

MINUTES
Treetops / Ocean Breeze
Board of Directors Meeting

April 7, 2010

3:30 p.m.

- I. Call to Order / Roll Call – Bob VanSchelvan called the meeting to order at 3:40 p.m. And opened the floor for discussion on the proposed 2010 – 2011 budget.
 - a. Officers and Directors present – Bob VanSchelvan, President; Stan Stolarczyk, Vice President; Merle Brown, Secretary / Treasurer; Peggy Edwards, Director; Jeff Martyn, Director
 - b. IMC Resort Services, Inc. representatives – Ron Fenstermaker, President; Bryan Dorshimer, Association Manager; Garrett Hamilton, Collections Manager; Melissa Fenstermaker, Minutes
- II. Approval of the Minutes
 - a. February 24, 2010 – **Peggy Edwards made a motion to waive the reading of the minutes from the February 24, 2010 Board of Directors meeting and accept them into record as presented. Jeff Martyn seconded the motion. The motion passed without opposition.**
- III. President's Report – Bob thanked the management team for persevering during the period of austerity but that the property will need to resume standard coverage very shortly. Ron mentioned that he will be addressing that topic under the site manager report.
- IV. Management Report
 - a. Cash position – Ron presented the cash position as of April 7, 2010.

| | |
|------------------|--------------|
| Operating Cash | \$ 41,412.00 |
| Replacement Fund | \$ 51,892.84 |
| Insurance Fund | \$389,474.00 |

Ron reported that by having management provide minimal site time during the off-season, they learned that the association can get by comfortably with 30 hours of coverage during a month. This will provide a yearly savings of \$14,000 to the association. Ron suggested trying it and having the board report back to management at the next meeting. Ron also suggested that the board continue to be frugal with maintenance repairs. **Peggy Edwards made a motion to go back to 30 hours per week effective April 12, 2010. Jeff Martyn seconded the motion. The motion passed without opposition.** The Board will review at the next meeting.

- b. Collections – Garrett Hamilton joined the meeting at 4:50 p.m. to discuss the delinquent payers in the community. Peggy contacted Garrett about executing a judgment on Bill Johnson; Garrett reported that the board

decided to forego the judgment and do a foreclosure. As the foreclosure isn't attainable the board authorized moving to a judgment. See the attached report from the attorney's office. Stan suggested an email blast to Rep Tom Davis stating displeasure with the Homestead Act. If the association owns a villa, Ron asked who the Board wants to be the rental manager, no decision was made. With reference to 5301, Greg Alford is going to start proceedings in GA and this is going to be sent to the collection agency at the direction of the Board. Garrett was authorized by the board to send Szymanski (#7304) to the collection agency.

- c. Site Manager Report – Bryan reported that received reports of bats in the villas at Ocean Breeze 1 – 17. Critter Management provided a proposal of \$10,000 to bat proof the villas. Bryan sent one of the maintenance techs to the area to replace rotted wood, install screens, repair caulking, etc. The irrigation system is being tested – Bryan presented a bid to switch the fire monitoring vendor in an effort to save the association \$2,000. This would be a switch to AFS. Bryan reported that a toilet in 7903 just about fell through the floor as a result of an original construction defect. Dewey made necessary repairs. In addition, Bryan found a few other instances and the Board directed the repairs to be made to prevent further damage / destruction to the property. There have been no villa to villa leaks.

V. Committee Reports

- a. Budget & Finance / Contract Review / Insurance – After lengthy discussion. **Merle Brown made a motion to approve the 2010 – 2011 operating budget as revised (see attached). Jeff Martyn seconded the motion. The motion passed without opposition.** The Board asked Ron to draft a letter to go with the budget for the board's review.
- b. Long Range Planning – None at this time.
- c. Parking / Security / Neighborhood Watch – Activity on the property is picking up.
- d. Maintenance – None at this time.
- e. Newsletter – The next newsletter is going out by early May.
- f. Buildings & Grounds – None at this time.
- g. Environmental Quality – None at this time.

VI. Old Business

- a. Annual Meeting Update – Melissa reported that she secured the meeting room at St. Luke's Episcopal church for the annual meeting which is scheduled for Saturday, June 19, 2010; Melissa reminded the board that Jeff Martyn's and Merle Brown's terms are up for election this year. The Board directed management to send the owners a notice of request for

candidates. The board also authorized a pre-annual meeting social – BYO nibble & nip – 6:00 – 8:00 p.m.

VII. New Business

- a. Vendor Payments for Owner Work – Vendor bills are no longer posted to the owners account and paid for by the association. Vendors are provided the billing address for the owner and management stays out of the middle. Ron explained the procedure followed for emergencies:

IMC, as agent, calls the vendor on behalf of the association. The loss is stopped and damages mitigated.

If it is determined that a leak (or other loss) is not an association financial responsibility, management informs the affected owner(s) that they are responsible for payment for repairs for the work performed by the vendor in the emergency, the vendor should be instructed to bill the owner directly.

If this procedure does not work out (for example: an owner does not pay the vendor for the loss), management will forward the information to the board for their review and guidance within a reasonable timeframe to ensure the business relationship with the vendor remains in good standing.

- b. Lattice (Gary Johnson) – Peggy asked if chicken wire can be installed in the voids. The board authorized the installation.

VIII. Adjournment – **There being no further business to discuss, Jeff Martyn made a motion to adjourn at 5:33 p.m. Peggy Edward seconded the motion. The motion passed without opposition.**

Next meeting

Treetops Ocean Breeze Preliminary Budget 7/1/10 thru 6/30/11

| | Approved 2009/2010 | Approved 2010/2011 | Change |
|------------------------------|------------------------|------------------------|----------------------|
| INCOME | | | |
| 5120 Regime Fees & Insurance | \$ 1,020,288.00 | \$ 1,123,402.00 | \$ 103,114.00 |
| 5916 Pet Fees | \$ 3,000.00 | \$ 3,000.00 | \$ - |
| 5920 Late Fees | \$ 3,050.00 | \$ 3,050.00 | \$ - |
| 5925 Clubhouse Rental Income | \$ 4,800.00 | \$ 4,800.00 | \$ - |
| Total | \$ 1,031,138.00 | \$ 1,134,252.00 | \$ 103,114.00 |

EXPENSES

| <u>Administrative Expenses</u> | <u>Annual</u> | <u>Annual</u> | <u>Change</u> |
|---|------------------------|------------------------|----------------------|
| 6230 Management Fee | \$ 72,324.00 | \$ 72,324.00 | \$ - |
| 6235 Professional Fees | \$ 5,000.00 | \$ 7,000.00 | \$ 2,000.00 |
| 6300 Legal Regime | \$ 2,000.00 | \$ 4,000.00 | \$ 2,000.00 |
| 6310 Allowance for Bad Debt | \$ - | \$ 89,000.00 | \$ 89,000.00 |
| 6325 Administrative Expenses | \$ 5,500.00 | \$ 6,000.00 | \$ 500.00 |
| 6710 Misc., Taxes, Licenses, & Permits | \$ 1,000.00 | \$ 1,000.00 | \$ - |
| <u>Insurance</u> | | | |
| 6720 Insurance Allowance | \$ 385,000.00 | \$ 452,834.00 | \$ 67,834.00 |
| <u>Contract Expenses</u> | | | |
| 6525 Janitorial Contract | \$ 8,280.00 | \$ 8,280.00 | \$ - |
| 6540 Pest Control | \$ 12,720.00 | \$ 12,720.00 | \$ - |
| 6545 Termite Inspection | \$ 2,700.00 | \$ 3,000.00 | \$ 300.00 |
| 6550 Refuse Contract | \$ 22,128.00 | \$ 22,128.00 | \$ - |
| 6560 Elevator Maintenance Contract | \$ 5,966.00 | \$ 6,000.00 | \$ 34.00 |
| 6570 Fire Protection/Monitor | \$ 2,664.00 | \$ 2,664.00 | \$ - |
| 6585 Landscape Contract | \$ 57,000.00 | \$ 58,700.00 | \$ 1,700.00 |
| 6640 Pool Contract | \$ 22,140.00 | \$ 22,140.00 | \$ - |
| 6800 Site Manager | \$ 48,700.00 | \$ 48,700.00 | \$ - |
| 6801 Patrol | \$ 5,760.00 | \$ 5,760.00 | \$ - |
| <u>Maintenance Expenses</u> | | | |
| 6547 Sentricon Maintenance | \$ 4,215.00 | \$ 4,215.00 | \$ - |
| 6551 Refuse Other | \$ 1,200.00 | \$ 1,500.00 | \$ 300.00 |
| 6565 Elevator Repairs | \$ 1,500.00 | \$ 1,500.00 | \$ - |
| 6586 Irrigation Repairs | \$ 4,000.00 | \$ 3,500.00 | \$ (500.00) |
| 6587 Landscape Other | \$ 6,500.00 | \$ 6,500.00 | \$ - |
| 6588 Trees - Removal/High Trimming | \$ 5,000.00 | \$ 5,000.00 | \$ - |
| 6589 Storm Contingency | \$ 4,000.00 | \$ 4,000.00 | \$ - |
| 6620 General Maintenance | \$ 65,000.00 | \$ 70,000.00 | \$ 5,000.00 |
| 6625 General Maintenance - Lights | \$ 5,000.00 | \$ 5,000.00 | \$ - |
| 6645 Swim Pool Repairs | \$ 4,000.00 | \$ 4,000.00 | \$ - |
| <u>Utilities</u> | | | |
| 6320 Telephone | \$ 3,800.00 | \$ 3,800.00 | \$ - |
| 6321 Fire Phones | \$ 4,188.00 | \$ 4,300.00 | \$ 112.00 |
| 6425 Electric | \$ 32,000.00 | \$ 32,000.00 | \$ - |
| 6430 Water & Sewer | \$ 100,000.00 | \$ 100,000.00 | \$ - |
| <u>Replacement Expenditures</u> | | | |
| 7000 Replacement Resv (Formerly Cap Resv) | \$ 131,853.00 | \$ 66,687.00 | \$ (65,166.00) |
| Total Expenses/Reserve | \$ 1,031,138.00 | \$ 1,134,252.00 | \$ 103,114.00 |

* The budgeted insurance is only an allowance, each villa owner will be billed separately for their portion of any shortfall

As of March 31, 2009, the total aged-receivables were \$268,015.19, which breaks down as follows:

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|----------------------|----------------------|
| Regime Fees | \$ 92,041.64 |
| Insurance Fees | \$ 25,113.68 |
| Legal Fees | \$ 48,097.33 |
| Pet Fees | \$ 410.00 |
| Late Fees | \$ 13,439.06 |
| Reimbursable Maint. | \$ 2,783.15 |
| Judgments/Bankruptcy | \$ 86,130.33 |
| | <u>\$ 268,015.19</u> |

The following accounts are being handled by the association's attorney (Alford & Wilkins):

| Unit | Owner | Account Balance | Good News | New Liens | Liens | Money Judgment | Regime Foreclosure | Bank Foreclosure | BNK | Write-Offs | Notes |
|------|----------|-----------------|----------------------------|-----------|-----------|----------------|--------------------|---|-----------|------------|--|
| 24 | Jolley | \$ 8,433.94 | | 12/2/2009 | 7/16/2008 | 1/22/2009 | | | | | Atty has conflict - xfer to W. Newton 9/28/09 |
| 32 | Counts | \$ 1,701.96 | 11/24 paid in full \$3,030 | | 6/11/2009 | | 10/30/2009 | | | | |
| 90 | Bowler | \$ - | 11/10 paid in full \$4,033 | | 3/24/2009 | | 9/9/2009 | | | | 11/4/09 owner called atty for pay-off - 3/1/10 Owner contacted us about entering into a payment plan and Confession of Judgment, should happen by end of month - 12 month plan |
| 4001 | Berkeley | \$ 483.29 | Going on pymt plan | | 10/6/2009 | | | | | | 11/4/09 payoff letter sent |
| 4502 | Inman | \$ 10,086.95 | | | 2/26/2009 | | | | 7/14/2009 | | |
| 4602 | Johnson | \$ 12,383.55 | | | | | 10/30/2009 | filed 3/24/2009; dismissed 9/09 - filed 1/14/10 | | | Notice pr payment or Foreclosure action 11/09 1/20/10 - answer filed on bank foreclosure - 2/23/10 issue with Homestead Act (owner occupied), Appoint receiver? |

GET JUDGMENT-7/14/2008

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|------|----------|---|-----------|----------|--|
| 4803 | Cilliers | \$ 8,790.61 | 6/11/2009 | 9/9/2009 | <p>11/09 TT Foreclosure - 2/17/10 Affidavit of Homestead exemption filed - Foreclosure Hearing on 3/26/10 - Attended foreclosure hearing, awaiting judgment and notice of safe papers to be signed by judge. May 3rd foreclosure sale date.</p> |
| 4902 | Patrick | \$ 6,116.20 Paid: \$3,664.00 on 3/26/10 | 2008 | 9/9/2009 | <p>owner request payoff athry addressing - 2/4/10 default docs sent to BC - 2/17/10 Affidavit of Homestead exemption filed - 2/23/10 Atty contacting owner about payment plan after default is filed - order of Default/Reference entered 3/5/10 - Sent payment plan and confession of Judgment, will cancel foreclosure hearing when documents are signed - leaving foreclosure suit open until payment plan is satisfied or defaults - 12 month plan. - Owner signed/started payment plan; didn't signed confession of judgment., will cancel foreclosure hearing when document is signed.</p> |

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|------|---------------|--------------|-------------------------------------|------------|-----------|----------|--|
| 4904 | Maleh | \$ 9,003.40 | | 9/1/2009 | 9/9/2009 | | <p>Sent owner letter to BOD back to attorney 1/26 - Rec'd Counter offer Letter on 2/4/10 - Foreclosure complaint sent to Court for filing 3/12/10 and will serve when filed - Filing Homestead Affidavit when case is filed. - Homestead affidavit sent to court for filing on 4/1/10</p> |
| 5004 | Hayes/Robirds | \$ 24,695.37 | | 7/27/2009 | 9/10/2009 | 9/9/2009 | <p>Foreclosure filed by on 10/29/09 - Answer and Cross Claim for foreclosure filed 11/5/09 - Per Bank, Order of Default and Reference by Bank being filed, currently served Hayes and serving Robirds</p> |
| 5301 | Harmon | \$ 11,274.48 | Public Sale 1/19/10 Fed Nat Mort | 12/15/2008 | | 8/7/2009 | <p>11/09 BAC Mort Default JDG - Property foreclosed on 1/19/10 by bank - 2/22/10 execution rec'd by sheriff - Foreclosure dead recorded by County 1/19/10, setting up new owner as of 12/7/09 (Fed. National Mortgage Assoc.) and mailing out new owners packet. - Execution returned with nothing found on 3/26/10, we know owner lives in GA., Domesticate Judgment to GA?</p> |
| 5501 | McGuffin | \$ 800.00 | 11/24 paid \$1000 | 9/1/2009 | | | <p>12/13 \$500 1/8 \$500</p> |
| 5602 | Roberts | \$ 3,965.39 | Foreclosed 10/26/09 | 2/19/2009 | | 5/1/2009 | <p>Will get JDG on balance 1/16/10 pd \$5000 - Rec'd \$2,836.94 from Federal Home Mort. On 3/16/10</p> |

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|------|-----------|--------------|---|-----------|-----------|-----------|-----------|--|
| 5902 | Kee | \$ 6,893.86 | | 4/22/2009 | 9/9/2009 | | | Conflict issue with foreclosure and atty. awaiting response |
| 6202 | Hammerle | \$ - | | | 9/19/2007 | | | Execution rec'd by Sheriff on 2/19/10 - Found that Hammerle owns a 2007 Nissan truck that can be executed on (no lien), and also wants to work with us on payments - Contacting to discuss pymt plan. - 4/2/10 Agreed with Hammerle on \$3,665 to release judgment and truck from impound. |
| 6304 | Inman | \$ 10,125.32 | | 3/24/2009 | | | 7/14/2009 | |
| 7016 | Kass | \$ 2,552.40 | Paid: \$300.00 on 4/5/10 and signed payment plan. | 9/1/2009 | | | | Atty has conflict - xfer to W. Newton 9/28/09 - Owner signed Payment Plan with IMC, \$300 down and \$200/month. |
| 7103 | Kollaros | \$ 9,837.53 | | | | 8/14/2009 | 9/15/2008 | Stay has been lifted by Bank in bankruptcy, Foreclosure filed by bank and notice of hearing set for 4/5/10. |
| 7107 | Egan | \$ 3,370.71 | | 3/2/2009 | | | | demand letter sent 12/3/09 |
| 7304 | Szymanski | \$ 6,216.63 | Foreclosed 10-20-09 | 5/22/2007 | | 6/23/2009 | 1/8/2009 | |
| 7305 | Jenkins | \$ 5,254.23 | | 6/11/2009 | | | | 11/4/09 payoff letter sent 1/25/10 Attorney addressing owner email reply - 1/26/10 Atty sent answer response letter - 2/12/10 sent verification of debt letter - Foreclosure suit pending - Foreclosure filed 3/4/10 and being served - Homeslead Affidavit filed 3/15/10 |

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|------|--------|--------------|---------------------------------|-----------|-------------------|------------|-----------|---|
| 7503 | Slade | \$ 14,780.18 | | 7/16/2008 | 3/27/2009 | 9/9/2009 | | T. Foreclosure - on 2/17/10 order for publication rec'd - Could not serve Foreclosure Suit - Currently publishing service. Scheduled foreclosure hearing for 5/21/10. |
| 7706 | Keenan | \$ 14,249.94 | | 4/22/2009 | | 9/9/2009 | | TT Lien Foreclosure - 1/15/10 order of default filed with BC - 2/17/10 Affidavit of Homestead exemption filed - Foreclosure hearing on 3/26/10 - Attended foreclosure hearing, serving one other lender, then judge will sign judgment and notice of sale, pending May 3rd sale date. |
| 7710 | Curley | \$ 1,586.62 | 2/5/10 Pymt Rec'd of \$3,617.37 | | | | 1/29/2010 | 2/17/10 lien released and answer filed, monitoring foreclosure - Payment of \$3,617.37 rec'd on 2/5/10 |
| 7801 | Chism | \$ 21,808.27 | | 9/17/2007 | 1/7/08 2/3/09 | | 7/27/2009 | 1/20/10 Execution Against Prop EMC Mort Corp - 2/22/10 execution rec'd by sheriff, monitoring |
| 7804 | Kitty | \$ 30,936.76 | | 6/22/2009 | 1/8/08 7/17/09 | 10/30/2009 | 1/19/2009 | 11/4 Notice of intent to foreclose letter - 2/23/10 issue with Homestead Act (owner occupied), Appoint Receiver?? |
| 7902 | Inman | \$ 10,463.93 | | 2/20/2009 | | | 7/14/2009 | |