

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

June 27, 2017

I. CALL TO ORDER/ ROLL CALL

A duly noticed meeting of the Board of Directors was called to order by President Phillip Truran at 6:18 p.m. at the Florida Bay Club Office. The following persons were in attendance:

Board of Directors:

Phillip Truran, President (via teleconference)
Michael Gandham, Vice President (via teleconference)
James Farmer, Secretary (via teleconference)
Edward Daniel, Treasurer (via teleconference)
Michael Heise, Director (via teleconference)
John Lexa, Director (via teleconference)
Wanda Robbins, Director (via teleconference)

Vacation Resorts International and Resort Management:

Richard M. Schwartz, Vice President of Resort Operations/VRI (via teleconference)
Shelby Valles, Resort General Manager

Owners:

Dawn Bowling
Patricia Miller
Steven and Faye Thompson

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 seven Board members in attendance.

III. APPROVAL OF AGENDA

MOTION: Phil Truran moved to approve the agenda as presented with the addition of Owner's Survey under VIII. (C) Unfinished Business.

SECOND: Motion was seconded by Wanda Robbins.

DISCUSSION: None

VOTE: The motion was approved unanimously.

IV. APPROVAL OF PREVIOUS MEETING MINUTES (05/30/17)

MOTION: Wanda Robbins moved to approve the Regular Board Meeting Minutes of May 30, 2017 as written.

SECOND: Motion was seconded by Phil Truran.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

V. TREASURER REPORT

Ed Daniel reviewed the May 31, 2017 financial report, copies of which were provided to each attendee. Ed stated that unlike previous years, it appears that the annual cash shortage will not occur until December and is anticipated to be approximately \$43,000. In prior years the succeeding year's maintenance fees were needed to pay the current year's expenses beginning in October.

VI. GENERAL MANAGER REPORT

Shelby Valles reviewed her report, copies of which were provided to each attendee.

Matters discussed further included:

- Michael Heise-Has the resort received any calls from the new rental sign installed on the north side adjacent to the cut? Shelby responded that the sign has only been there for three weeks so it has not generated any calls that she is aware of.
- Michael Heise-Have there been any vacancies lately and if so have they been rented? Shelby stated there have been some rentals lately and reported that 2016 had 61 weeks deposited for rental and 28 weeks rented.
- Shelby was directed to contact Keys Insurance again about a possible credit on the windstorm coverage due to the new metal roofs.
- Although not in the written report, Shelby advised the attendees that the resort received a credit from the water company in the amount of \$4,200 due to the main line leak that was discovered in April.

VII. MANAGEMENT REPORTS

A. Rental Report

Richard Schwartz reviewed the Rental Report as of May 2017 and the Rental Deposit Report as of June 21, 2017, copies of which were provided to each attendee. Richard stated that there are 76 weeks deposited for rental with 22 confirmed reservations as compared to 61 weeks deposited and 28 rented in all of 2016. He explained that the VRI rental program takes a while to gain momentum and that renting at Florida Bay Club is challenging due to the full week only rental requirement.

B. Delinquency Report

Richard Schwartz reviewed the Delinquency Report as of June 16, 2017, copies of which were provided to each attendee.

Matters discussed further included:

- Phil Truran-How does the FBC delinquency rate compare to other timeshare resorts? Richard stated that if the 19 foreclosure weeks which have been delinquent for many years are taken out of the totals, the 8.2% delinquency rate would reduce to 6% which is below most timeshare resorts, which tend to be in the 10%-15% range on the average.
- Ed Daniel-Are our collections better now than in previous years? Phil Truran stated that it appears they are and that online payment and collection letters help in that effort.

C. RCI Report

Richard Schwartz reviewed the RCI Report as of June 21, 2017, copies of which were provided to each attendee. All scores are still at Gold Crown levels.

D. Special Assessment Summary

Richard Schwartz reviewed the Special Assessment Summary as of May 31, 2017, copies of which were provided to each attendee.

Matters discussed further included:

- Michael Heise-This report was prepared at his request and he stated that it answered all his questions relating to the Special Assessment.
- Ed Daniel-Inquired about any remaining deficits in both the Operating and Reserve Funds subsequent to the Special Assessment. Richard explained that the Reserve Fund is fully funded based on the criteria established, but the Operating Fund still has a deficit that will need to be addressed in the 2018 budget contingent on the operating results in 2017.

VIII. UNFINISHED BUSINESS

A. Floating Plan Agreement

Phil Truran explained that the governing documents and the current procedures for the Floating Plan are not in agreement. Ed Daniel stated that he had sent a recommended revised Floating Plan Rules & Regulations document to the Documents Committee for review.

MOTION: Phil Truran moved to table the Floating Plan discussion until the next meeting.

SECOND: Motion was seconded by Wanda Robbins.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

B. Association Law Firm

Phil Truran advised that the committee interviewed two law firms, one in Plantation and one in Ft. Lauderdale.

The committee recommends that the Association hire David Bauman in Plantation as their legal counsel based on his attitude, client centric approach, lower hourly billing fees and no financial retainer requirement. Jim Farmer stated that he thought they would provide a more personal service.

MOTION: Jim Farmer moved to complete any existing legal issues with the current legal counsel and retain David Bauman as the legal counsel for Florida Bay Club going forward.

SECOND: Motion was seconded by Wanda Robbins.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

C. Owner's Survey

Ed Daniel advised that the owner's survey is complete with 256 owners participating, equating to a 4.7 percent margin of error, which is very good for a voluntary survey. He reviewed the recap provided to all attendees stating that the next step is to provide the summary to the owners and then develop a strategic plan for implementing the surveyed issues.

MOTION: Phil Truran moved to submit the owner's survey to the Planning Committee for review and posting to the resort website for the owners.

SECOND: Motion was seconded by Wanda Robbins.

DISCUSSION: The Planning Committee was established and included all seven Board members, with Ed Daniel as Chairperson.

VOTE: The motion was approved unanimously.

IX. NEW BUSINESS

A. Sale of Association Inventory

Phil Truran advised that the Sales Committee discussed the sale of Association owned weeks both presently owned and those that will be owned after further deed back processing and completion of the foreclosures. He stated that the committee recommends utilizing the services of Net Realty Services, a timeshare resale company owned by Richard Schwartz, for both Association weeks and owner weeks if an owner so desires to use their services. Richard Schwartz explained the services provided by Net Realty Services and his ideas relating to selling Florida Bay Club weeks. Mike Gandham recommended obtaining a legal opinion as it relates to any possible conflict of interest.

MOTION: Mike Gandham moved to contract with Net Realty Services for the sale of Association owned weeks contingent on obtaining a legal opinion as it relates to any possible conflict of interest.

SECOND: Motion was seconded by Wanda Robbins.

DISCUSSION: Mike Heise, John Lexa and Richard Schwartz stated that to the best of their knowledge, no conflict of interest exists.

VOTE: The motion was approved with Mike Heise and John Lexa opposed.

X. SCHEDULING OF MEETING DATES/TIMES

The next scheduled confirmed Board meeting is Tuesday, July 25, 2017 at 6:00 p.m.

XI. ADJOURNMENT

MOTION: Wanda Robbins moved to adjourn the meeting at 8:30 p.m.

SECOND: Motion was seconded by Jim Farmer.

DISCUSSION: None.

VOTE: The motion was approved unanimously.

James Farmer, Secretary

RMS/jmf

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