

Ocean East Resort Club
 Director Update and Status Report
 April 18, 2012

FACILITIES

Status and
 Target Date

Reserve Projects for 2012:

Carpet – 2 nd Floor Hallway	COMPLETE
Unit refrigerators – 30 Units	APRIL 2012
Unit Stoves/Ranges – 7 Units	NOV 2012
Living Room/Remodel – Two Bedroom Units Track Lighting	NOV 2012
Carpet – 1 st Floor Units	NOV 2012
Flat Screen Televisions – 1 st & 3 rd Floor Studios	NOV 2012
Dresser/Desks – 1 st & 3 rd Floor Studios	NOV 2012
Drapes & Sheers – As needed	NOV 2012
Air Conditioning – 21 Units	NOV 2012
Pool Furniture – As needed	NOV 2012
Lobby Furniture	NOV 2012
Pavement Resealing & Restriping	NOV 2012
Unit Microwave Ovens – 10 Units	NOV 2012
Unit Mattresses – As needed	NOV 2012
Bathroom Remodel – Tile & Fixtures in 5 Units	NOV 2012
Kitchen Remodel – Cabinets & Counter Tops	NOV 2012
Sliding Glass Doors – 4 Units	NOV 2012

CARPET – 2ND FLOOR HALLWAY

I am pleased to report the carpet for the 2nd floor hallway has been ordered, received and installed. This project is complete.

COMPLETE

UNIT REFRIGERATORS – 30 UNITS

The plan is to replace the refrigerators in 30 units this year. Since the last report we have purchased and received all 30 refrigerators. So far 27 have replaced the oldest refrigerators on the first and second floors. We will replace the worst units on the third and fourth floors with the remaining 3 refrigerators. This project is expected to be complete by the end of April.

APRIL 2012

UNIT STOVES/RANGES – 7 UNITS

The plan is to replace unit stoves on an as needed basis. Since the last report we have purchased 8 stoves. Additional replacements will be made as necessary.

NOV 2012

LIVING ROOM REMODEL – 2 BEDROOM UNITS TRACK LIGHTING

At the January meeting, the Board approved the idea of replacing the track lighting in the 2 bedroom units. The specific fixture and vendor were still to be determined. Since the last meeting we have identified another option for the committee to consider at the April meeting.

NOV 2012

CARPET – 1ST FLOOR UNITS

The plan is to install new carpet in the 1st floor units this year. Since the last report carpet has been ordered and installed in 6 units leaving 16 units to go. We will install new carpet in the remaining units as they become available. We intend to also carpet the game room and behind the front desk this year.

NOV 2012

STUDIO REMODEL – TELEVISIONS & DRESSER/DESK COMBINATION

The plan is to install the new furniture in all 32 1st and 3rd floor studio units this year. Since the last report we have installed televisions in 9 units and dresser desks in 6 units. We will complete the remaining units as they become available.

NOV 2012

DRAPES & SHEERS – AS NEEDED

The plan is to replace drapes and sheers on an as needed basis. Since the last report the material to replace the aging and torn sheers has been ordered. Because of the minimum order size we had to order more material than we will actually need this year. Any excess material will be held for use next year. We expect the material to be delivered in late April or early May.

NOV 2012

AIR CONDITIONING

The plan is to replace air conditioning equipment on an as needed basis. Since the last report, we have replaced 9 air conditioners and 8 air handlers. So far this year, we have replaced a total of 13 air conditioners and 11 air handlers. Also, it is now apparent that the compressor for the new R410 air conditioners are larger than the old compressors and can't all fit on the existing stands. Therefore, additional stands will need to be installed.

NOV 2012

POOL FURNITURE

The plan is to replace pool furniture on an as needed basis. So far this year we have restrapped 36 pool deck loungers. Additional replacements will be made as necessary.

NOV 2012

OPERATIONS

OCTOBER STORM DAMAGE

I am pleased to report that insurance claims submitted last year relating to the October 2011 storm damage have been settled. Part of the claim was paid by our Citizens Wind Policy and part of the claim was paid directly by Brown & Brown. The insurance settlement totaled \$5,045 and was received and recorded in the February financial statements.

SECURITY PROCEDURES

Based on a review by the resort manager, we have recently modified, improved and expanded our security procedures. The security staff has received very detailed written instructions requiring security rounds be made about 6 times each shift. The rounds cover the entire property inside and out. These rounds are recorded by the use of a watchman's clock at each of 15 key stations located strategically around the property. The guard's compliance with our written procedures can be easily verified by the review of the report created by the watchmen's clock and will ensure our security staff maintains a very visible presence.

OTHER ACHIEVEMENTS:

- Installed a booster fan in the back bedroom of a 2 bedroom unit.
- The fan improved circulation & therefore we plan to add them to all 2 bedroom units.
- Painted Ocean East's name, address and logo on seawall.
- Repiped hot tub to increase water flow rate to meet Health Department standards.
- Made temporary repairs to pump house – investigating permanent solutions.
- Repainted concrete border of fish pond.
- Work progressing on fish pond clean up.
- Sealed all raised wooden decking on the pool deck.
- Replaced pool deck shower's wooden foot pad to eliminate a trip hazard.
- Added lattice work to top of wall separating pool deck from restaurant deck.
- Replacing bifold closet doors in studio units.
- Repaired two pool heat pumps – will need to replace them this fall.
- Installed new electrical panel for trash compactor.
- Upgraded and relocated water line for the pool.
- Update of unit directories is complete & they will be in all units by April 30th.

PERSONNEL

Please welcome Heather St. John to the front desk, Terry Jackson & Larry Fulse to housekeeping, John Del Carlo & Steven Thompson to security and Garry Yaw to maintenance. A complete list of employees is attached for your convenience.

BUSINESS OFFICE

ANNUAL AUDIT REPORT

The Annual Audit of Ocean East's financial records for 2011 is complete. The auditing firm of Bolerjack, Halsema & Bowling P.A. will present their audit report at the April meeting of the finance committee. A preliminary draft of the audited financials has already been sent to all Board members for your review prior to the meeting.

INCOME TAX RETURN

Ocean East has applied for an extension of time to file its 2011 Income Tax Return. The extension allows time to complete the annual audit and have the financial statements approved by the Board before the Association's tax return is prepared. The Association is not expected to owe any tax when the return is filed later this year.

MAINTENANCE FEE BILLS

The third quarter maintenance fee invoices were prepared and mailed in early March as scheduled. In addition, our normal collection activities have continued in accordance with our policies and procedures.

WEB SITE UPDATE

The business office updated the Ocean East website since the last meeting with the following information:

January Director Update & Status Report
Minutes of the November 17, 2011 Board Meeting
RCI Resale Advisory Notice
Board Meeting Schedule For 2012
Spring Issue of the Tidings Newsletter
Spring Resale Flyer

OCEAN EAST TIDINGS MAILED

The spring issue of the Ocean East Tidings along with the resale flyer was mailed to all owners in February as planned.

EMPLOYEE HANDBOOK UPDATED

The employee handbook has been updated based on the recommendations of a 2012 legal review. Copies of the proposed policy changes will be distributed to directors at the April finance committee meeting for your review and approval.

OTHER ACHIEVEMENTS

- Prepared and distributed the monthly comment card reports.
- Added coverage for computer fraud to our insurance program.
- Surveyed local banks and opened new accounts as necessary.
- Notified affected owners of upcoming concrete repairs to start November 12, 2012.
- All Morgan Stanley cash accounts have been closed – high expenses & low yields.
- Completed the 2012 banking resolutions and signature cards.
- Reimbursed the Beach Bucket for the back bar cooler.
- Updated and sent the 2012 Directory to Board members.
- Updated the photos displayed in the lobby of the President & Directors.
- Held open enrollment employee benefits meeting for all staff.