

**MINUTES OF
GEORGIAN INN BEACH CLUB ASSOCIATION
BOARD OF DIRECTORS MEETING**

DATE: December 16, 2006

TIME: 9:00am

PRESENT:	Paul Chiaro	President/Director
	Joe Dangler	Secretary/Director
	Shirley Mathews	Treasurer/Director
	Alan Davis	Director
	Birgit Laks	Resort Manager
	Robin Betson	Assistant Manager
	Susan Adair	Recording Secretary
ABSENT:	Karl Smith	Vice President/Director

President Chiaro opened the meeting at 9:09am. It was duly noted a quorum was present. Mr Chiaro noted Karl Smith had recent by-pass surgery, is recovering nicely and expects to be home soon.

Shirley Mathews made a motion to approve the Minutes of the meeting on November 4, 2006. Joe Dangler seconded the motion. Mr Chiaro said he would discuss different items in the Minutes later in the meeting. The modified motion was approved by unanimous vote.

Shirley Mathews made a motion approve the Agenda as presented. Joe Dangler seconded the motion. The motion passed with all in favor.

Mr Chiaro said a conference call with Mr Massey of UBS/Paine Webber has been scheduled for 10:00am to provide information and answer questions about their American Express rewards credit card. Mr Chiaro said about \$1,000,000 of our Operating funds will be sent to UBS after January 1, 2007, and they will send \$83,000 to us monthly for Operating expenses. Mr Chiaro noted we were able to operate on the money available to us without a transfer of monthly funds in October and November. However, UBS sent us \$83,000 for December expenses. Birgit Laks recommended \$80,000 as the monthly transfer figure.

MANAGER REPORT

A report of payments received since December 2005 contains no big changes since the last report. The collection agencies have collected on delinquent accounts but we have not received money from them. We have received prepaid maintenance fees of \$100,000, a lot within the past three days, which will be applied after the end of year close-out.

Alan Davis inquired if there was interest paid on the Operating account. Ms Laks said any funds over and above operating expenses are transferred to a savings account. Shirley Mathews said the savings account pays 4.5% interest. Mr Chiaro asked Mr Davis to check banks for interest paying checking accounts.

The comment cards from RCI indicate too high a score in some areas for October

due to RCI not inputting scores from all comment cards prior to September 1, 2006.

An employee may contact a Board member directly regarding a problem. Ms Laks asked Board members to keep in mind there are always two or three sides to every story. It was suggested the Board member assure the employee the situation will be investigated, and that a meeting must take place to resolve the issue. Also, the employee should be encouraged to address the dilemma directly with the other employees, or talk with his/her supervisor. President Chiaro said he has an open door policy, and asked to be informed immediately if a Board member is contacted by an employee. Alan Davis said it is not the Board's intent to micro-manage the resort staff.

CUI now has a program whereby a resort can earn points for delinquent accounts referred to them – each point equals \$1. and the points are valid for 24 months. Each current year account earns 5 points, and accounts older than a year earn 2 points. The points can be used to purchase supplies for the resort, reward loyal employees, or used as giveaways for the owners.

Mr Chiaro cautioned that the rewards program could cause a quick referral to CUI, and if we adopt the program, it must not influence our method of distributing our delinquent accounts among the three collection agencies based upon their performance. Birgit Laks said she would maintain a spread sheet. Mr Chiaro asked Robin Betson to check with Mr Olivari on whether the CUI and credit card rewards are considered income, and therefore, taxable.

CUI offers a program of courtesy calls to owners who have not paid their Maintenance fees by the end of January or beginning of February. They make four calls to each owner on the list, usually on weekends. The cost is \$3 per account, whether the owner pays or not, or \$25 for each account that pays. Paul Chiaro said this program would be hard to track, and would help CUI collect delinquent fees in the future, giving them an advantage over the other collection agencies.

Mr Chiaro suggested we place this item on the Agenda at the next meeting.

Alan Davis said we can contact the other agencies to see if they offer a similar program.

CONFERENCE CALL – WALTER MASSEY PAINE WEBBER/ UBS

Mr Massey outlined some of the terms and benefits of their American Express rewards credit card:

- a) Form of money management at no cost to the resort, and monthly statement of expenditures.**
- b) Works as a debit card, funds must be available in account to cover debit. There is no card limit but based solely on amount of money in the account.**

Visa rewards credit card is available with a limit based on individual worth.
- c) Money is not withdrawn from the account until the next to last day of the month, therefore, funds in account earn more interest.**
- d) The program is monitored for fraud protection, charges can be disputed and payment blocked. On line access is available, and reward points have no expiration as long as the account remains active.**
- e) One reward point equals \$1. For an annual \$350 upgrade fee, each point earned will be equal to 1.5 points.**

Mr Massey said it is important to find out which vendors will accept payment by credit card. The whole application process should be completed within one or two weeks.

Shirley Mathews made a motion to accept the UBS American Express rewards credit card program, with the upgrading of points to 1.5. Joe Dangler seconded the motion. The motion passed by unanimous vote.

MANAGER REPORT (continued)

Joe Dangler suggested enclosing a card with the late notices inviting the owners to visit the resort and observe first-hand the results of the work that was done.

Alan Davis said he is working on a web-design which will include pictures of the resort. Mr Chiaro said Mr Davis and the web-master will decide what pictures to use, and run them by Birgit Laks.

Alan Davis made a motion to accept the Manager report as presented.

Shirley Mathews seconded the motion. The motion passed with all in favor.

ASSISTANT MANAGER REPORT

President Chiaro congratulated Robin Betson on a phenomenal job as Assistant Manager while Ms Laks was on leave.

Robin Betson referred to a list of projects and accomplishments from August through November.

Ms Betson presented a list of owners wishing to deed-back their units. Mr Chiaro said he thinks Birgit Laks and Robin Betson can make the decision on which units to take back, even in cases where fees are owed, and then make their recommendation to the Board.

Ms Betson brought the Board up to date on the voluntary deed-backs from the November 4th meeting. The 11 owners wanting to relinquish their units were sent letters requesting \$150 to cover the closing costs. Ten of the 11 owners paid, and the remaining owner's account has been sent to collections. Mr Chiaro said the letter program is working, and should be continued.

One of the units is jointly owned, and each owner sent in \$150. It was the consensus of the Board to refund \$75 to each owner to clear out the \$150 overpayment.

Shirley Mathews made a motion to accept units on the November 4, 2006 deed-back list from the owners who had paid the \$150. Alan Davis seconded the motion, The motion passed with all in favor.

We sent current year delinquent accounts to CUI on December 2, 2006. There were 40% of the owners delinquent as of December 2006.

Ms Betson reviewed personnel changes and problems. Mr Chiaro said we need to see a lot of enthusiasm at front desk. The issue of personal cell phone calls, attendance and timecard requirements are being addressed.

Shirley Mathews made a motion to approve the Assistant Manager report as presented. Alan Davis seconded the motion. The motion passed with all in favor.

A break in the meeting was called at 12:00pm. The meeting was reopened at 12:15pm.

TREASURER REPORT

Mr Chiaro said he believes the points earned on the American Express rewards card are good for 5 years, as long as the card remains active. Reference to a \$15,000 limit on the account will be looked at – does this refer to a points limit, and once the points are earned and spent, does the limit renew back to \$15,000?

OLD BUSINESS

Birgit Laks reported on the November 1 5th meeting with Jeff Dixon. It was agreed Berkley would purchase 250 units as of December 31, 2006 for a zero purchase price, with the \$500 per unit going to the 2006/2007 Special Assessment. The remaining Special Assessment of \$67.67 owed on each unit will be paid by Berkley.

Two addendum were added to the original purchase agreement with Berkley:

- 1) If the list of available units is not submitted to Berkley on time, Berkley does not have to buy any units for that quarter.**
- 2) If a Special Assessment is under consideration by the Board, or the resort is closed, Berkley does not have to purchase their quarterly quota of units for \$500 plus the Special Assesment for 2007.**

Ms Laks reported she has not heard from Jeff Dixon since the meeting.

She advised him that President Chiaro would be signing the addendum at the December 16th Board meeting. Mr Dixon asked that the addendum not be signed until he submitted it to his legal department. Also, he has not responded to the list of units that were e-mailed to him.

Mr Chiaro asked Ms Laks to draft a letter to Mr Dixon giving him a time-frame to purchase the units, and sign the addendum. The letter will be given to Mr Kramer to be sent out by him.

Birgit Laks said we need to establish a cash handling policy. She has print outs from other companies, and suggested a committee be appointed to review the options and report back to the Board. Alan Davis said we should have a legal review also. President Chiaro appointed Alan Davis as head of the committee, with Birgit Laks and Joe Dangler as committee members.

Birgit Laks said she needs to establish guidelines and objective criteria for the Employee of the Month program. Mr Chiaro said Ms Laks and Ms Betson will present their findings at the meeting after the January 27, 2007 Annual meeting.

The meeting schedule for 2007 will be determined at the next Board meeting on January 27, 2007, and Mr Chiaro asked the directors to prepare a list of dates they will not be available.

Mr Chiaro reviewed items in the Minutes of the meeting on November 4, 2006:

- a) Pg 2 – Paragraph 4 correct wording to read

“Mr Chiaro suggested we terminate the contract”

- b) The mailing for the second Annual Meeting will be mailed out 30 days prior to the meeting**
- c) Birgit Laks said we can go back to apply for a sign variance in a year, at a cost of \$800. Alan Davis said he would like to find a way to spot light the project, and possibly the flag, on the front of the building.**
- d) Mr Chiaro asked Shirley Mathews to go over the credit card purchases that Birgit Laks put on her personal card during the remodeling.**
- e) Pg 8 – Paragraph 31 correct to
“UBS sends \$81,000 each month”**
- f) Mr Chiaro checked with the State and was told we could send delinquent accounts to the collection agency prior to the 60 days, provided we have a guarantee from the agency not to contact the owners. Mr Davis suggested we get this opinion in writing.**
- g) Mr Chiaro asked Shirley Mathews to decline Brown & Brown’s offer to quote on our insurance renewal.**
- h) With Board approval, President Chiaro will advise UBS to continue the 6 month CD which matures in April.**

ADJOURNMENT

The second Annual Meeting is scheduled for January 27, 2007 at 1:00PM.

There will be a Board meeting at 10:00am prior to the Annual meeting.

President Chiaro adjourned the meeting at 1:25pm.