

Vero Beach Hotel and Club Condominium Association, Inc.
Board of Directors Meeting
June 11, 2012

Meeting was called to order by the Association's President, Joseph Semprevivo, at 10:10 a.m. in the Condominium board room at 3500 Ocean Dr., Vero Beach, Florida.

ROLL CALL

Board Members present were:

Joseph Semprevivo, President
Patrick Huffstutter, Vice President
Dan Begley, Secretary/Treasurer
Eileen Miller, Director
Doug Miller, Director

Also in attendance was Alfred DeMott, Property Manager from OPC Management, Inc.

VERIFICATION OF MEETING NOTICE

Mr. DeMott verified that the meeting was properly noticed and posted.

APPROVE OUTSTANDING BOARD MEETING MINUTES

The Directors reviewed the minutes for the Board Meeting of May 1, 2012. Mr. Huffstutter moved to approve the minutes as submitted, seconded by Mr. Begley and the motion passed unanimously.

The Directors reviewed the minutes for the Legal Meeting of May 1, 2012. Mr. Huffstutter moved to approve the minutes as submitted, seconded by Mr. Miller and the motion passed unanimously.

REVIEW FINANCIAL STATEMENTS

The Board reviewed the revised April 2012 financial statements which included the April adjustment to the REA costs. Mr. Miller moved to approve the revised April financial statements, seconded by Mrs. Miller and the motion passed unanimously.

TURNOVER UPDATE

Audit: Mr. DeMott informed the Board that he met with the Association's accountant on the turnover audit. Bad debt write offs and owner inventory reimbursements were discussed.

Engineering: Mr. Miller updated the Directors on the status of the turnover engineer's report. The Association's engineer was scheduled to meet with the developer.

REVIEW RESULTS OF BUDGET MEETING WITH HOTEL MANAGER

Mr. Semprevivo informed the Directors of the discussions held with Mr. Heaton regarding the possible decrease in the budget. Mr. Heaton agreed to allow the Association to investigate alternative policies for the insurance coverage. Secondly, the corporate office of Kimpton will be contacted to request information on energy efficiency programs, including hot water heater replacement and pool heater replacement.

Mr. Huffstutter moved to approve a new broker of record letter be issued to another insurance agent. The motion was seconded by Mr. Begley. After further discussion Mr. Huffstutter withdrew his motion, seconded by Mr. Begley and the motion to withdraw passed unanimously. Mr. Semprevivo stated that once he received the declaration pages for the current policies, he would request proposals from other insurance brokers.

DISCUSS AND VOTE ON POOL EQUIPMENT/FURNITURE PROPSAL

The Directors reviewed the proposal for the pool furniture replacement provided by the hotel management staff. Mr. Begley stated the proposal included additional furniture which was not included in the original inventory covered by the original Reciprocal Easement Agreement. The cost to replace the items on the original inventory list is approximately \$31, 200, plus sales tax. After additional discussion Mrs. Miller made a motion to table to have the Association Attorney write a letter to the Hotel Manager stating the Board agreed to a reimbursement for the repair and maintenance of the original pool furniture inventory as covered by the original Reciprocal Easement Agreement in an amount equal to 80% of the actual replacement costs, not to exceed \$31,200, plus sales tax. The motion was seconded by Mr. Miller and passed by a vote of three to two. Mr. Huffstutter, Mrs. Miller and Mr. Miller approved the motion. Mr. Semprevivo and Mr. Miller voted against the motion.

DISCUSS AND VOTE ON ROOF/DRAINAGE REPAIR PROPOSAL


The Board was provided a proposal to repair a drainage problem on the property. It appears the drain field was designed incorrectly. After discussion Mr. Miller moved to inform the hotel management staff that the Association would not reimburse any portion of the repair bill as it appears the drain field was designed incorrectly and the developer should correct the problem. The motion was seconded by Mr. Huffstutter and passed unanimously.

REVIEW RENTAL POLICIES

Mr. Semprevivo informed the Directors he had accumulated information on the owner expense. Also units were available for promotion by Kimpton whereby owners would not receive any rents. Finally, revenues were being generated within the unit without the owners receiving a portion. Mr. Huffstutter made a motion to review the rental agreement for all non-rental room income, seconded by Mr. Begley and the motion passed unanimously. Furthermore, Mr. Miller moved to have OPC Management staff prepare a letter to the Hotel Manager requesting the maintenance of the units be offset by the revenues generated within the rooms or have a portion of the revenues be distributed to the owners on a monthly basis. The motion was seconded by Mr. Huffstutter and passed unanimously.

ADJOURNMENT

With no further business brought before the Board, Mr. Miller moved for the meeting to be adjourned 11:50 a.m., seconded by Mrs. Miller and the motion passed unanimously.


Alfred S. DeMott III
Recording Secretary


Dan Begley
Association Secretary