

**Coconut Malorie Resort Timeshare Owners Association, Inc.**  
**(the "Association")**  
**Board of Directors Meeting**  
**August 28, 2018**

**CALL TO ORDER**

Jonathan Brooks called the teleconference meeting to order at 11:02 a.m. Eastern Time. The following Directors were in attendance: Charles Herpen, President; Kevin Blocker, Vice President; and Jonathan Brooks, Secretary/Treasurer. Attendees from Festiva Management Services included Jon Konkel, Area Managing Director and Sydney Delp, General Manager. Present from Zealandia Holding Company, Inc. was Julie Orrender, Association Compliance Manager.

**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 Julie Orrender served as Acting Secretary to record the minutes.

**APPROVAL OF AGENDA**

**Motion** was made by Kevin Blocker to amend the agenda by adding item "D" under New Business to consider a deed back request. The motion was seconded by Jonathan Brooks and unanimously carried.

**APPROVAL OF PRIOR MINIUTES**

Discussion followed to remove Jared Resch's name in the minutes of June 20, 2018 and replace it with Kevin Blocker.

**Motion** was made by Kevin Blocker to amend the minutes from the June 20, 2018 Board of Directors as referenced. The motion was seconded by Jonathan Brooks and unanimously carried.

**OFFICERS, COMMITTEES, OR MANAGEMENT REPORTS**

June 2018 Financial Review

Sydney Delp provided review of the Variance Report, stating revenues were slightly under budget by \$3,188.24 due to less rental income due to weather. Sydney shared there is a surplus in operating expenses totaling \$24,791.32 primarily due to savings in Housekeeping due to being short staffed one full-time and one part-time person, less Payroll taxes/Insurance/Benefits due to less employee participation. Sydney shared that the overall surplus through June 2018 was \$21,603.08.

June 2018 Accounts Receivable Report

Discussion followed on the AR report, which shows an outstanding collection of 32%. Jon Konkel shared that 2017 has an outstanding collection of 29.2% at the same period.

Property Update

Sydney Delp shared the projects that had been completed through June 2018. For the Human Resource changes, she shared the changes in the Front Desk Team with Reginald Shockley joining in June and Isiah Farlow joining in August. Ms. Delp shared there were no workers compensation or liability claims for the period and that safety training is ongoing and completed monthly. She shared the SOP updates adding that the resort passed the QA inspection with 80%; pre-arrival inspections are completed daily on all units; ladder inspections were completed; and quarterly risk inspection checklists have been completed.

Customer Count Scores

Sydney Delp shared that out of 1,632 surveys sent out, 400 were returned. Jon Konkel shared the targeted threshold is 4.25 and the average scores are at 4.02%. Sydney added that the unit maintenance scores

have suffered due to comments about the couches, tile and appliances. Activities scores were also low, but there are no activities and management is trying to change that question.

#### UNFINISHED BUSINESS

##### Action Items

There were no outstanding Action Items to discuss for the timeshare.

#### NEW BUSINESS

##### 2019 Budget Discussion

Jon Konkell and Sydney Delp provided review of the 2019 Budget, which included a 17.5% or \$555.46 to \$652.67 increase over the 2018 Budget. The primary contributing factors for the increase are to clean up bad debt and to leave a year end surplus of \$79,471 to help build healthy reserves. The only project proposed was for the Kaba locks at a cost of \$80K to be shared with the CUO. Discussion followed. Charles Herpen recommended that the owners are made aware of what the 17.5% increase will include, and how it will benefit the Association.

**Motion** was made by Jonathan Brooks to authorize the 2019 Budget, which includes a 17.5% increase, be sent to the ownership. The motion was seconded by Kevin Blocker and unanimously carried.

##### 2019 Reserve Expenditures

The 2019 reserve expenditures were deferred for a future meeting, including the Kaba locks.

##### 2019 ABC Policy

**Motion** was made by Kevin Blocker to approve the 2019 ABC Policy to be sent with billing, with the removal of Discover Card being accepted. The motion was seconded by Jonathan Brooks and unanimously carried.

##### Deed Back Request

Discussion followed on an owner deed back request for 7/304 and the \$100 cost of the transfer fee.

**Motion** was made by Kevin Blocker to approve the deed back request if the owner was willing to pay the \$100 transfer fee. The motion was seconded by Jonathan Brooks and unanimously carried.

##### Future Meeting Dates

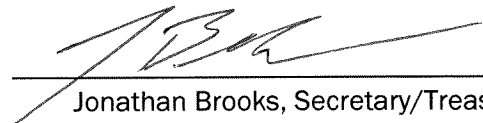
December 15, 2018 - Annual/Organizational Meetings at 1:00 p.m.. at CMR.

#### ADJOURNMENT

Motion was made by Jonathan Brooks to adjourn the meeting at 12:10 p.m. Eastern Time. The motion was seconded by Charles Herpen and unanimously carried.

#### **CERTIFICATION**

I hereby certify the foregoing Minutes of the Board of Directors Meeting held on August 28, 2018 were approved and duly adopted by the Board on the 29th day of January 2019.

  
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Jonathan Brooks, Secretary/Treasurer