider owners of record when the tax was overbilled, or will only the current owners receive the credit. Ellen de Haan responded that the owners of record will receive any credits.

MOTION: Ed O'Connor moved to apply the money received from Axis Insurance Company in 2012 as a credit to each individual owner on their billing statement. The motion was seconded by Tony Annunziato and approved unanimously.

MOTION: Dave Zibolski moved to apply the credit from Axis Insurance Company, as it applies to Association owned unit weeks, to reserves for the 2013 budget. The motion was seconded by John Vary and approved unanimously.

By applying an equal proportionate share as a credit to the reserves in the 2013 budget, the maintenance fee budget is as follows:

Operating	\$449.61
Reserves	<u>\$ 8.10</u>
Total	\$457.71

MOTION: Dave Zibolski moved to approve the 2013 budget as amended. The motion was seconded by John Thomson and approved unanimously (exhibit attached).

Property taxes are a pass-through item and are added to the above total.

Ellen de Haan, Becker & Poliakoff, P.A. submitted proxy ballots to all members named.

VIII. UNFINISHED BUSINESS

No Unfinished Business

IX. NEW BUSINESS

A. Committee Reports

a. Web Site (John Vary & Dave Zibolski)

John Vary explained that the committee worked with Laurie Meier to set up a prototype design with a new philosophy on marketing the property to assist in renting and selling HOA weeks. A new password protected owner page will be included on the site. Owners can retrieve the password from the office. The new site should be up and running by the first of next year.

b. Governing Documents (Dave Zibolski & John Thomson)

Dave Zibolski stated that the committee has nothing new to report. Mr. Zibolski asked if the Rules and Regulations have been registered and posted in the revised condo docs.

c. Lawsuit (John Vary & Ed O'Connor)

Ed O'Connor summarized the outcome of the previous settlement with Axis Insurance. A judgment must be entered, pending appeal, which may take an additional one to two years.

d. Board Rules & Regulations (Tony Annunziato & Ed O'Connor)

Ed O'Connor stated the Board Rules & Regulations committee is finished with their work and recommends disbanding the committee. Richard Garrett expressed appreciation to the committee for their efforts and declared the committee is now finished.

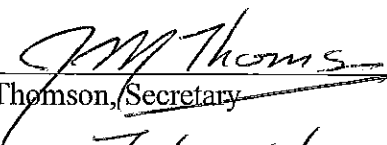
B. Ratification of Contracts

Laurie Meier and VRI confirmed that no contract was entered into on behalf of the Association since the last regularly scheduled Board meeting. A list of ongoing vendor contracts and insurance certificates are on file in the office.

Caribbean Beach Club
October 29, 2012

X. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:55 a.m.

BY: 
John Thomson, Secretary

DATE: Feb 25 / 2013

EXHIBIT

CARIBBEAN BEACH CLUB

10/29/2012

COMPLETED PROJECTS

- Replaced 28 mattresses.
- Replaced lounge chairs.
- New beach towels as part of unit inventory.
- New ice machine. 1
- New dryers. 2
- New A/C units. 3
- Chairs and table at end of South building.
- Re-thatched and painted tiki huts.
- New front doors for office.
- New doors for 10 units.
- Resurfaced floor in laundry room in North building.
- Walkways were touched up.
- Cleaned up area under center building.
- Created pleasant and safe area with paver bricks.
- Updated the bicycle area by locating most recreation items in the same area.
- Organized area for pool toy storage.
- Cleaned up area under North building.
- Treated and painted pipe hangers.
- Painted two wooden picnic tables.
- Painted Manager's office.
- Painted front office.
- Changed display of items for sale.
- Hired Mary Hudson for front desk.
- Hired Gabriel Manzur for maintenance.

OPERATIONAL

- Rewrote work order forms to conserve paper.
- Created tracking data sheet for work orders.
- Had photos taken of resort for use in newsletter & web site & unit Guest Directory.
- Reviewed and made changes to Guest Directory – issued directory to units.
- Created "My Piece of Paradise" for tee shirts and to use on web site and in newsletters.
- Set up credit accounts with two vendors.
- Changed scheduling for Maintenance Department as per Board directive.
- Created Continental Breakfast with TheMVPSales to support sales opportunities.
- Held monthly employee meetings.
- Held quarterly Housekeeping meetings.
- Hired Mary Hudson.
- Hired Gabriel Manzur.

- Wrote Ice Cream Quiz for Create a Sundae Day.
- Wrote CBC Trivia Game for use in owner meeting.
- Staff Training
 - Leyla – Excel
 - Rosie – Cleaning Seminar
 - Mary – 9900
 - Laurie – 9900 & CAI
- Created data tracking for:
 - Walk-in traffic for extended hours on Saturday & Sunday
 - Comment Card tracking
 - Work Order tracking
 - Guest supplies given out each week
 - Inventory for items sold

IN PROGRESS

- Creation of a new web site.
- Upgrade of office e-mail and use of Outlook.
- GAB Robbins Reserve Study.
- Well pump out.
- Review of housekeeping relative to Green Cleaning .
 - Enhance recycling efforts

FUTURE PROJECTS 2013

- Replace rotted boards on dock.
- Replace showers at pool and beach.
- Replace lighting at pool.
- Upgrade the Gazebo/Screen Room.
- Replace mattresses in North Building.
- Replace signs on property – branding.
- Upgrade A/C systems in North Building.
- Purchase two boats.
- Continue forward with ideas for a pool bathroom.
- Begin small upgrades in units .
 - Artwork
 - Hairdryers
 - Shelves/hooks
 - Comforters/pillows

FUTURE PROJECTS 2014

- Paint all buildings.
- Continue with unit upgrades.
- Add a part-time activities person.
 - Offer enhanced activities.

CARIBBEAN BEACH CLUB ASSOCIATION

EXHIBIT

TAX CREDIT FROM 2011

Analysis of Taxes By Unit type, Interval, and season
 High Medium Low

2011 Taxes Billed Owners
 2011 Lee County Tax Bill

57,032.00
 30,887.32

Unit Type	A01 Efficiency 3			B01 One Bedrooms 40			C01 Two Bedrooms 1		
	Ttl Units: 2011 billed	2011 amt taxed	Amount Due or Credit	Ttl Units: 2011 billed	2011 amt taxed	Amount Due or Credit	2011 billed	2011 amt taxed	Amount Due or Credit
1	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
2	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
3	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
4	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
5	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
6	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
7	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
8	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
9	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
10	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
11	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
12	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
13	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
14	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
15	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
16	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
17	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
18	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
19	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
20	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
21	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
22	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
23	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
24	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
25	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
26	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
27	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
28	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
29	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
30	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
31	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
32	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
33	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
34	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
35	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
36	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
37	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
38	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
39	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
40	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
41	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
42	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
43	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
45	8.87	8.48	-0.39	11.05	9.38	-1.66	12.83	11.43	-1.40
46	18.49	10.64	-7.85	23.11	7.09	-16.01	47.19	12.06	-35.13
47	18.49	10.64	-7.85	23.11	7.09	-16.01	47.19	12.06	-35.13
48	18.49	10.64	-7.85	23.11	7.09	-16.01	47.19	12.06	-35.13
49	18.49	10.64	-7.85	23.11	7.09	-16.01	47.19	12.06	-35.13
50	18.49	10.64	-7.85	23.11	7.09	-16.01	47.19	12.06	-35.13
51	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
52	24.26	46.95	22.70	49.75	19.90	-29.85	71.84	46.97	-24.87
		1135.82							
	2332.16	3407.45	1,075.29	52811.88	26254.54	(26,557.34)	1888.37	1225.82	(662.55)
							57032.42	30887.82	-26144.60

EXHIBIT

CARIBBEAN BEACH CLUB ASSOCIATION
Presentation Budget
January 1 - December 31, 2013

			2013	2012	2011	2010	2009	2008
	Unit/Week	Monthly	Budget	Budget	Actuals	Actuals	Actuals	Actuals
REVENUE								
Annual Assessment	449.61	84,077	1,008,928	1,008,403	1,051,412	1,040,512	924,384	826,558
Reserves	8.10	1,514	18,168	170,183	115,945	55,763	71,755	116,991
Deadback Assistance	1.11	208	2,500	0				
Activities	7.22	1,350	16,200	10,000	9,140	9,108	9,362	7,151
Interest Earned	0.22	42	500	500	770	903	2,822	7,802
Insurance Proceeds	0.00	0	0	0	0	59,476	77,999	0
Reinstatement/Late Fees	1.56	292	3,500	5,000	6,600	7,673	6,770	9,889
Rental Income	10.70	2,000	24,000	20,000	14,183	9,328	7,363	6,406
Bad Debt Recovery	8.91	1,667	20,000	15,000	48,182	43,499	61,053	22,480
Front Desk Sales	1.78	333	4,000	6,000	5,723	6,125	6,190	7,295
Sale of Units	0.00	0	0	4,500	2,500	3,512	9,178	8,294
Prior Year Income	16.04	3,000	36,000	56,000	0	0	0	0
Total Revenue	489.21	91,483	1,133,796	1,295,586	1,254,455	1,235,899	1,176,876	1,012,866
PAYROLL								
Payroll	99.07	18,526	222,315	230,949	228,604	222,928	194,429	197,702
Payroll Taxes & Benefits	41.81	7,818	93,815	81,494	78,659	71,250	58,286	62,993
Total Payroll & Related	140.88	26,344	316,130	312,443	307,263	294,178	252,715	260,695
OPERATING COSTS								
Electricity	17.83	3,333	40,000	40,000	41,119	41,712	46,839	46,252
Gas	2.90	542	6,500	6,500	6,006	4,696	4,366	3,504
Water/Sewer	13.68	2,559	30,705	26,350	23,785	24,483	20,472	18,262
Trash Removal	2.48	465	5,575	6,000	5,269	5,651	5,794	4,818
Telephone	6.70	1,253	15,040	15,040	14,769	16,081	15,706	21,187
Cable TV	10.73	2,006	24,072	21,564	21,633	20,691	19,333	17,839
Swimming Pool and Spa	3.36	629	7,545	7,545	7,015	8,745	8,326	8,950
Pest Control	1.13	211	2,528	2,000	1,526	1,526	2,909	3,496
Landscaping	6.24	1,167	14,000	15,500	14,336	16,291	13,944	14,361
Supplies & Equipment	6.24	1,167	14,000	14,000	12,774	15,493	13,410	16,443
Guest/Cleaning Supplies	6.24	1,167	14,000	15,000	10,908	12,765	14,735	22,040
Linen Replacement	2.67	500	6,000	5,000	3,725	6,476	0	0
Contract Labor	3.90	729	8,750	8,750	20,254	13,274	15,658	17,690
Contract Housekeeping	22.13	4,138	49,656	43,461	46,747	46,200	57,293	58,236
Recreation Food/Merchandise	8.47	1,583	19,000	19,000	18,751	20,303	18,495	15,649
A/C Maintenance	1.56	292	3,500	5,380	9,066	8,962	6,276	4,824
Maintenance Weeks	4.90	917	11,000	11,000	13,028	12,406	15,500	10,170
Elevator Expense	1.93	361	4,330	3,330	3,289	4,411	2,425	3,878
Well Monitoring	3.83	717	8,600	8,600	0	0	0	0
Contingency	0.00	0	0	0	0	0	0	63,190
Total Operating Costs	126.92	23,733	284,801	274,020	274,000	280,166	281,481	350,789
ADMINISTRATIVE & GENERAL COSTS								
Management Fees	18.65	3,488	41,856	41,856	41,856	41,856	41,856	36,000
Office Supplies	6.57	1,229	14,750	10,000	10,381	10,602	10,501	6,266
Licenses & Permits	0.45	83	1,000	1,000	706	801	706	771
Audit Fees	2.58	483	5,800	6,063	5,500	5,500	4,524	10,333
Printing / Mailings	2.67	500	6,000	6,000	21,195	17,868	18,797	9,816
Bank/Credit Card Fees	8.91	1,667	20,000	12,000	21,534	21,976	17,815	17,486
Bad Debts	96.46	18,037	216,447	268,747	247,068	224,093	183,897	139,543
Legal/Liens & Foreclosures	17.83	3,333	40,000	46,600	25,731	27,515	58,048	14,415
Merlin Legal Expense	0.00	0	0	0	0	0	0	0
HOA / Board Meetings	5.49	1,026	12,310	12,310	14,613	14,891	11,573	17,347
Postage	1.63	305	3,655	3,655	3,889	5,223	3,694	4,314
Total Admin & General Costs	161.24	30,152	361,818	408,231	392,473	370,325	351,411	256,291
FIXED COSTS								
Insurance	65.01	12,157	145,890	126,221	119,989	128,722	128,469	114,773
Division Fees	2.00	374	4,488	4,488	4,488	4,488	4,488	4,488
Total Fixed Costs	67.01	12,531	150,378	130,709	124,477	133,210	132,957	119,261
Hurricane Expenses								
SUB-TOTAL OPERATING	496.05	92,761	1,113,128	1,125,403	1,098,213	1,077,879	1,018,564	987,036
RESERVES	8.10	1,514	18,168	170,183	115,945	55,763	71,755	116,991
TOTAL OPERATING EXPENSE	504.14	94,275	1,131,296	1,295,586	1,214,158	1,133,642	1,090,319	1,104,027
LESS OTHER INCOME	-46.43	-5,683	-104,200	-117,000	-87,098	-139,624	-180,737	-69,317
TOTAL MAINTENANCE FEES	\$457.71	\$95,789	1,027,096	1,178,586	1,127,060	994,018	909,582	1,034,710

Caribbean Beach Club Association has a total of 2244 unit weeks. Maintenance Fees and Property Taxes are assessed by the unit/week, due and payable as billed January 1. Records will be maintained at the Resort and at the office of the Management Company. Taxes are billed separately.