



SEA CLUB IV OWNERS ASSOCIATION INC.

Board of Directors Meeting

MINUTES

Thursday, March 17, 2016, 10:00 AM, Social Room

1. Call to Order – President Gil Lesko called the meeting to order at 10:00 AM. Board Members and TJW Representatives introduced themselves.
 - a. **Board members present:**
 - President Gil Lesko
 - Vice President June Lesko
 - Secretary Bill Craig
 - Treasurer Danny Abboud
 - Director John Swogger
 - b. **TJW Reps:**
 - Michael DiPaola
 - Terrie Hays
 - c. **Association attorney:** Leanne Wagner
2. Approval of previous meeting minutes was moved, seconded and passed.
3. **Financial Report - (TJW)** – Terrie recapped the attached financial report which was earlier emailed to the Board (thank you, Terrie) and answered related questions:
 - a. ---- \$9K profit for the month, \$2,400 to the good on revenues, most categories on target.
 - b. As of 16 March, we have 127 Association owned weeks. 37 weeks just returned to us by the collection agency which can do no more, will go into foreclosure. 21 weeks are still in collection.
 - c. Danny: Is our collection agency performing? Terrie: A previous Board selected Continental Collections, but they've collected only on ten weeks. Michael suggested using Catalyst Agency. Continental charges 33%, Catalyst 30%. Consensus to switch to Catalyst. Terrie will retrieve the 21 weeks still at Continental in July, ACTION: Terrie
 - d. Draft Audit-- There was a \$7,644 variance between TJW and the audit. Terrie explained the cause and has made adjustments. Terrie requests the BOD review the draft and get back to her. ACTION: BOD
 - e. A question was asked last meeting if the loss of revenue from compensation weeks displaced by the re-piping project would be reflected as operating cost or addition to project cost. Terrie checked with Association CPA Jim Ashby, Weston and Gregory, who opined the cost of those weeks should be carried under bad debt. ACTION: CLOSED

- f. Question: Are owners obliged to sell only through the Association realtor, Mac, or can they go elsewhere? Terrie stated owners can go anywhere or sell their units themselves.
- g. Danny asked for monthly figures on sales and rentals. ACTION: Terrie
- h. Moved, seconded and passed to accept financial report.

4. Association Attorney Leanne Wagner Report

- a. Leanne was present to counsel the BOD on year 2020 termination. Our condo documents state that Sea Club IV will cease to exist as a timeshare in the year 2020 (no date specified) unless Association Members vote, no more than 60 or less than 30 days from 2020, to extend that date. Thus, owners would need to act in November or December of 2019. There are other options: Owners could vote now to completely remove the termination requirement in documents Article 19, replacing it with another date. Another option is to revise the documents to state that the resort will continue as a timeshare unless it is terminated pursuant to Chapter 718 of the Florida Statutes which provides the mechanisms for undoing a condominium. The quorum for any vote must be 50% plus one of the non-association unit voters. 51% of total owners, not just respondents, could then amend the document. Two ways get this done: Hold a meeting looking for attendance in person, or by proxy, of 50% plus one, or can send a written consent notice.

Leanne pointed out that the assessed value of SC IV is \$1.4M and, with 2,000 unit weeks, each average week is worth less than \$1000 if SC IV were to be sold. Michael requested Leanne draw up language he can use to start educating owners on this issue. After discussion, BOD consensus was to ask Leanne to prepare educational material for Michael's use, then a preview letter to owners, followed by written consent letters from the BOD to owners asking them to eliminate the document provision to terminate the resort as a timeshare. If unit title searches are required, Leanne will explore a cost-effective means of doing that. If no search, we may simply put individuals' unit numbers on their proxy cards. ACTION: Terrie/Leanne

- b. A question from last meeting regarding owners selling their units to anyone they choose (BuyYourTimeshare, LLC, etc) was referred to Leanne. She opined that an attempt to tell an owner he/she can't sell to anyone may not withstand a court challenge. She sees no harm in warning our owners about the disadvantages of doing business with "fly-by-night timeshare brokers". Michael read several samples of scam letters seeking timeshares.
- c. Danny asked if we can legally rent locked out units. Leanne sees no harm in splitting the proceeds, applying a portion to the owners' account and a portion to TJW. Danny made motion that in renting locked out units, 30% go to TJW, 20% go to the Association as delinquent fee income and 50% go towards past due maintenance fees. Motion seconded by John and passed.

5. Resort Manager Report

- a. Michael reviewed comments from owners and guests; highly complementary and lightly critical of interior appearance/decoration.
- b. Michael provided copy of his **maintenance log**, attached.
- c. He provided his **follow-up diary** (attached), high-lighting work to be done.

- d. Michael getting estimates to replace/repair sliding glass doors, new mattresses on order, living room mirrors to be replaced as needed, deadbolts to be put on unit doors (BOD approved \$3,400), Interval International memberships coming soon, walkway lighting being replaced in-house, new digital security cameras are installed (\$2,300), sofa arm covers on order, balcony chairs will be ordered (BOD approved buying high quality chairs), pool heater has been replaced, new office door is installed, a “smoking-encouraged-here” area will be built on the northeast deck corner, bathroom cabinets/vanity being looked at for replacement, and balcony areas with rail to be installed in front of first floor south units.
- e. Conversation on smoking policies disclosed opinions from owners at the meeting which ranged from totally banning smoking at SC IV to leaving the situation as it is (smoking on balconies and pool deck) to setting up smoking areas on the property. BOD consensus was to “leave it as it is” but add at least one “smoke here encouraged” area on the northeast corner of the deck.
- f. Michael has a few letters requesting SC IV donate a week to charitable organizations. The BOD declines to offer this as a practice, but encourages Michael to use managerial discretion in these matters.
- g. An owner requested BOD approval to swap like-for-like units to obtain continuity of a visit. BOD approved. Another owner wants to exchange a larger unit for a smaller one and the BOD approved.
- h. Owner Leigh Shaffer described in detail a SC IV 153-member owners’ group he has set up on Facebook to exchange information and network about the resort.
- i. SC IV RCI scores are 4.85 out of 5.0 (no hot tub or bar) and TripAdvisor is #6 out of 109 Daytona Beach resorts. Owner comment cards are very favorable.
- j. Owner Jerry Kuhlmann suggested making the re-piping costs a line item instead of the increase in maintenance fees (\$600 to \$900 for example). He would have preferred a several-year cash call to an increase in fees which may render the unit unsalable.

6. Board Members Report

- a. **Treasurer Danny:** Week 53 appears every four years (Week 53 could be Dec 31 thru Jan 6 with week one starting Jan 7). Should we have a plan to sell or rent them? Terrie: These weeks belong to the Association. Condo documents do not allow us to rent them. Procedure is to give week 52 owners priority; they can use week 53 for the same maintenance fee or it can be made available to other owners.
- b. Danny: question concerning Realtor Broker Mac visiting the resort to promote unit sales. He sees a need for a central brokerage of listings. Terrie: Past BODs have disapproved that, not wanting owners/guests disturbed. Terrie, not Michael has authority to sell and she will do her best to do that and provide buyers information. She suggests revamping this whole system and giving Mac an exclusive listing for one year. If he’s unsuccessful, owner can go elsewhere, but Mac gets a cut.
- c. Danny: Suggested a special sale on units we have the most inventory on. No progress made. TABLED: Danny
- d. Should Association or owners receive rental priority? Terrie: Believes past BODs gave priority to renting Association weeks. Michael procedure is to serve owners who submit their week for rent or guests who have specific requests. Consensus: Move focal point for sales/rentals to TJW. ACTION: Terrie

7. Unfinished business

- a. First floor railings, Agenda # 6e: Michael: \$7.900 project to be complete in couple weeks. ACTION: CLOSED
- b. Interval International and weholi timeshare exchanges, Agenda # 6g: Michael continues negotiations to enhance SC IV presence globally. ACTION: Michael
- c. Guidance re: 2020 Termination, Agenda # 6i; Covered in para 4a above. ACTION: CLOSED.
- d. Financial Reserve Study, Agenda # 6k: Terrie reports Facilities Advisor International Company was on site in January 2016 and obtained info required for the outside, but was unaware that he needed to include the inside furnishings. Michael sent unit templates to Terrie who is pressing on. BOD consensus: Despite signed contract, no study, no pay and Terrie will send certified letter. ACTION: Terrie
- e. Employee Compensation Comparisons, Agenda # 6m: Terrie produced her study of TJW compensation packages which disclosed SC IV (first line of her attached report) in the top tier of her clients. President Gil noted that we also provide health benefits. ACTION: CLOSED.
- f. Future need for electrical upgrades, Agenda # 6n: Ferran is coming to assess. ACTION: Michael
- g. Hoverboards, drones and electronic cigarettes in cabins, Agenda # 6o: Secretary Bill submitted a suggested SC IV Policy change to prohibit all. BOD concurred. ACTION: CLOSED

7. New Business

- a. Ratify walkway lighting: Michael is doing in-house and BOD ratified. ACTION: CLOSED
- b. BOD approves Michael's CCTV enhancements. ACTION: CLOSED
- c. President Gil requested thought be given to installing interrupter circuits to shut off AC units in unoccupied or open door rooms. Michael will ask Ferran. ACTION: Michael
- d. A critter complaint from a guest was put to rest. NO ACTION.
- e. All other new business on the agenda was previously covered.

8. Tabled:

- a. Item 6c above, Danny's special sale suggestion. ACTION: Danny

9. Owner Input from meeting

- a. Owner Pauline Dunn, "very happy here", shared thoughts on reducing maintenance fees, benefits of renting/buying Association units vs owner units and what is best for all of us (Thank you, Pauline.). She thanked the Board for their efforts.

10. Adjourned at 1:30 PM - Next Meeting, May 19, 2016.

Respectfully submitted

Bill Craig, SC IV BOD Secretary