

**Approved March 10-2008**

**EAGLE'S NEST ON MARCO BEACH  
BOARD OF DIRECTORS BUDGET MEETING  
NOVEMBER 5, 2007**

The meeting was called to order at 8:30 a.m. by President, Charles Shelby at the Eagle's Nest Resort, Marco Island, Florida. Board members in attendance were: Sharon Bohrer, Pat Doherty, Wayne Gruber, Charles Shelby, Jon Udell and Assistant Treasurer-Chandler McKelvey. Attending from Hilton Grand Vacations (HGV) were: Mona Fohlbrook – Resort Manager, Nelly Rafael – Assistant to the Resort Manager, Ada Grzywna – Regional Director Resort Operations, Lael Kilpatrick – Regional Manager Resort Operations, Subash Ghamandi – Corporate IT and Riki Martin – Administrative Assistant and Acting Recording Secretary for this meeting.

**APPROVAL OF PREVIOUS MINUTES**

**MOTION** was made by Mr. Gruber and seconded by Mrs. Bohrer to approve the minutes of the a.m. meeting held on March 5, 2007. Mrs. Bohrer voted aye, Mr. Gruber voted aye and Mr. Shelby voted aye. **Motion carried unanimously.** Mr. Doherty abstained as he was not present at the meeting.

**MOTION** made by Mr. Doherty and seconded by Mrs. Bohrer to approve the minutes of the p.m. meeting held on March 5, 2007. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye and Mr. Shelby voted aye. **Motion carried unanimously.**

**MOTION** was made by Mr. Gruber and seconded by Mrs. Bohrer to approve the minutes of the meeting held on March 6, 2007. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye and Mr. Shelby voted aye. **Motion carried unanimously.** Mr. Udell abstained as he was not present at that meeting.

**FINANCIAL REVIEW**

**2007 YEAR-TO-DATE FINANCIALS**

**MOTION** was made by Mr. Gruber and seconded by Mr. Doherty to accept the financial report as presented by Mr. McKelvey. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

**2008 OPERATING BUDGET/RESERVE**

**MOTION** was made by Mr. Gruber and seconded by Mrs. Bohrer to accept the 2008 operating budget at \$ 581.00. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

### **WAIVER OF STATUTORY FUNDING OF RESERVES**

**MOTION** was made by Mr. Gruber and seconded by Mr. Udell to waive the statutory funding of reserves and asked the owners to vote to waive the statutory funding of reserves at the Annual meeting. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

**MOTION** was made by Mr. Gruber and seconded by Mrs. Bohrer to set the reserve funding of \$181.00 for 2008. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

The Board of Directors thanked Mona and Chan for all their work in preparing the budget.

**MOTION** was made by Mr. Gruber and seconded by Mrs. Bohrer to move \$110,000 from roof reserves to interior reserves and \$20,000 transferred from paint reserves to interior reserves. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

### **ARDA/ROC/PAC**

Ms. Kilpatrick discussed the ARDA contributions to the timeshare industry over the past years. She asked that the Board allow HGV to solicit a voluntary \$3.00 per week donation to ARDA this year on the maintenance fee statement. She asked the Association to become a member of ARDA ROC PAC. There is a \$100.00 membership fee for the PAC. **MOTION** was made by Mrs. Bohrer and seconded by Mr. Doherty to include a \$3.00 voluntary contribution on the maintenance fee statements and authorize that the \$3.00 per week voluntary contribution be allocated \$2.00 to ARDA ROC PAC and \$1.00 to ARDA ROC. The Association will pay \$100.00 to become a member of the PAC. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

### **PROJECTS REVIEW**

#### **Window and Door Replacement Project**

Thanks to Jeff Anderson Karin's Engineering for his work on the villa window and door replacement project. The additional protection from weather stripping and adding door sweeps should tighten up the seal. The Contractor will provide the maintenance staff with a complete equipment list.

The Board is concerned that the lip is a trip hazard the lip is designed to keep out water intrusion. Safety issues will need to be addressed in the news letter, check in packets.

R. L. James is slow with their crews and is eager to take on the tower project in December. There will be three complete crews on three floors at a time during the project. 21 parking spaces per week will be needed for the materials. Mr. Anderson will be on site during the entire project.

Mr. Gruber disagreed with the crews being allowed to stay on site during the project. If there is major disruption they need to find other accommodations for their staff. Mr. Anderson will look into off site housing for the crews. **MOTION was made by Mr. Doherty and seconded by Mr. Shelby to complete the door project in a three week period with the crews staying in house.** Mr. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted no, Mr. Shelby voted aye and Mr. Udell abstained. **Motion carried.**

Mr. Shelby asked HGV to allocate monies to provide additional entertainment, refreshments, and thank-you's for the owners in house while the project is going on. Mrs. Grzywna stated that Hilton Grand Vacations will sponsor one of the activities during the tower door replacement project.

#### **Internet Access project and Consideration of Quotes**

The Board appointed a 3 member group of Mrs. Fohlbrook, Mr. Shelby and Mr. Ghamandi to research the option of internet access and report back to the Board with their recommendations. Mr. Ghamandi will report back to Mr. Shelby after he visits Lorica. The Board thanked Mr. Ghamandi for attending the meeting.

#### **Pavers, Landings, Steps and Drainage Issues**

The Board was in agreement to hire Vanasse Daylor Civil Engineers to assess the parking lot drainage issues and evaluate the problem for an estimated fee of \$3,500.00. **MOTION was made by Mr. Gruber and seconded by Mr. Udell to hire Vanasse Daylor to evaluate the parking lot drainage issues for \$3,500.** Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

#### **Reserve Projects Completed in 2007**

- Tower mansard at roof had tile from hurricane damage replaced with metal panels fabricated to the color of terracotta tile at villas and tower eyebrows.
- All tower walkways have been painted as well as 21 patio floors. Remaining patios will be painted during maintenance weeks.
- Boardwalks were painted in March.
- Tower interior paint project was completed in December. Villa interior painting has been completed.
- 43 remaining guest bedroom dressers for tower were received in the spring.
- Tower furniture, drapes and bedspreads were completed in March. Villa installation was completed in May. The Tower includes sofa, loveseat and chair. Due to layout difference in the villas, the Board chose 2 chairs and ottoman in place of loveseat.
- Installation of villa window treatments were completed in the fall.

- Villa hurricane code window/door replacement was completed on schedule in week 41.
- Tower refrigerator replacement is nearing completion.
- Remaining dining room chairs were replaced.
- Two bedroom villa mattresses were replaced in May 2007.
- 2108 and 1108 villa bathrooms were renovated by Perma Ceram.
- Villa elevators had minor mechanical modernization.
- Card readers that were installed at Tower lobby doors for increased security midnight to 5 a.m. will soon be operational.
- Water treatment system will be installed in the Tower and has been installed in the villas to prevent further damage to plumbing caused by Marco Island water treatment.
- New commercial washer was purchased for linen operation.
- Pool furniture/umbrellas and TV's are purchased each year as needed.
- Exercise equipment will be ordered in December.
- Three new computers have been ordered for Alisa, Nelly and Mona.

#### **Reserve Projects Scheduled for 2008**

- All Villa and Tower living room TV's are scheduled for replacement.
- Villa ranges are scheduled for replacement.
- Villa porch table and chairs are scheduled for replacement.
- Two one bedroom bathrooms will be renovated.
- One bedroom Villa mattresses to be replaced.
- Villa elevators will undergo mechanical and interior modernization and Tower elevators will have mechanical upgrades.
- Funds are available to replace as needed, umbrellas, laundry equipment and computers, as well as \$10,000 for landscape refreshment and \$10,000 for repair or replacement as needed for common area doors and trash chutes.

Projects currently being researched, possibly to be implemented in 2008.

- High speed Internet in all rooms.

Amenity improvements.

- Hairdryers and Crabtree and Evelyn amenities are stocked in every unit.
- Improved quality linens are being ordered as replacements are needed.

#### **North Property Boundary Issues**

The fence is not on the north or south property line, the fences are broken and in need of repairs. An owner commented that adverse possession is 21 years in the State of Florida.

**MOTION was made by Mr. Udell and seconded by Mrs. Bohrer for the fence to be reconstructed on the valid north and south property line.** Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

Lunch break 12:30 p.m. – 1:10 p.m.

## **SALES REPORT**

### **2006 Sales**

Number of Weeks Sold	71
Dollar Volume	\$905,700
Average Price	\$12,756

### **2007 Sales YTD**

Number of Weeks Sold	56
Dollar Volume	\$721,800
Average Price	\$12,889

Number of Weeks Listed	269
Dollar Volume	\$3,464,190
Listing Price Range	\$8,500 - \$39,500

**MOTION was made by Mrs. Bohrer and seconded by Mr. Gruber to purchase Mariner weeks for \$2,696.00.** Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

## **HILTON GRAND VACATION REPORT**

### **Property Insurance Coverage**

The deductible is now being shared by all four properties. Hilton Grand Vacations has left the Hilton umbrella and has obtained their own insurance.

## **PRESENTATION BY DIRECTOR OF FINANCE-HOA ACCOUNTING**

Mr. Neil Peraza from HOA Accounting gave an overview of his department. There are 12 accountants with 40 associations in five states. The accounts receivable team creates all billing, maintenance fees and special assessments. There are two analyses on the team who handle special issues.

Eagle's Nest special assessment has been 98% collected. Mr. Peraza apologized for the error in billing the special assessment.

In the event of a hurricane in the future there will be a credit to the owners account for loss of their week instead of a check being sent out.

Beginning in 2009 credit card payments can only be made on-line. The individual associations will be required to make the decision as to whether credit cards will be considered as acceptable form of payment.

**MAINTENANCE FEE PAYMENTS BY CREDIT CARD**

**MOTION** was made by Mr. Gruber and seconded by Mrs. Bohrer that there is to be no bubble on the maintenance fee statement advertising our acceptance of credit cards for maintenance fee payments. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

**RESORT UPDATE**

**Personnel Review**

Mrs. Fohlbrook gave an update on employees. The update is attached as exhibit A

**Resort Store Update**

Mrs. Fohlbrook stated that the resort store will end the year with a profit. As of October 31 store revenue is \$10,724.00.

**RCI/Salt/Comment Card Scores**

The Board reviewed the operations reports. The reports are attached as exhibit B.

**DELINQUENCY REPORT**

**SUMMARY OF ACCOUNTS**

	# of Accounts	Outstanding Balance
Lien Action	7	\$10,138.64
Foreclosure Action	13	\$32,375.03
Other Legal Action	11	\$36,107.13
Legal Action on Hold	2	\$16,526.88
Association Owned Weeks	11	\$60,673.17
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Total	44	\$155,820.85

**CONFLICT OF INTEREST POLICY**

Mr. Gruber and Mr. Udell will review the conflict of interest policy presented by Hilton Grand Vacations and provide a recommendation or rewritten policy statement at the next board meeting.

**CORPORATE RESOLUTION**

Mr. Shelby signed the corporate resolution authorizing Mrs. Fohlbrook on behalf of the Association to execute closing statements, warranty deeds, affidavits and any and all other documents necessary to the proper closing of the transaction.

Eagle's Nest Budget Meeting

November 5, 2007

Page 7 of 7

**MOTION was made by Mr. Shelby and seconded by Mr. Udell to replace the stairway floor covering with tile from the lobby to the ground floor for \$4,000.** Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

**FUTURE MEETING DATES**

Annual Meeting March 10, 2008

Budget Meeting November 10, 2008

**ADJOURNMENT**

**MOTION was made by Mr. Udell and seconded by Mrs. Bohrer to adjourn the meeting.** Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Gruber voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

**Meeting adjourned at 4:00 p.m.**