

**EAGLE'S NEST ON MARCO BEACH  
BOARD OF DIRECTORS BUDGET MEETING  
NOVEMBER 6, 2010**

The Board of Directors Budget Meeting was called to order at 10:00 a.m. by President Wayne Gruber at the Eagle's Nest Resort, Marco Island, Florida. Board members in attendance were: Fred Bathon, Sharon Bohrer, Wayne Gruber and Mitch Moore. Attending from Hilton Grand Vacations (HGV) 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 – Administrative Assistant and Acting Recording Secretary. Also in attendance was Jeff Anderson of Karins Engineering.

**APPROVAL OF PREVIOUS MINUTES**

**MOTION was made by Mr. Bathon and seconded by Mr. Moore to approve the minutes of the July 17, 2010 teleconference meeting.** Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

**RESORT UPDATE**

- **Personnel Review**

Claudia Phoenix has joined the Administration team as Mrs. Fohlbrook's Assistant. Claudia will continue to oversee the resort store and will hold bi-weekly meetings with the recreation team.

Brian Bell and Maria Eran have joined the front desk team replacing Rafael and Jesse.

- **RCI Scores and Gold Crown Status**

Mrs. Fohlbrook reviewed the RCI 12 month average comment card scores and advised that Eagle's Nest has retained the Gold Crown status for 2011. The Gold Crown status is a valuable ranking to Eagle's Nest owners as it affects their exchange trading power.

- **Association Owned Weeks/Sales Status Report from January 1 through September 30, 2010** – Tom Schwartzburg

2010 YTD

Weeks Sold	56
Volume	\$545,368
Average Price	\$9,738

Eagle's Nest has made a profit of \$36,000 YTD on the sale of Association owned weeks obtained through foreclosure. The Board acknowledged the current selling price of Association owned flex week at \$4,000.

- **Rental/Insurance Report**

Ms. Kilpatrick asked to defer the insurance report to the Monday board meeting.

The average rental rate is \$267.46 per night

Ms. Kilpatrick stated that Hilton Grand Vacations has hired a consultant who is reviewing the resale and rental options to prepare a plan of action for resales and rentals to be presented to the Board of Directors.

- **Defibrillator**

Mrs. Phoenix presented a proposal for the purchase of an Automated External Defibrillator (AED). Mrs. Fohlbrook and Mrs. Phoenix have met with Noemi Fraguela, E.M.S. Captain who would be Eagle's Nest A.E.D. coordinator. An instructor from the American Red Cross in Naples would conduct the CPR/AED class. **MOTION was made by Mr. Bathon to purchase the recommended Zoll AED Plus "Advanced" with "Live CPR Feedback" unit as presented by Mrs. Phoenix.** Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

Mrs. Phoenix will be trained as well as any employees who would like to be trained. She will be responsible for the monthly inspections and upkeep of the machine. The AED will be located at the front desk area by the slider doors.

#### **RESERVE PROJECTS COMPLETED IN 2010 UPDATE**

- **Walkway Project**

The walkway project went well, although there was a delay at the South villa hand rails. The walkway project discussion then evolved into a discussion about the repair of the tower lanais in conjunction with the unit renovation project.

Jeff Anderson of Karins Engineering discussed the cost of aluminum and possibly purchasing the aluminum for the lanais in advance and storing it on property. The Board discussed completing the lanai issues at the same time as the unit renovation was occurring for those units only. **MOTION was made by Mr. Bathon that the Board instruct Mrs. Fohlbrook to complete the interior renovations and the lanais at the same time.** Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

Mr. Gruber noted in reviewing the HGV Board member training manual that meetings with smaller boards and committees can take a lighter approach. According to RONR (Robert's Rules of Order Newly Revised Tenth Edition)

\* Members are not required to obtain the floor and can make motions or speak while seated.

\* Motions need not be seconded.

- **Underground Diesel Storage Tank Code Compliant Replacement**

The underground diesel storage tank is now in place. Andy Burchak, Risk Management Director – HHC is currently in the final stages of insurance coverage and Eagle's Nest has passed all inspections.

- **Group Tour**

- **Tower Model Unit 107**

Mr. Bathon introduced Dan Graham of Seacoast Construction who did the Tower model unit 107. Dan was available to answer any questions the Board had.

- **Villa Walkways**

The Board made observations and was satisfied with the completion of this work.

- **Villa Model Unit Planning**

The Board reviewed aspects of the Tower model that would be implemented in the Villa renovations. Such as floor and wall tile replacement, walk-in shower location in master bath and built in entertainment areas in both living room and bedrooms.

“The Board took a moment of silence in respect for Sharon Kelsey, deceased wife of Board member Bob Kelsey, whose memorial service was being held in Texas today.”

#### **WORKING LUNCH**

- **Discussion of Model Unit 107**

The Board discussed the model unit 107

Mrs. Fohlbrook will write up the suggested changes to the model to be discussed at the Monday board meeting.

Mr. Anderson of Karins Engineering stated that any kitchen cabinets having evidence of water damage can not be reinstalled.

- **Discussion for Villa Model Unit Timing**

The Villa models are tentatively scheduled for installation in the spring of 2011, for view by the Board at the June 4, 2011, meeting, if held on site.

#### **ASSOCIATION DOCUMENTS AND AGREEMENTS**

- **Reaffirm Existing Assessment/Collection Resolution**

To reconfirm the Association's billing policy, **MOTION was made by Mr. Bathon to approve the Assessment Billing Resolution dated November 9, 2009.** Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

- **Reaffirm Existing Investment Policy**

The Board agreed to discuss the current investment policy at the annual/board meeting.

- **Reaffirm Records Posting Resolution**

To authorize posting of the association's records and board contact information on the [www.hgvc.com/eaglesnest](http://www.hgvc.com/eaglesnest) website, **MOTION was made by Mr. Bathon to approve the Association Records and Board Contact Information Posting Resolution with any revisions.** Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

- **Review and Approval of Board Candidate Form**

The Board reviewed the candidate form. All incoming board members have 90 days to read the governing documents and sign the loyalty oath. The Board discussed increasing the number of words for the background summary. **MOTION was made by Mr. Moore to revise the board candidate form to increase the background summary from 50 words to 85 words. Any candidacy form exceeding 85 words will not be accepted.** Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

The Board discussed increasing the board meetings to three times per year. A board meeting was scheduled for June 4, 2011.

- **Board Expense Report Review and Revisions**

The Board reviewed the updated Board of Directors travel expense reimbursement policy. **MOTION was made by Mr. Bathon to approve the revised reimbursement form.** Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

- **Non-judicial Foreclosures**

An important and potentially beneficial Florida Statute has recently been passed concerning foreclosures of timeshare properties. Statute 721.855 (*Procedure for the trustee foreclosure of assessment liens*) allows for non-judicial foreclosure of timeshare units, which negates the need to involve a court in related legal proceedings and ultimately simplifies the foreclosure process while decreasing overall expense.

A non-judicial foreclosure proceeding is generally completed within four months – as opposed to six months when proceeding through a court and has the potential of saving the Association approximately five hundred dollars per foreclosure in filing and servicing costs.

In order for an Association to adopt this statute as part of its operations, Hilton Grand Vacations Company recommend that Association's Governing Documents be amended to specifically provide for the use of the trustee foreclosure process. Statute 721.855 provides associations with the recommended language for amending those aspects of

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their Covenants, Conditions and Restrictions (CC&Rs, the Associations governing documents) regarding foreclosure, as follows.

If a timeshare owner fails to make timely payments of timeshare plan common expenses, ad valorem taxes, or special assessments, an assessment lien against the timeshare owner's timeshare interest may be foreclosed in accordance with the judicial foreclosure procedure or a trustee foreclosure procedure, either of which may result in the loss of the timeshare owner's timeshare interest. If the managing entity initiates a trustee foreclosure procedure, the timeshare owner shall have the option to object pursuant to

Florida law, and in such event the managing entity may thereafter proceed only by filing a judicial foreclosure action.

Regardless of the amendment adoption requirements in the Association's Governing Documents, the new law specifically provides that an amendment to the CC&Rs may be adopted by a majority of those present and voting at a duly called meeting of the owner's association at which at least 15 percent of the voting interests are present in person or by proxy. Hilton Grand Vacations Company recommends the Association retain an attorney to facilitate the amendment to the Governing Documents. Attorney Michael Belle handles all lien foreclosures for the South Florida associations and is prepared to handle non-judicial foreclosures. Mr. Belle estimates that it would cost approximately \$1,000 - \$1,500 to facilitate the change to the governing documents.

As the CC&R amendments should be adopted and recorded prior to the use of the trustee foreclosure procedure, Hilton Grand Vacations Company would recommend that the Board consider including this issue on the ballot for the 2011 Annual Meeting Proxy. If approved in the spring, this would allow for the use of the new procedure for delinquent intervals that will be foreclosed during 2011.

The Board asked Ms. Kilpatrick to provide the wording for their review prior to making changes to the governing documents.

**MOTION was made by Mr. Moore to move forward with non-judicial foreclosures and have Michael Belle facilitate the changes to the governing documents.** Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

Mr. Bathon volunteered his assistance on the villa models.

#### **ADJOURNMENT**

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

**Meeting adjourned at 1:35 p.m.**