

## **Alexandra Timeshare Owners' General Meeting**

Minutes of the 3<sup>rd</sup> Annual General Meeting, held at, 594 Broadway (Off Houston),  
11th Floor, New York, NY 10013, USA

Thursday, March 8, 2018  
9:00 AM EST (10 AM TCI time)

### **In Attendance:**

Robert Appelbaum  
Patricia Jordan  
Jack Jordan  
Michael Iczkovitz  
Linda Iczkovitz  
Robin Luberoff  
Craig Stanton  
Caroline van Scheltinga – CEO, WIHL  
Gloria Thomas – General Manager  
Y. Latisha Smith – Owner Relations Manager

### **On the Conference Call:**

Nicholas Carosi  
Mark Sokolow  
Jackie Dempski  
Paul Duhamel  
Austin Titus  
Altaf Padamshi  
Ruhi Padamshi  
Charlene Zeiberg  
Charlotte Briscoe  
David Ruler  
John Sowinski  
Melanie Ryder  
Jerry Pinkham

**Welcome** – The general meeting for the Timeshare of the Alexandra Resort was called to order at 9:13 AM by Robert Appelbaum who welcomed everyone to the meeting.

**Appointment of Chairperson and Secretary** – Robert Appelbaum served as chairperson for the meeting and Latisha Smith served as Secretary.

**Establish Quorum** - Quorum was established.

**Approval of last General Meeting held March 3, 2017** - There were no objections to the minutes. The minutes were approved.

**Presentation on the aftermath of Hurricane Irma in September 2017** - Caroline van Scheltinga gave a recap of the plans to replace the old air conditioners and the roofs on the strata buildings. She reported that on September 6<sup>th</sup>, the Strata Executive Committees and Timeshare Board were prepared to make an important decision to purchase new LG air-conditioning systems for all condominium and timeshare units. Hurricane Irma severely damaged the old compressors. Although some systems were not damaged, the use of life was impacted. She was pleased to report that the Alexandra Resort was very fortunate to have the insurance adjusters on island ahead of the storm. Thus, immediately following the storm, the insurance adjusters were on property.

Caroline emphasized that working together as a team, the Executive Committee of Strata's 66 and 49 as well as the Timeshare Board worked efficiently and effectively to get the resort open in a short time. Therefore, on September 13<sup>th</sup>, the management company presented to the Executive Committees and Timeshare Board a proposal to purchase the best air-conditioning system available at the time. The committee decided to move forward and replaced all air-conditioners and roofs and appointed an owner representative, Mark Parrish, to oversee the progress of the construction project.

Caroline further discussed the outcome of the construction work and financial results from Hurricane Irma. She highlighted that the insurance company gave WIHL an advance to commence the repairs. It was good that the Chelsea building had \$316,319 in reserves helpful to the prompt commencement of construction. The total post-hurricane project cost for Alexandra Resort was \$4,235,137. The

Chelsea building accounts for 30% of the cost equivalent to \$1,287,384. She explained that Chelsea building was outfitted with all new windows and sliding doors. The insurance total net payout for Alexandra was \$2,842,900 (net of the deductible); the portion allocated to the Chelsea building was \$864,176. The total shortfall after the insurance payment was \$1,392,237; the portion allocated to the Chelsea building was \$423,208. Consequently, the special assessment levied for the Chelsea building was \$251,977. When determining the special assessment, Management thought it prudent to leave an amount in the reserve fund to cover the insurance deductible in the event of another catastrophe. With respect to the Chelsea building, the construction scope included but not limited to: new 18 Seer air-conditioners for each unit, new standing seam metal roof, new flat roof, new guttering, sheetrock replacement, replacement of all windows and sliding doors, exterior LED sconce lighting, replacement of damaged landscaping, and debris removal.

The management team thanked the timeshare board member, Mark Sokolow, who was extremely instrumental to the construction team and management.

In response to a query by Pat Jordan about future repair work for the property, Caroline explained that the Chelsea building post-hurricane repairs are completed; however, the flat roof and the completion of the air-conditioners on the Lady Rose and Prima Donna buildings are to be completed. In addition, there is a dire need to re-stucco all the buildings. This conversation led to the next item on the agenda.

**Review of Reserve Studies and options for funding the Reserve Account in future years** - Caroline stated that in 2017, the Strata Executive Committees (EC) and the Timeshare Board commissioned a reserve study to measure the life of each asset and determine the capital expenditure over a given period. She commended John Christman, EC member for strata 49, for the level of due diligence he performed and the creation of a model that shows the lifecycle of all assets and to determine the amount of contributions needed to support a capital

expenditure funding. The good news: due to the replacement of the air-conditioners and roofs, the Alexandra property's lifecycle has increased by 15 years and there is no need to increase the reserve fund. However, a decision was made at the Strata AGM on February 28<sup>th</sup> to re-stucco the buildings which require the closure of the resort.

Gloria Thomas stated that the resort will be closed for five (5) weeks, September 5 – October 8, 2018, to re-stucco all four (4) buildings subject to the final proposal received at a maximum cost of \$1.35MM. Because the Chelsea and Marilyn buildings air-conditioners and roof works are completed, the project will begin with the Chelsea and Marilyn buildings and continue with the Prima Donna and Lady Rose buildings. The quotes will be issued by building and a special assessment will be levied based on building cost.

Gloria Thomas also informed that a presentation was made at the Strata AGM offering the pros and cons of painting versus re-stuccoing and it was decided that re-stuccoing the buildings was more feasible. The initial proposal received for all four buildings amount to \$1.35MM. Management endeavors to firm up a better quote. Caroline stated that there is no more payout forthcoming from the insurance company, therefore, there will be a special assessment for the re-stuccoing project. She further stated that the insurance premium is expected to increase, and management has made provisions in the budget for the increase. Fortunately, WIHL had insured all its properties under one account to negotiate a reasonable premium; thus minimize the cost to Alexandra.

Gloria Thomas contributed that the Strata owners agreed to have the re-stuccoing project done in 2018 rather than 2019 to avoid three consecutive years of resort closure. She further commented that the impact on the landscaping will be reduced.

Charlene Zeiberg inquired about the special assessment for the insurance shortfall. Caroline confirmed that the cost per interval is: \$172 for a studio, \$214 for a one bedroom and \$434 for a two bedroom unit. However, the special assessment for the re-stuccoing project is not yet confirmed as the final quote is not accepted. Nonetheless, the estimated special assessment amounts per interval are \$138 for a studio, \$171 for a one bedroom and \$347 for a two bedroom unit. Bob Appelbaum clarified that the timeshare building will be assessed for the hurricane repairs in April 2018 and the re-stuccoing special assessment will be in April or May of 2019. Bob further offered that the timeshare owners saved over one-half million dollars as the original cost for the replacement of the roof and air-conditioners was estimated at approximately \$1MM not including the replacement of windows and sliding doors. Therefore, owners are being assessed less than half of what was originally forecasted.

Charlene Zeiberg inquired about any future special assessment apart from what was already discussed and what are the plans for maintenance of the units. Bob responded that no new special assessments are currently projected, and the topic of maintenance will be addressed further in the discussion.

Charlotte Briscoe inquired about future plans for the two bedroom units windows that cannot open. Gloria responded that at the Strata AGM, it was determined that the proposal to change the fixed windows (windows that do not open) on the end units was not approved and it was undecided if it would be a strata issue as not all owners have the same issue. A discussion ensued including Bob's clarification on the decision to purchase all fixed windows. He explained that fixed windows were the only Miami Dade hurricane-grade windows available at the time of purchase. Robin Luberoff (two bedroom owner) offered to pay for her window to be replaced with one that opens and willing to contact the two bedroom unit owners to determine who are willing to pay the cost to replace all two bedroom unit windows. The discussion concluded agreeing to investigate the cost for replacement, that the replacement windows will look the same as the new fixed windows, they will

be purchased from the same manufacturer, the replacement will be done at the same time as the re-stuccoing project to maximize on the cost of the scaffolding. The information must be confirmed by the next joint EC and timeshare board meeting (to be held June 1<sup>st</sup>).

**Presentation of FY 2018 actual financial results vs. FY 2018 budget** - Bob reported that the 2018 Forecast vs. 2018 Budget report highlights the shortfall of \$177M. The shortfall resulted from a credit issued to owners who were affected by the closure of the resort due to Hurricane Irma. Those who could not use their week(s) due to the closure of the resort post-hurricane will not be required to pay the maintenance fees for the closure period (weeks 36 – 49) and will receive a 100% credit on their maintenance fees for 2019. The credit will be reflected on the upcoming invoice. The final 2018 Forecast vs. 2018 Budget will be circulated in due course.

**Presentation of FY 2019 Budget** - Bob Appelbaum reported that the 2019 FY budget shows a minimal increase of \$15K. This budget increase is spread among all owners resulting in a minor increase in maintenance fees. While most expenses remain relatively constant, Bob emphasized that the insurance expense increased. A discussion ensued.

Charlotte inquired about the reason for the increase in the budget line item “guest supplies” when it was reported by the housekeeping staff that items such as paper towels and dishwashing liquid are no longer being supplied. Gloria clarified that the misinformation stems from the housekeeping department as staff were confused concerning supplying condo vs. timeshare units due to recent changes. This confusion has been rectified. Timeshare owners will continue to receive the in-room amenities such as paper towels and dishwashing liquid as they have from prior years, but from a cost perspective, condo owners will not receive same.

Gloria further confirmed that the “Complimentary Guest Services” budget line item comprises all resort complimentary amenities including resort shuttle service between the three properties, nonmotorized water sports equipment, pool and beach supplies, etc. Robin inquired whether timeshare owners pay for the resort shuttle service. Bob confirmed that the timeshare plan pays its share for the total cost for the service as timeshare owners do utilize the service. Michael Iczkovitz inquired whether there is a cost saving to outsource the water sports service. Gloria replied that there is not necessarily a saving but it takes the burden off the resort and allows the resort to focus on the core business. David Ruler inquired whether the 26% insurance increase is adequate. Bob responded that it is presumed adequate and the cost can be less and if the actual increase is more than 26%, the budget can be adjusted in other areas to maintain the bottom line. Gloria further commented on the increase in maintenance cost due to the pool leak. Management is currently investigating the issue and has hired an offshore company with a sonar detector to find the source of the leak and thereafter seek to repair.

**Report from the Resort Manager** - Gloria reported that the Marilyn and Chelsea buildings carpark will be resurfaced commencing mid-March to give the property a more attractive appeal. Also, the landscaping work is ongoing to repair damages from the hurricane and construction work. Gloria further reported on safety and security and advised that although petty crimes have decreased, the police department has confirmed a rise in home invasions, not necessarily affecting the Alexandra Resort area; however, management continues to secure the property 24 hours a day. Consequently, security has been heightened and the wristband policy is being enforced for security purposes. The wrist band identifies who are resort guests and a security guard has every right to stop persons not wearing a band to investigate their purpose for being on the property. Bob also affirmed that the wrist bands are used for gaining access to a pool or beach chair and obtaining beach towels. Gloria also, explained that from an operations perspective, the

bands are used to identify all-inclusive guests so that F&B staff will know who to charge.

***Bob Appelbaum presented questions from owners:***

- a) ***Unit maintenance: bath dirty and lack of repair*** - Gloria responded that due to the urgency to reopen the building on the date advertised, management did not have sufficient time to perform deep cleaning in all the units. She further commented that the bathrooms will need remodeling in the future. Charlene Zeiberg offered that if routine maintenance is done consistently, it will add to the appeal of the units. Mark Sokolow commented that the tub drain and mold issues are not being addressed. Gloria responded that management is aware of the tub drain issues in the Chelsea building. It has been determined that the plumbing fittings are not adequate, and the maintenance team is looking into viable solution,
- b) ***Asú restaurant*** - There has been numerous complaints about the service and food quality. Bob suggested that if an owner experiences bad service, report the issue to management during the time of the meal or during the stay and not wait until after departure to complain. In that way, management will deal with the issues immediately. A discussion ensued with suggestions for management's consideration. Gloria advised that owners can contact her with issues.
- c) ***Two bedroom maintenance fees*** – Bob inquired about any possibility for a change in decision concerning the cost methodology of the two bedroom units maintenance fees. Caroline responded that the decision to allocate cost by square footage will not change. She further stated that if any two bedroom owners want to sell back to the resort, management will be willing to consider buying back the intervals.



***Any other business:***

***Rental Program*** - Ron Wiser asked for clarification on the rental pool program and fee structure. A discussion ensued. Gloria responded with an explanation that Owners will receive 50% of the net rental income realized after credit card & commission deduction. The Alexandra Resort cannot guarantee what rate will be allocated at the time the unit becomes occupied. The Alexandra Resort cannot guarantee that a unit/week(s) will be rented for the entire seven (7) days or at all.

***Late arrival*** - Gloria and Latisha advised that Owner Relations or Guest Services (front desk) must be notified as soon as Owner is aware of late arrival. If Owner does not notify of late arrival, reservations will automatically be cancelled within 24 hours of their check in date. Late arrival is defined as effective midnight Saturday. Owners were encouraged to review the Resort Rules document.

***Check-in and room moves*** – Gloria stated that she is working with the front desk and housekeeping to ensure that owners are checked-in as early as possible. The resort is willing to assist with the storage of luggage storage and groceries.

**Approval of the FY 2019 Budget-** The budget was approved by unanimous vote.

**Approval of Special Assessment for post-Hurricane Irma Construction-** The post-hurricane Irma insurance shortfall was approved by unanimous vote.

**Approval of the Stucco Project which will commence on September 5<sup>th</sup> not to exceed \$1.35MM.** - This was approved by unanimous vote.

**Election and appointment of Board of Directors** - All previous persons that served on the Timeshare Board were re-elected including: Robert (Bob) Appelbaum, Mark Sokolow, Michael Iczkovitz, Stewart Howard and Caroline van Scheltinga.

**Other comments** - Pat Jordan thanked the management and staff for getting the resort back to normal in a short time. Robin Luberoff thanked the boards members for their unselfish service. Caroline van Scheltinga thanked the owners for their generous financial contributions to the staff as well as their moral support to the entire Alexandra team.

**Adjournment** – There being no further comments, the meeting was adjourned at 12:45pm.