

HOLLYWOOD SANDS RESORT OWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING MINUTES
October 27, 2011

I. CALL TO ORDER/ROLL CALL

The meeting was called to order by Vice President Joanne Rounds-Kos at 7:00 p.m. with the following persons in attendance:

Board of Directors Present Via Telephone:

Joanne Rounds-Kos, Vice President
Mike Connolly, Secretary
David Hutson, Director

George Karvounides, Director
Al Heilman, Director

Vacation Resorts International and Resort Management Staff:

Jan Samson, Sr. Vice President Resort Operations, Vacation Resorts International (at the resort)
Donna Barnett, Resort General Manager (via telephone)

II. NOTICE CERTIFICATION/QUORUM VERIFICATION

Jan Samson confirmed that the notice of the meeting was posted at the resort in an approved location in accordance with the Condominium Documents and Florida Statutes.

A quorum was achieved with five of seven Board members in attendance.

III. APPROVAL OF AGENDA

MOTION: George Karvounides moved to approve the agenda of the meeting with four additions to New Business: C. Insurance Renewals, D. Audit Engagement for 2011 Audit, E. Owner Holzberg Request, and F. New ADA Pet Laws. Motion was seconded by Al Heilman and approved unanimously.

IV. APPROVAL AND ACCEPTANCE OF PREVIOUS MEETING MINUTES

A. Approval of September 8, 2011 Regular Meeting Minutes

MOTION: Mike Connolly moved to approve the Board of Directors meeting minutes of September 8, 2011 as written. Motion was seconded by George Karvounides and approved unanimously.

B. **MOTION:** Mike Connolly moved to accept the Annual meeting minutes of September 8, 2011 as written. Motion was seconded by Al Heilman and approved unanimously.

V. REVIEW OF FINANCIAL STATEMENTS, RELATED REPORTS AND 2012 PROPOSED BUDGET REVIEW

The Board and management reviewed the month end September, 2011 financial reports. Included in the review were the financial statements, cash forecast, reserve schedule, cash balances report, accounts receivable report and the rental income report.

Discussion ensued regarding recent rain storms that resulted in some roof damage and leaks into some of the units. Donna Barnett stated that she is having the repairs done in-house as she is able. Some will have to be contracted out.

Jan Samson pointed out that the Accounts Receivable Summary report reflects that the Association is one percent ahead of where they were at the same time last year. Rentals have also been higher than last year for each of the last five months.

VI. REPORTS

A. Management Report

Donna Barnett reviewed her Manager's Report, including the current RCI guest comment report and a description of significant operational matters, which included the following:

- The concrete restoration project is complete and it looks great. Awaiting final invoice.
- Maintenance weeks - all deep cleaning was done and units are ready for another season.
- Trip Advisor – the resort is at 98% satisfaction and number one in their category. Ms. Barnett and her team encourage all owners and guests to write reviews.
- All in-room directories have been completely updated.
- Hollywood Sands received the Superior Small Lodging White Glove award for the second year in a row.

B. Interval Sales Report

The Board and management reviewed the current Association owned interval inventory sales and owner resales report provided by VRI's broker, Richard Schwartz.

Year-to-date, 39 intervals have been sold. Total sales made in 2009 and 2010 respectively, were 28 and 24 intervals.

The four September sales were a result of the special promotion offering a 25% discount, no closing costs and required payment of the first year's maintenance fees. Pricing for Association owned weeks has been increase by \$500 effective 10/1/11 as we enter the busier season. This allows for more flexibility and promotions.

C. Foreclosures

The Board and management reviewed the delinquent interval weeks foreclosure status report submitted by the Association's foreclosure attorney. There are 10 weeks for which the County made an error on the Certificates of Title. Ms. Samson indicated that she received notice from the attorney today, that they have been corrected and sent. Richard Schwartz has interested buyers for four of the 10 weeks.

VII. UNFINISHED BUSINESS

A. West Building Structural Work Update

As previously discussed in Manager's Report, the structural work is complete.

B. Spa Compliance With Codes Update

Ms. Samson informed the Board that all resorts are now required to purchase a pool lift by March 15, 2012. The lift can be portable and will probably cost somewhere between \$5,000 and \$6,000. VRI's Preferred Vendor Committee is working to secure discounted pricing for all VRI-managed resorts, however, there is no guarantee any vendors will provide such. Ms. Samson is to keep the Board informed, and will include in the January meeting agenda.

C. Annual Meeting Date Per HOA Documents

Ms. Samson read the section of the Association's Bylaws regarding the timing of their Annual meeting: "...at the time determined by the Board within ninety (90) days after each year end..." Management and the Board discussed and the Board agreed that they will change their Annual meeting date to March as some of the Board members are in-house during that month, and it will bring them in compliance with their Bylaws.

D. Utility Audit – Refund Update

Ms. Samson informed the Board that the total refunds resulting from the utility audit were \$2,816.95. Per the Agreement with Consumer Utility Consultants, 50% was due back to them. Net benefit to the Association from this audit was \$1,408.48.

E. AAA Inspection Results Update

Ms. Samson explained to the Board that she is still waiting to hear from AAA regarding whether the resort's unit door locking system will be accepted by them. If it is then Ms. Barnett and Ms. Samson will correct the entry lighting. AAA standards state that each unit must have a light switch inside the main entrance door for which to turn on lighting when a guest enters the unit. Ms. Samson will continue to follow-up with AAA for their response regarding the locking system.

VIII. NEW BUSINESS

A. Approval of 2012 Preliminary Draft Presentation Budget

The Board and Management reviewed the 2012 draft budget. Ms. Samson explained that cash discount laws have changed and they can now offer a cash discount. She provided a copy of the budget to each Board member reflecting what it would look like with the cash discount. The Board tabled that discussion and determined they did not want to make any further changes to the 2012 budget. The Board asked Ms. Samson to include a statement in the maintenance fee mailing requesting owners to pay by check to help save the Association money.

Ms. Barnett indicated she has not yet received the property tax bills, however she anticipates they will be under \$40 per interval. The Board also agreed to hold a Board/planning meeting in January 2012 to review and create a three to five year plan for operations and reserve expenditures. Requests for 2012 reserve expenditures were tabled until the January meeting, however the Board did request Ms. Samson forward reserve item bids received to date.

MOTION: Al Heilman moved to approve the 2012 budget at \$600 per interval, of which \$499.55 is operating and \$100.45 is reserves. Motion was seconded by Mike Connolly and approved unanimously.

B. Approval of 2012 Assessment Billing & Collection Policy

The Board and Management reviewed the proposed 2012 Assessment Billing & Collection Policy. Ms. Samson explained that the only change to the previous year's policy is the dates.

MOTION: Al Heilman moved to approve the Assessment Billing & Collection Policy as presented. The motion was seconded by Mike Connolly and approved unanimously.

C. Insurance Renewals

Ms. Samson reminded the Board that all insurance policies except Wind, are coming up for renewal in January and February, and asked the Board if they would like all policies to be bid out again. The Board asked Ms. Samson to secure insurance bids from Willis North America and from Mack, Mack & Waltz Insurance Group.

D. Audit Engagement for 2011 Audit

The Board and Management discussed the proposed audit engagement for the 2011 audit.

MOTION: Mike Connolly moved to approve the audit engagement from Margolies, Fink & Wichrowski, to perform the Association's 2011 audit at a cost of \$4,975. The motion was seconded by Al Heilman and approved unanimously.

E. Owner Holzberg Request

Ms. Samson explained that she received a communication from Greenspoon Marder regarding Mr. Holzberg's week that was sent to them for foreclosure. Mr. Holzberg does not want to provide a Deed in Lieu of foreclosure. He prefers a Warrantee Deed.

MOTION: Al Heilman moved to accept a Warrantee Deed from owner Holzberg for unit 6, week 49, and have Jan Samson inform Greenspoon Marder of their decision. The motion was seconded by Mike Connolly and approved unanimously.

F. New Service Animal/ADA Pet Laws

Ms. Samson informed the Board of the new ADA pet laws that state businesses can now refuse service to customers whose "service animals" are not dogs or miniature horses. "Comfort animals" are no longer considered service animals under the ADA. Businesses may ask two questions: 1) Is this a service animal?; and if yes, 2) What tasks is the animal trained to perform? Ms. Samson had previously provided Ms. Barnett with a form she and her staff can use if/when the occasion arises with a guest arriving with a service animal.

IX. FUTURE MEETING DATES

- Ms. Samson was asked to e-mail the Board with optional dates for the January and the March Board and Annual meetings.

X. ADJOURNMENT

MOTION: There being no further business, Mike Connolly moved to adjourn the meeting at 8:35 p.m. Motion was seconded by Dave Hutson and approved unanimously.



Michael Connolly, Secretary

JS/jf

hsr: 102711min