



**Board of Directors Meeting Minutes
Friday, August 5, 2016**

1. Call to Order

The meeting was called to order at 3:00PM.

2. Establish Quorum

There was a quorum of the board in attendance either in person or by phone conference (Kenneth Rhodes, President, Phone; Lars Eriksson, Vice, President, In Person; James Lacovara, Treasurer, In Person; Jennifer Bennett, Director, In Person; Robert Dugan, Director, In Person).

3. Proof of Notice

Tyler Brown, association manager, stated that notice had been given.

4. Reading of Minutes of Previous Board Meeting

a. March 26, 2016 – Closed Board Meeting

A motion was made by Robert Dugan, seconded by Jennifer Bennett, and approved unanimously to accept the March 26, 2016, closed board minutes as written.

b. March 26, 2016 – Board Meeting

A motion was made by James Lacovara, seconded by Robert Dugan, and approved unanimously to accept the March 26, 2016, board meeting minutes as written.

5. Treasurer's Report

A treasurer's report was given consisting of bank balances as of July 31, 2016. A copy of the report will be made part of the record of the meeting.

6. Manager's Report

A manager's report was given to the board and those in attendance. A copy of the report will be made part of the record of the meeting.

7. Unfinished Business

a. Restoration Project

i. Performance and Payment Bond

Through unanimous consent it was decided that the association will not carry a performance and payment bond throughout the upcoming restoration project.

ii. Start Dates and Locations

It was reported that we are still on target for a project start date of August 15, 2016, with a starting location of the 18 through 26 stack walkways.

iii. Assessment Collection

It was reported that all but two units had already submitted their assessment payment. During discussion it was determined to notify those owners that if payment was not made liens would be placed.

8. New Business

a. Rental Committee Recommendations

i. Monthly Rate Increase (5% immediately)

A motion was made by Kenneth Rhodes, seconded by Lars Eriksson, and approved 5-0 to accept the rental committees recommendation of increasing monthly rates by 5% effective as soon as they can be entered into the computer system.

ii. Weekly Rate Increase (5%, May 1, 2017)

A motion was made by Kenneth Rhodes, seconded by James Lacovara, and approved unanimously to accept the rental committee recommendation of increasing weekly rental rates 5% effective May 1, 2017.

iii. Move August to Peak Weekly Rate

A motion was made by Kenneth Rhodes, seconded by James Lacovara, and approved unanimously to accept the rental committee recommendation of moving the month of August to our peak weekly rate.

iv. Monthly Discount Structure

A motion was made by James Lacovara, seconded by Jennifer Bennett, and approved unanimously to accept the rental committee recommendation to establish a three tier monthly discount system with one through three month rentals having the same rate, four month rentals receiving a 10% discount for each month, and five and six month rentals receiving a 15 % discount for each month. A mock rate sheet will be made part of the record of this meeting.

v. Construction Discounts

After significant discussion a motion was made by Lars Eriksson, seconded by Kenneth Rhodes, and approved 4-1 with James Lacovara voting against, to accept the rental committees recommendation of a 5% discount on all rentals during the term of the restoration project which is currently scheduled to run August 15, 2016 through January 2018.

After more discussion a motion was made by Kenneth Rhodes, seconded by Lars Eriksson, and approved unanimously to allow the manager to increase rental discount rates up to 15% given then existing construction impact on individual units. The general guideline for this increased discount will be that construction work be within three stacks of the unit being occupied. The board further asked that the manager develop guidelines for the application of this discount percentage. Further input should be obtained from the rental committee pertaining to this item.

vi. Unit Rating and Surcharges

After discussion a motion was made by James Lacovara, seconded by Jennifer Bennett, and approved unanimously to allow owners once per year to establish a rental rate for their units, either monthly or weekly, that are in excess of the then established Errol by the Sea rental pool rental rates. These rates shall be at the discretion of the individual unit owners with them accepting the risk of lost rentals due to increased rates. The Errol office will continue the previous policy of not negotiating rental rates. If an owner establishes a higher rate, that rate will hold even if the unit is not rented.

vii. Written Lease Agreement

Discussion was held concerning the presented lease agreement. The board will review and return comments and changes to the manager.

viii. Confirmed Bookings during Sales

After discussion it was recommended to work provisions for cancellation by the owner of a unit that has gone through a deed transfer into the proposed lease agreement. This recommendation was 60 days for monthly bookings and 30 days for weekly bookings.

b. Reserve Funding

i. Deductible Amount

Discussion on this item was delayed until the development of the 2017 budget.

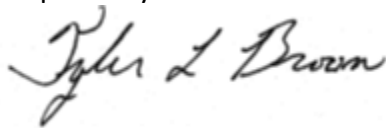
c. Incidents/Rules Discussion

A discussion was held concerning how to handle incidents pertaining to rule infractions and behavior on the property. It was decided to handle these matters on a case by case basis with the manager being the initial point of contact and discussion with individuals.

9. Adjournment

There being no further information to come before the board the meeting was adjourned at 4:31PM.

Respectfully Submitted:



Tyler Brown CFCAM, CMCA, AMS, PCAM
Manager, Errol by the Sea Condominium Association, Inc.