

Spinnaker BOM
Quarterly Meeting
8-8-15

In attendance Sue Pilcher, Lou Semin, David Swenson, Mark Stevenson, Maureen Grabeklis, Keara Polich, Property Manager
Barb Hermanson, Barry Georgopoulos, Secretary were unable to attend (Maureen Grabeklis took notes)

Guests:
Doug Turner, Attorney
Deb Polich, Owner, NP Services Inc.

11:42 am – 12:50 pm Keara Polich conducted the annual walk-around of the property.
(See attached checklist.)

Sue Pilcher called the meeting to order at 1:00 pm.

Doug Turner was introduced and a short video to help members understand the mailings that owners have been receiving regarding outside purchases of their timeshare.

Doug discussed the importance of Quit Claim Deeds being filed timely and correctly for transferring ownership and responsibility of timeshares. Keara is able to assist with the completion of the Deeds if necessary. Keara explained Quit Claim Deeds and Beneficiary Deeds are no longer available online.

Discussion of the viability and benefit of changing from interval to whole ownership was discussed. Doug explained the process, legality and responsibility involved for that change to be achieved. If it is something that the BOM wants to look at seriously, Doug suggested it would probably cost around \$5,000 for him to investigate the possibility.

Minutes for the Annual Owners Meeting on May 19, 2015 were reviewed. David moved to approve and Lou seconded the motion. The motion passed unanimously.

Minutes for the May 19, 2015 Board of Managers meeting were reviewed. Maureen moved to approve and David seconded the motion. The motion passed unanimously.

The foreclosure, past due and current status reports were presented by Keara and discussed. (See attached reports)
Maureen asked for a description of the process from delinquency to legal action.

The units owned report was presented by Keara and discussed. Keara was able to sell 2 units so the Association currently owns 10 units.

(See attached report)

Keara presented the financial reports and they were reviewed and discussed. It was noted that a thorough review of financial reports is difficult, if not impossible when the reports are first seen at the quarterly meetings. Keara explained that there is not enough time to prepare them in advance of the meetings because time is needed to close the monthly books before the reports can be compiled. It was suggested and agreed that the timing of future quarterly meetings should be pushed back later into the month to afford Keara and Deb the time they need to compile the reports. Maureen and Sue requested that bank statements and financial reports be provided electronically to them on a monthly basis rather than just quarterly to minimize the "overload" that occurs when reports are only seen quarterly.

The meeting was opened for discussion of other items.

It was noted that there are legal and financial charges of wrongdoing currently being investigated against Mr. Polich, (Deb's husband, Keara's father) and that his company had provided services to the Association in the past. Keara and Deb were questioned regarding their knowledge and/or involvement in the allegations. It was also asked if either Deb P or Keara had any knowledge of SpinnakerHOA being negatively affected or vulnerable to that situation. Deb and Keara both stated emphatically that they and Spinnaker were in no way involved, affected or implicated outside of the stress and pressure created due to their close relationship with Mr. Polich.

It was also noted that the previous property manager, Deb Castaldo, was also currently under investigation for possible wrongdoing. It was noted that in light of the current situations, the BOM would be actively making changes to the financial and operational matters of Spinnaker, but the members of the Board were unanimous in commending Keara for her management of Spinnaker to date. In addition, the BOM hoped that all changes proposed would be acceptable to Keara, because there was no desire at this time to retain any other property management.

There was substantial discussion regarding current status of operations and possible changes to explore. Some items covered were:

1. The number of bank accounts for operations were excessive for the needs of the property. Accounts should be consolidated where possible and the number of financial institutions utilized should be reduced.
2. The use of a credit card should be explored rather than such extensive use of checking accounts. A credit card would provide greater security and greater detail of expenditures.
3. An audit will be conducted covering both the periods before and after Keara assumed responsibility for the property.
4. Any issues identified in the previous audit report of Internal Control and Related Matters must be addressed.

5. The current property management agreement is vague and susceptible to myriad interpretations and the BOM will develop a detailed, succinct and comprehensive property management agreement as soon as possible for review and comment by NP Services, Inc..

It was requested that Keara provide each Board member with an electronic copy of the D & O insurance policy covering the members.

Discussion of the status and needs regarding the internet service on property was tabled until the next meeting.

Possible retention of the attorney to assess the viability of transferring the property from Interval to whole ownership will be tabled until the next meeting.

The next meeting will be held on Tuesday, November 17, 2015 at Lou's house.

Sue adjourned the meeting at 4:53pm