

**FLORIDA BAY CLUB CONDOMINIUM ASSOCIATION, INC.
BOARD OF DIRECTORS TELEPHONIC MEETING MINUTES**

November 29, 2016

I. CALL TO ORDER/ ROLL CALL

A duly noticed telephonic meeting of the Board of Directors was called to order by President Phil Truran at 6:02 p.m. with the following persons in attendance:

Board of Directors:

Phillip Truran, President
Michael Gandham, Vice President
James Farmer, Secretary
Edward Daniel, Treasurer
Michael Heise, Director
John Lexa, Director

Absent:

Wanda Robbins, Director

Vacation Resorts International and Resort Management:

Richard Schwartz, Vice President of Resort Operations/VRI
Shelby Valles, General Manager/VRI

Other:

Becky Bolesta, Interval Owner
Chuck Smolka, Interval Owner

II. NOTICE CERTIFICATION/QUORUM VERIFICATION

A. Posted

Shelby Valles confirmed that the notice of the meeting was posted at the resort in an approved location in accordance with the condominium documents and Florida Statute.

B. Quorum

A quorum was established with six Board members in attendance.

III. APPROVAL OF AGENDA

MOTION: Phil Truran moved to approve the agenda as presented.

SECOND: Motion was seconded by Jim Farmer.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

IV. APPROVAL/ACCEPTANCE OF PREVIOUS MEETING MINUTES

A. Approval–Board Meeting 10/25/16

MOTION: John Lexa moved to approve the Regular Board Meeting Minutes of October 25, 2016 as written.

SECOND: Motion was seconded by Mike Gandham.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

B. Acceptance–Special Owners Meeting 10/27/16

MOTION: Jim Farmer moved to accept the Special Owners Meeting Minutes of October 27, 2016 as written.

SECOND: Motion was seconded by Phil Truran.

DISCUSSION: None

VOTE: The motion was approved unanimously.

V. UNFINISHED BUSINESS

A. Board Policies

1. Assessment, Billing & Collection (ABC)

A copy of the Assessment, Billing & Collection Policy prepared by VRI in compliance with the governing documents and state statutes was provided to all attendees.

MOTION: Ed Daniel moved to approve the ABC Policy as presented, a copy of which is attached to these minutes.

SECOND: Motion was seconded by Mike Heise.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

2. Deed Backs

A sample of a deed back policy and deed back agreement was made available to all attendees. The policy requires the payment of \$1,500 for each deed back week requested. A discussion relating to the deed back policy included the following suggestions:

- Phil Truran-deed back requests to be accepted from any owner who is current in their fees. A deed back request from a delinquent owner to be subject to Board approval.
- Mike Heise-deed back requests to be accepted with owner paying the cost of the deed back or a flat fee.
- Ed Daniel-deed back requests to be accepted with owner paying any past due fees up to a maximum of \$1,500.

MOTION: Phil Truran moved to approve the deed back policy to accept all deed back requests from owners at a cost of \$250 to the owner, with any past due fees waived, a copy of which is attached to these minutes. This policy is to be revisited in six months to decide if any changes are needed.

SECOND: Motion was seconded by Mike Heise.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

3. Owner Records Request

An owner's record request policy prepared by Jim Farmer and revised by Richard Schwartz was provided to all attendees.

MOTION: Jim Farmer moved to approve the owner's record request policy as written, a copy of which is attached to these minutes.

SECOND: Motion was seconded by Mike Gandham.

DISCUSSION: None

VOTE: The motion was approved unanimously.

4. Owner Payment Plan

Payment plan procedures and a sample payment plan agreement from VRI were provided to all attendees.

MOTION: Phil Truran moved to adopt the payment plan procedure presented and currently being used by VRI.

SECOND: Motion was seconded by Ed Daniel.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

B. Response to DBPR Deficiency Letter

Richard Schwartz reminded the attendees that a response to the DBPR Deficiency Letter dated September 23, 2016 is due no later than December 22, 2016. Richard advised the attendees that VRI will prepare a response for Board approval subject to the Board's decision as relates to the revision of the 2017 budget to be discussed later in the meeting.

C. Credit Card Fees on Owner Payments

In response to questions at the last meeting, Richard Schwartz reported to the attendees that VRI's merchant agreements does not allow them to charge owners for use of credit cards to pay their annual resort fees and therefore the cost of such fees will be an Association expense.

D. Rentals

1. Delinquent Owner Lockouts – Association Fee

Richard Schwartz explained that the Association is entitled to receive a fee on the rental of statutory locked out delinquent float owner weeks.

MOTION: Ed Daniel moved to approve a twenty percent (20%) fee on the rental of statutory locked out delinquent owner float weeks.

SECOND: Motion was seconded by Mike Heise.

DISCUSSION: None

VOTE: The motion was approved unanimously.

2. Inventory for Rental Program–2017 and 2018

This agenda item was tabled until review by the Finance Committee is completed.

3. Seven Day Minimum

This agenda item was tabled until review by the Finance Committee is completed.

4. Licensing of Association

Richard Schwartz advised the attendees that, since the rentals conducted under Florida Bay Club rental agreements is minimal, VRI has agreed to apply any rental commissions due to the Association against the VRI management fee.

E. Audit Proposals

Copies of four 2016 financial audit proposals, including preparation of the annual tax returns, were provided to each attendee, ranging in price from \$4,500-\$6,000. Richard Schwartz noted that the \$4,500 proposal was from a CPA firm from California, not licensed in Florida, although licensing was not a major issue. The \$5,200-\$5,600 proposal was from a firm in Ft. Myers, Florida, who have conducted many audits at resorts for which he had oversight and he was very satisfied with their product and the efficiency of their audits. The other two proposals, both at \$6,000, were from firms in Ft. Lauderdale and Pompano Beach, Florida.

MOTION: Phil Truran moved to approve the engagement of Stroemer & Company to conduct the 2016 financial audit and preparation of annual tax returns at an estimated cost between \$5,200-\$5,600.

SECOND: Motion was seconded by Ed Daniel.

DISCUSSION: None

VOTE: The motion was approved unanimously.

Richard Schwartz requested that Board President Phil Truran sign both the audit and tax engagement letters provided from Stroemer & Company and forward to him for processing.

F. ADA Complaint Pool Lift

Phil Truran reported that the Association attorney advised him that the Department of Justice ADA compliant pool lift was required for Florida Bay Club. He asked Richard Schwartz to provide proposals to the Board for consideration.

G. Real Estate Matters

1. Foreclosures (Judicial and Non-Judicial)

This agenda item was tabled until more information is available.

2. Sales (Association and Owners)

Shelby Valles reported that there are seven prospective buyers, eighteen owners interested in selling and four owners desiring to deed back. Phil Truran recommended that General Manager Shelby Valles contact attorney Laura Morgan located in Ft. Lauderdale (954-728-9220), someone he had used in the past, to obtain a quote to process sales closings.

3. Deed Backs

A sample letter to be sent to delinquent owners was provided to all attendees by VRI. The letter outlined four options available to such owner which included:

1. Pay past due balance in full.
2. Request a payment plan.
3. Request a deed back.
4. Collection and foreclosure action if no other options selected.

The Board requested that the letter be revised as follows and resubmitted to the Board for approval:

1. Pay past due balance in full.
2. Request a payment plan. *This option is not available once a deed back has been requested or a foreclosure action has begun.*
3. Request a deed back. *At a cost of \$250 to the owner.*
4. Collection and foreclosure action if no other options selected. *Eliminate the collection process and send owner directly to foreclosure.*

VI. NEW BUSINESS

A. Staffing – Housekeeping and Maintenance

Richard Schwartz reported that he had received a proposal from a cleaning company that provides services to a VRI managed resort in Ft, Lauderdale. They quoted \$110 for the two bedroom units and \$140 for the three bedroom units, with a guaranteed minimum of ten units per week.

Shelby Valles reported that she had a verbal quote from a local cleaning company at the rate of \$1,400 each week. She had concerns about the reliability of this company. Phil Truran asked if it was possible to clean all eighteen units weekly with only nine rather than twelve housekeepers. Shelby stated that she could test this but was not sure it could be accomplished without jeopardizing quality.

She recommended that the housekeepers be paid only for hours worked and if they were to work a full eight hour Saturday, then they must be kept busy with deep cleanings, etc. Shelby advised the attendees that her oversight will assure that the work is performed well and on a timely basis in an effort to control costs.

The Board once again reiterated the need to reduce the hours of the maintenance staff and specified the way in which to accomplish this. Shelby stated she will take the necessary steps immediately.

The above discussions and recommendations were an attempt to reduce costs for 2017 to meet budget. Richard Schwartz stated that he will work with Shelby to stay within the budgeted amounts for housekeeping and maintenance.

Richard Schwartz requested that the Board provide approval to proceed with the transition of the preparation of the payroll from in-house Quick Books to ADP at the costs previously outlined to the Finance Committee and to decide whether to continue to pay the employees weekly or change to bi-weekly to reduce costs.

MOTION: Ed Daniel moved to approve the transition of the preparation of payroll to ADP and to change the payroll periods to bi-weekly.

SECOND: Motion was seconded by Mike Heise.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

B. VRI Preferred Vendors

This agenda item was not discussed.

C. Final 2017 Billing and Mailing (enclosures)

Richard Schwartz recommended that the Board approve an owner mailing to include the following:

- Billing of the real estate taxes in the amount of \$25 per week.
- A Board letter advising of a Board Meeting to vote on a Revised 2017 Proposed Budget, as previously submitted to the Finance Committee, with no increase in fees from the previously approved 2017 budget, along with explanation of the changes.
- VRI letter updating the transition and providing additional information.
- Board approved 2017 Assessment, Billing & Collection (ABC) Policy.
- Information on VRI's exchange program.

MOTION: Phil Truran moved to approve the recommended owner mailing as presented, subject to final Board approval of the enclosures.

SECOND: Motion was seconded by Mike Heise.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

D. Investment Policy

A copy of the recommended investment policy presented by VRI was made available to all attendees.

MOTION: John Lexa moved to approve the investment policy presented by VRI, a copy of which is attached to these minutes.

SECOND: Motion was seconded by Mike Heise.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

VII. SCHEDULING OF MEETING DATES/ TIMES

The next scheduled Board meeting is a conference call meeting on Tuesday, December 27, 2016 at 6:00 p.m.

Phil Truran advised the attendees that he is waiting for an update from the roofing company relating to the permits. It is anticipated that the roofing project will begin January 7, 2017 since occupancy will be low and owners and guests could be moved to Building A, leaving Buildings B and C vacant.

VIII. ADJOURNMENT

MOTION: Mike Gandham moved to adjourn the meeting at 8:58 p.m.

SECOND: Motion was seconded by Mike Heise.

DISCUSSION: None.

VOTE: Motion was approved unanimously.

James Farmer, Secretary

RMS/jmf

fbc: 112916min



**FLORIDA BAY CLUB CONDOMINIUM ASSOCIATION, INC.
ASSESSMENT BILLING AND COLLECTION POLICY
ANNUAL BILLING PLAN**

The following is the Assessment Billing and Collection policy for the Florida Bay Club Condominium Association, Inc. as adopted by the Board of Directors on November 29, 2016.

BY NOVEMBER 1st

You will be mailed the First Assessment Notice for the next year's assessments. **Payment is due January 1st.** Failure to receive a statement does not relieve the owner of the responsibility of payment or constitute cause for cancellation of assessments, penalties, and fees. **NOTE: BEFORE SUBMITTING YOUR WEEK IN A FUTURE YEAR FOR FLOAT RESERVATION OR EXCHANGE, THE ASSESSMENTS FOR THE YEAR (IF KNOWN OR BILLED) OR THE ESTIMATED ASSESSMENTS FOR THE YEAR (IF NOT KNOWN OR BILLED) YOU ARE DEPOSITING MUST BE PAID IN ADVANCE** (you will be billed or credited the difference from the actual assessment).

FEBRUARY 1st Delinquency Date

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

- a. A Late Fee of \$25.00 or 5% (whichever is less)
- b. Maximum interest allowed by law per month beginning February 1st

MARCH 1st Statutory Delinquency Date (or 60 days after the date of the first maintenance fee notice, whichever is later.)

- a. If you have not paid your assessments, your account is 30 days or more delinquent. You will be mailed the final Assessment Billing Notice, including all penalties, fees and interest. **In the event your account becomes delinquent, 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 AFTER 10 DAYS FROM THE MAILING OF THE INTENT TO RENT NOTICE.** Your reservations are cancelled and you may not make or hold a reservation after this date.
- b. **THE EXCHANGE COMPANIES 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.
- c. There is no guarantee that you will be able to receive a confirmed exchange after your delinquent account is brought current.
- d. **THIS WILL ALSO BE YOUR FIRST NOTICE OF OUR INTENT TO RENT YOUR WEEK PURSUANT TO FLORIDA STATUTE 721.13(6)(f)1 and 721.13(6)(F)2.** Use weeks resulting from delinquencies are made available for rental. 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 incurred by the managing entity.
- e. An Administrative Fee (exchange, deposit, or confirmation cancellation) 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. After 10 days of the Intent to Rent Notice being mailed there is no guarantee that you will receive a reservation or confirmed exchange even after you have brought your account current. You must pay all charges in full to have your occupancy and voting rights reinstated or produce satisfactory evidence that the delinquency does not exist. You will be bound by the terms of any rental contract which is entered into by the managing entity with respect to the timeshare period or use rights.

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.

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).

Florida Bay Club Condominium Association, Inc.

Deed Back Policy

As Adopted by the Board of Directors on November 29, 2016

Deed back requests will be accepted from owners at a cost of \$250 to the owner, with any past due fees waived. A deed back request will not be accepted if a foreclosure action has already begun relating to an owner, without prior Board approval. This policy is to be revisited in six months to decide if any changes are needed.

Florida Bay Club Condominium Association, Inc.

Official Records Request Policy

Adopted by the Board of Directors on November 29, 2016

It is the policy of the Florida Bay Club Condominium Association, Inc. to provide owner access to Official Records of the Association as defined by and in accordance with Chapter 718 and 721 of the Florida Statutes as follows:

1. A written request by an owner or authorized representative is required to obtain copies of Official Records. Examples of a written request are: email to flabayclub@gmail.com, First Class Mail, or Certified Mail.
2. Copies of Official Records will be provided within the timeframe outlined in the Florida Statutes.
3. Requests for copies of Official Records are permitted one time per calendar quarter and will be at no cost to the owner. Any additional request within a calendar year quarter, which require prior Board approval, will be charged 10 cents per page and is payable within 14 days from the date the documents are sent. If the documents are sent via U.S. Postal Service, there will be an additional handling fee of \$1.00 plus postage cost. Unpaid costs will be charged to owner's account.
4. Copies of Official Records available on the resort website will not be provided. The requestor will be directed to the location of those Official Records on the website. If the requestor does not have internet access, that is considered an exception and therefore subject to # 1-3 above.



Association/Trust Investment Policy
For Florida Bay Club Condominium Association, Inc.
Adopted by Board of Directors on November 29, 2016

1. Authority. Pursuant to VRI's Management Agreement with the Association/Trust, VRI has the authorization to invest all Association/Trust cash investments consistent with the direction of the Board of Directors/Trustees and according to prudent cash management and investment principles (the "Authority"). Any change in the Investment Policy mandated by the Board of Directors/Trustees should be specifically recorded in the minutes of a Board meeting and considered part of the Investment Policy. VRI will not deviate from any specific instructions approved by the Board.

2. Scope of Services. The Authority shall include, but not necessarily be limited to, coordinating all Association/Trust cash investment activity, compliance with the Association/Trust's governing documents, communication with the Board of Directors/Trustees or their legal representatives in directing investments, shopping for the best rates, placing funds, rolling funds when necessary and appropriate, and providing complete accounting summaries of Association/Trust cash investment activities. VRI will include, as part of the financial reporting, monthly reports of the respective cash balances.

VRI will coordinate the depositing, transferring to replacement accounts, and investing where and when appropriate. It is the objective to have the money working for the Association/Trust at all possible times. Funds will be deposited into designated accounts and accumulated until sufficient balances are acquired to invest in the appropriate investments.

VRI will open Certificates of Deposit (CDs) at amounts within the current FDIC insurance limits. If interest is paid in to the CD, VRI will invest less to avoid losing anything in the case of a bank failure.

The Association/Trust documents require investing in a specific state that is n/a (mark "n/a" if not applicable).

3. Due Diligence. VRI will employ due diligence in the management and investment of Association/Trust cash and will strive to secure the highest possible yield combined with the minimum risk of loss and will invest only with Federally-insured institutions, or in investments backed by or directly in the U.S. Government.

These investments can include savings accounts, CDs, Access CDs or insured money market accounts, Treasury Bills (instruments backed by the full faith and credit of the United States Government) or other similar types of investments.

4. Limitation Liability. In the absence of negligence, VRI shall not suffer any liability for the Association/Trust cash investments. In the event the Board of Directors/Trustees shall specifically direct VRI to invest with one institution more than the current Federal Deposit Insurance (FDIC) limit (currently \$250,000). VRI shall not suffer any liability for loss of the uninsured portion of such investment. Additionally, many Associations/Trusts must maintain balances over the current FDIC limit to simply cover normal monthly operating costs. VRI shall have no liability with regards to these uninsured balances (to the extent they exceed the current FDIC insured limit) as there is no way to maintain accounts less than the current FDIC limit and still have adequate cash for normal expenses.

5. Reserve Funds. In some instances, a cash management type of account may be used for replacement (reserve) funds. Since these funds are normally set aside for future long-term expenditures, they will normally be invested in longer term, laddered maturities in FDIC or U.S. Government secured CDs and treasuries. Funds will be invested in CDs and short term revolving treasuries.

6. Operating Funds. In some instances, a cash management type of account may be used for operating funds. These funds are short term in nature and used for the current operational needs. Funds will be invested in CDs and treasuries to mature based upon the operational needs per the cash flow report.