

APPROVED

**WINNERS CIRCLE BEACH & TENNIS RESORT
TIMESHARE CONDOMINIUM OWNERS' ASSOCIATION
REGULAR BOARD MEETING MINUTES
March 19, 2022**

I. CALL TO ORDER/ ROLL CALL

President Dan McGeorge called the meeting to order at 9:00 a.m. The following persons participated:

Board Members

Dan McGeorge, President
Valerie Dahl-Nevarez, Vice President (telephonically)
Larry Manley, Treasurer
Nichole Peterson, Secretary
Enrique Aguirre, Director

VRI Americas and Resort Management

Tom O'Brien, Sr. Vice President of Resort Operations
Terry Fraser, Resort Manager
Roger Martinez, Assistant Manager

Guest

Dan Baker, WCR owner and Principal of Everest Nightbridge

II. APPROVAL OF AGENDA

The Agenda was approved as presented.

III. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

A. December 11, 2021 - Regular Meeting Minutes

There being no changes, the minutes from the December 11, 2021 Regular Meeting are approved as presented.

IV. REPORTS

A. Sales and Marketing

There have been nine intervals sold in the first quarter of 2022.

B. Management (see report attached to these minutes)

1. Fraser's Written Report Addressed Various Topics Including, Maintenance, Housekeeping, Front Desk and Resort Activities.

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2. RCI Scores – as of March 2022:

<u>Criteria</u>	<u>Gold Crown</u>	<u>Silver Crown</u>	<u>WCR Current</u>
Check-in/Check out	4.6	4.5	4.7
Resort Hospitality	4.5	4.4	4.7
Resort Maintenance	4.5	4.3	4.6
Unit Maintenance	4.4	4.2	4.4
Unit Housekeeping	4.5	4.3	4.6

3. Contracts

There were no contracts needing approval at this time. Management will add the Tennis Club Lease and the RCI Exchange Affiliation roll-over dates to the contracts schedule.

4. Other

The Board requested that Management produce a “to do” list of items discussed in Board meetings to keep track of the progress of those various initiatives and requests. This list is to be included in all future Board packages.

C. Financials

1. Monthly Report

All members of the Board acknowledge receipt and review of the latest Financial Reports of January 31, 2022, including a review of the current reconciliation of the Association’s Operating and Reserve accounts, current year’s Actual Operating Revenues and Expenses compared to current year’s Budget, an Income and Expense Statement for the Association’s Operating and Reserve Accounts, the Check Register, Monthly General Ledger, and Delinquent Assessment Receivable reports.

The Association ended 2021 with a surplus of \$25,966 before auditor’s adjustments. This will bring the Accumulated Operating deficit down to \$149,083, again, prior to the auditor’s adjustments.

2. Variance Report

As of January 31, 2021, Revenue was a negative variance to the budget of \$43,159, and Expenses were a positive variance to the budget of \$7,045, with an overall negative net variance of \$35,468.

3. Delinquency Report

As of March 4, 2022, there were 754 delinquent intervals which represented 15.8% of the owner base of 4,794. There are currently 757 HOA accounts representing 15.8% of the total intervals. Combined with the delinquent intervals, there are 1,511 non-performing intervals representing 31.5%.

APPROVED**4. Expenditure Approvals**

Pending Expenditure Approvals will be discussed under New Business.

5. Reimbursement Approvals

MOTION: Manley moved to approved expenditures made between January 6, 2022 and February 23, 2023 in the amount of \$184,898.54. Motion was seconded Dahl-Nevarez and approved unanimously.

V. OLD BUSINESS**A. Construction Loan Vote Final Total**

As of March 10, 2022, there were 1,286 members in favor of borrowing money, with 259 against it. Even if the Association-owned votes were cast in favor, 385 more affirmative votes would have been needed to reach the 50% plus one mark. Therefore, the initiative to allow the Board to borrow \$3,000,000 for exterior renovation has failed.

B. Balcony Structure Repairs

Fraser reported that due to unforeseen conditions, the project to refurbish and or replace all of the decks could not be accomplished within the previously approved budget. To repair and or replace the remaining ten (10) decks, additional funds and time are required.

MOTION: Manley moved to authorize spending of up to \$480,000 for the repair and or replacement of the remaining ten (10) decks, provided the work can be completed with the Resort's availability needs, the 60-day estimate to complete the project, and that Pacific Building Group can hold to quote without any additional change orders. Motion was seconded by Peterson and approved unanimously.

1. Terramin Realty – Construction Consultant

Fraser discussed the need to hire a professional consultant to help him navigate City and County approvals and consult on various construction issues relative to the deck repairs. Since the start of the deck project, the Association has spent approximately a little over \$11,000 with Jim McMenamin's company, Terramin Realty & Development, Inc.

MOTION: Manley moved to formally engage Terramin Realty & Development, Inc. at a billing rate of \$175 per hour. Motion was seconded by Aguirre and passed unanimously.

The Board held a brief discussion regarding alternative uses for the Tennis Club space. The Board requested that Fraser invite Jim McMenamin to attend the next Board meeting to present a multitude of options for the Board to consider to generate additional income for the Association while retaining ownership of the space.

APPROVED**C. Back Office Storage & GM office**

Fraser informed the Board he needed an additional \$2,500 to finish the back office storage area. Fraser agreed to bring back to the Board the final costs and a written agreement formally codifying the swap of space with the owners of the restaurant space.

MOTION: Manley moved to approve an additional \$2,500 to finish the storage space and flooring in the GM office. Motion was seconded by Peterson and passed unanimously.

MOTION: Peterson moved to authorize \$20,000 to install lighting above the tubs in each guest room bathrooms in buildings three and four. Motion was seconded by Dahl-Nevarez and passed unanimously.

VI. NEW BUSINESS**A. Fire Safety & ADA Update**

Fraser presented a proposal from Johnson Controls for \$255,553 to replace the existing fire panel, connect multi-tone horns in all sleeping and living rooms, and add multi-tone horn/strobes in all ADA rooms. Fraser to solicit multiple proposals for a similar scope of work and equipment in the Johnson Controls proposal as well as clarify and cost out the numerous exclusions detailed in the Johnson Controls proposal.

B. County Tax Sale

MOTION: Manley moved to authorize Management to purchase up to 46 intervals at the San Diego County tax "Reoffer" sale this year. Motion was seconded by Peterson and passed unanimously.

VII. OTHER BUSINESS**A. Owner Forum/Correspondence**

Mr. Baker said he wanted to attend a Board meeting to see how things were going. Mr. Baker asked the Board if they had ever polled the owners asking what they wanted to do with their timeshare interests. The Board responded that they had sought the members' approval on various issues over the years. Mr. Baker agreed to set an appointment with Fraser to tour the property at a later date.

B. Confirmed Meeting Dates for 2022

Saturday, May 14, 2022, 9:00 a.m. at WCR

Friday, September 9, 2022, 4:00 p.m. at WCR

Saturday, September 10, 2022, 10:00 a.m. at WCR **40th Anniversary - Annual**

Saturday, December 10, 2022, 9:00 a.m. at WCR

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C. Association Mailing

The following mailing will go out in 60 days and will include highlights of this meeting, candidate solicitations, and information about local attractions.

D. Executive Session

1. Contracts with 3rd Parties


The Board entered Executive Session at 12:09 p.m. to discuss terms for a contract amendment. The Board returned to Regular Session at 12:16 p.m.

VIII. ADJOURNMENT

There being no further business before the Board, McGeorge adjourned the meeting at 12:17 p.m.

Respectively submitted by,

Tom O'Brien
Sr. Vice President of Resort Operations
Vacation Resorts International

DocuSigned by:

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Nichole Peterson, Secretary

5/27/2022

Date