

Coconut Malorie Resort Timeshare Owners Association, Inc.
(the "Association")
Board of Directors Meeting
January 29, 2019

CALL TO ORDER

The Meeting was called to order by Jonathan Brooks at 2:05 p.m. The following Board of Directors ("BOD") were in attendance via teleconference: Charles Herpen, President; Jared Resch, Vice President; and Jonathan Brooks, Secretary/Treasurer. Attendees from Festiva Management Services included Sydney Delp, General Manager. Julie Orrender, Association Compliance Manager and Liz Brinn, newly appointed Association Compliance Manager were present from Zealandia Holding Company, Inc.

MEETING NOTICE AND QUORUM

Proper notice of the meeting was provided in accordance with the Bylaws of the Association. Quorum was established with three (3) of three (3) Directors present, and Liz Brinn was appointed Acting Secretary to record the minutes.

APPROVAL OF AGENDA

Julie requested to add item "d", ICG Utility Agreement, to number "V" under Unfinished Business.

Motion was made by Jared Resch to approve the agenda as amended. Charles Herpen seconded the motion and it unanimously carried.

APPROVAL OF PRIOR MINUTES

Motion was made by Charles Herpen to approve the minutes of the August 28, 2018 BOD Meeting, the October 29, 2018 BOD Budget Meeting, and the December 15, 2016 BOD Organizational Meeting as presented. The motion was seconded by Jonathan Brooks and Jared Resch abstained. The motion carried 2-1.

OFFICERS, COMMITTEES AND MANAGEMENT REPORTS

Property Update

Sydney Delp shared there was no property update. There have been no changes since the last meeting held the prior month.

Customer Count Scores

Sydney reviewed the Customer Count Survey Scores as of January 1, 2019 sharing the activities category has been removed from the comment card, as no on-site activities are provided. She stated this should provide a more accurate account of the overall resort score. Sydney noted that ten (10) of the twelve (12) categories have improved over the previous period last year.

December 2018 Financial Review

Sydney provided an overview of the Variance Report and the A/R Summary through December of 2018.

UNFINISHED BUSINESS

Deed Back Requests

Jonathan Brooks requested an update from corporate regarding a standardized process for how deed backs are to be handled going forward. The corporate legal department is working to finalize the process and hopes to have guidelines in writing by March.

Discussion was held on four (4) Deed Back requests.

Motion was made by Jonathan Brooks to take back Week 15/Unit 514, Week 25/Unit 418, and Week 6/Unit 402 and to request that they each pay the transfer fee. However, the BOD will accept the deeds back regardless of whether the transfer fee is paid by the Member. Week 50/Unit 105 will be accepted under the same guidelines provided it is removed from RCI first. The motion was seconded by Jared Resch and unanimously carried.

Kaba Lock Proposal

Sydney Delp will gather more information on the lock system and the service agreement. Voting will be on hold until more information is available. Once received a special meeting will be held to vote on the proposal. Discussion followed regarding whether the CUO or TOA or both would sign the contract. This is under review, but it is believed that due to the CUO not being incorporated, the agreement will be signed by the TOA and the CUO billed for their portion.

Action item Updates

During the 10/29 budget meeting there was discussion if daily cleanings were required pursuant to local ordinances, as no such provision is outlined in the governing documents. After further research, it was determined daily cleanings are not required. Discussion and it was determined that this will be an operational decision rather than a BOD decision.

ICG Utility Audit

Sydney Delp provided an overview of the ICG Audit proposal for both Utilities and for Waste Management. There is no cost to the association to enter into the agreement; however, the proposal received lists a 50/50 split. Previously the agreement was a 40/60 split in favor of the Association.

Motion was made by Johnathan Brooks to approve the ICG Audit proposals regardless of the percentage split; however, management will try to negotiate a more favorable split. The motion was seconded by Jared Resch and unanimously carried.

NEW BUSINESS

Washing Machine Lease Agreement

Sydney Delp presented a lease/purchase agreement written by Zealandia Capital for a new commercial washing machine. The current commercial machine has been broken for some time and this is a necessary expense.

Motion was made by Charles Herpen to approve the commercial lease agreement and to approve Johnathan Brooks to sign on behalf of the BOD. The motion was seconded by Johnathan Brooks and unanimously carried.

Future Meeting Dates

The Annual Meeting can be held anytime in the month of December. Due to other association schedules and the way the Christmas holiday falls this year it is creating some scheduling problems. The BOD will table selecting a date until the Council of Unit Owners has decided.

The next BOD meeting will be held once we get further information on the Dormakaba locks.

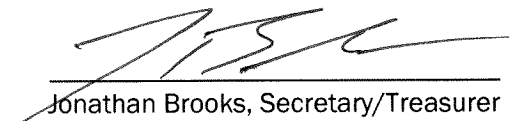
Discussion followed regarding when the Budget meeting will be held. The BOD would like to follow the same plan as in 2018, meaning the BOD will first approve the budget that will be sent to the members. The members are then to be sent the notice 30 days prior to the date of the budget meeting. Management will provide proposed dates at the next meeting.

ADJOURNMENT

Motion was made by Johnathan Brooks to adjourn the meeting at 3:09 P.M. The motion was seconded by Jared Resch and unanimously carried.

CERTIFICATION

I hereby certify the foregoing Minutes of the Board of Directors Meeting held on January 29, 2019 were approved and duly adopted by the Board on the 4th day of December 2019.


Jonathan Brooks, Secretary/Treasurer