

**EAGLE'S NEST ON MARCO BEACH  
BOARD OF DIRECTORS MEETING  
MONDAY, MARCH 14, 2011**

The meeting was called to order at 9:15 a.m. by President, Wayne Gruber at Eagle's Nest Resort, Marco Island, Florida. Board members in attendance were: President – Wayne Gruber, Vice President – Mitch Moore, Secretary/Treasurer – Bob Kelsey, Director – Sharon Bohrer and Director – Fred Bathon. Attending from Hilton Grand Vacations Company (HGVC) were: Mona Fohlbrook – Resort Manager, Claudia Phoenix – Assistant Resort Manager, Neil Hutchinson – Vice President Association Management Services, Lael Kilpatrick – Regional Director Resort Operations and Riki Martin – Executive Assistant and Acting Recording Secretary for this meeting. Also in attendance Steve Brettholtz – Myers, Brettholtz and Company and Jeff Anderson - Karins Engineering. Owners in attendance were: Ed Krommer, Mr. & Mrs. Chandler McKelvey, Mr. Udell and Mr. Bohrer.

**APPROVAL OF PREVIOUS MINUTES**

**MOTION was made by Mr. Bathon and seconded by Mr. Kelsey to approve the minutes of the budget meeting held on November 6, 2010.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

**MOTION was made by Mr. Bathon and seconded by Mr. Kelsey to approve the minutes of the budget meeting held on November 8, 2010.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

Mr. Gruber discussed the Board of Directors candidate form and the 75 word limit on biographies. Effective immediately, two single words cannot be hyphenated or have a slash mark between them to make one word.

**FINANCIAL UPDATE**

• **Auditor Report – Steve Brettholtz**

In our opinion, the financial statements reviewed present fairly in all material respects the financial position of Eagles Nest on Marco Beach Condominium Association, Inc. As of December 31, 2010 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As a recap of the years' activities I offer the following:

Operating cash	\$1,526,319
Reserve cash	\$ 482,048

4 Certificates of Deposit 100% guaranteed by FDIC earning an average of 2.67% ranging from less than one year to five years totaling \$482,099.

Total operating revenue	\$3,245,348
Total operating expenses	\$3,078,485
Excess (deficiency)	\$ 166,863

Beginning Operating Deficit Balance January 1, 2010	\$(28,624)
Interfund Transfer to Reserves	\$(126,000)
Ending Operating Fund Balance December 31, 2010	\$ 12,239

**MOTION was made by Mr. Bathon and seconded by Mrs. Bohrer to approve the audit.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

- **Operating Budget**

Mrs. Fohlbrook reviewed the operating budget and the statement of income and expense for month ending February 2011 which shows Eagle's Nest is currently operating \$36,342 under budget.

- **Status of Owner Fee Payments**

Mrs. Fohlbrook reviewed the maintenance fee collections comparative graph showing that we have collected 90.59% of fees to date as compared to 88.56% in 2010 and 88.90% in 2009.

- **Sale of Association Owned Weeks**

Mrs. Fohlbrook stated that Eagle's Nest has made YTD profit of \$4,000 on the sale of Association owned weeks obtained through foreclosure. Mr. & Mrs. Schwartzburg are doing an excellent job at selling the Association owned weeks.

- **AED Purchase and Placement**

Mrs. Phoenix updated the Board on the purchase of a Zoll AED (Automated External Defibrillator) and its installation near the lobby doors. Several team members have been certified in CPR and use of the AED. However, it is available for anyone to use with voice commands to walk an untrained person through the steps. Claudia will do a monthly maintenance check of the machine. The battery has a 5-6 year life. Wayne suggested that she order a second set of pads and pediatric pads.

The Board discussed the additional funds needed for the special assessment.

**MOTION was made by Mr. Gruber and seconded by Mr. Moore to rescind the motion that was made at the November 8, 2010 board meeting to establish a \$300.00 special assessment to the owners in May 2011.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

**MOTION was made by Mr. Kelsey and seconded by Mr. Bathon to approve the \$395 Special Assessment per unit/week for unit renovations due on May 31, 2011. Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. Motion carried unanimously.**

## **RESORT PROJECT/POLICY UPDATE**

### **Investment Policy**

Mr. Bathon presented an updated investment policy for consideration by the Board of Directors. The investment policy will be discussed at a future board meeting.

### **Asset Disposal Policy**

The Board discussed disposing used assets of the Association in the process of performing certain renovations, refurbishments, replacements and repairs at Eagle's Nest. After review and discussion, in order to expedite the removal process, **MOTION was made by Mr. Bathon and seconded by Mrs. Bohrer to authorize the Management Company to determine, the best and most cost effective way to dispose of certain capital assets belonging to the Association ("Assets"), including (i) selling the Assets with all proceeds going to the Association; (ii) removing and disposing of the Assets.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

### **Tower Lanais Resurfacing**

**MOTION was made by Mr. Kelsey and seconded by Mrs. Bohrer to rescind the motion on the tower lanai resurfacing to be completed in May.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

### **Discussion on Occasional Chair**

**MOTION was made by Mrs. Bohrer and seconded by Mr. Bathon to purchase a sample occasional chair.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

**MOTION was made by Mrs. Bohrer and seconded by Mr. Bathon to approve the purchase of a sample sofa/loveseat for Board review at the June 4<sup>th</sup> meeting.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

**MOTION was made by Mr. Bathon and seconded by Mrs. Bohrer to approve the purchase of dining table, coffee hassock, two end tables and two lamps as shown in model unit 107 for all Tower units.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

**Discussion on Computer/Work Table**

**MOTION was made by Mr. Bathon and seconded by Mr. Kelsey to purchase one computer table as a sample.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

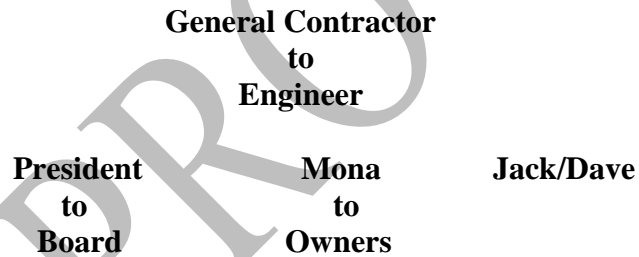
**Decision to award contract for Tower unit renovation project**

**MOTION was made by Mr. Bathon and seconded by Mr. Kelsey to approve Gates Construction as the General Contractor for the unit renovations.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

**MOTION was made by Mr. Bathon and seconded by Mr. Kelsey to approve budget total cost of \$69,920 per Tower unit for renovations.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

**Decision on Construction oversight Protocol**

The Board discussed the construction oversight protocol for the unit renovations.



The above shows the normal clean lines of communication for the 2011-2012 unit renovations project, and follows the letter and intent of the Construction Contract.

Jeff Anderson – Karins Engineering intends to be on site full time for the first several weeks once construction begins to oversee and review.

All persons affiliated with Eagle's Nest, including the Engineer, must not interfere with the General Contractor's means and methods. To interfere could (would) cause a shift of construction liability from the Contractor (including the subs) to Eagle's Nest.

However, there may be a site observation by Management, Owner (Board) or Engineer which is a time sensitive incident and would be a situation whereby direct communication with the General Contractor, or through the GC – appointed Superintendent, would be necessary and justifiable, with follow-up information to the other Eagle's Nest affiliates.

Weekly progress meetings are to be held, and all parties are to be kept abreast of such.

Change orders of all types, if any should be necessary, must be signed off by the General Contractor, the Engineer and the Board President (or by a Board appointed individual on site after consultation with the Board President).

Mrs. Fohlbrook asked the Board to reconsider some parking arrangements with The Charter Club of Marco Beach® as needed. The Charter Club has offered a fee of \$10.00 per parking space per night.

**MOTION was made by Mr. Kelsey and seconded by Mr. Bathon during weeks 24 – 32 any vehicle over one per unit will be charged \$10 per night for any parking pass.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

**MOTION was made by Mr. Bathon and seconded by Mr. Kelsey one Villa model renovation will be done in December 2011 and one Villa model renovation in May 2012 with exact dates and decision on whether the one or two bedroom villa to be determined by Mrs. Fohlbrook.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

#### **Rental rates**

Ms. Kilpatrick stated that each year the managers are involved with setting the rental rates. Due to the economy and the oil spill impact present in June 2010 when rates were considered discounts were offered in order to fill the otherwise empty units.

#### **Management Contract**

The Hilton Grand Vacations (“HGV”) legal department is in the process of implementing an internal process whereby all HGV property management responsibilities will be transferred to a new HGV entity, Hilton Grand Vacations Management, LLC (“HGVM”). As this assignment is being done for internal business reasons only, there will be no changes to the current management agreement or impact on the management services provided by HGV and no changes in personnel at the property level.

To facilitate the realignment process, the management agreement executed between your owners association and Hilton Grand Vacations Company, LLC (“HGVC”), will be assigned to HGVM.

**MOTION was made by Mr. Bathon and seconded by Mr. Kelsey to accept the realignment process whereas Hilton Grand Vacations Company, LLC (“HGVC”) will be assigned to Hilton Grand Vacations Management, LLC (“HGVM”).** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

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**ADJOURNMENT**

**MOTION was made by Mr. Bathon and seconded by Mrs. Bohrer to adjourn the meeting.** Mrs. Bohrer voted aye, Mr. Bathon voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

**Meeting adjourned at 11:05 a.m.**

APPROVED