

**EAGLE'S NEST ON MARCO BEACH
BOARD OF DIRECTORS BUDGET MEETING
NOVEMBER 8, 2010**

The Board of Directors Budget Meeting was called to order at 9:00 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, Bob Kelsey (via telephone) and Mitch Moore. Attending from Hilton Grand Vacations (HGV) were: Mona Fohlbrook – Resort Manager, Claudia Phoenix – Assistant to the Resort Manager, Neil Hutchinson – Vice President Association Management Services, Lael Kilpatrick – Regional Director Resort Operations and Riki Martin – Administrative Assistant and Acting Recording Secretary.

An owner expressed concerns regarding the bathroom renovations and the special assessment. He feels the Board had done a good job but doesn't feel he has been informed. The topic of the bathroom renovations and special assessment, with the approximate cost of \$300 per owner, was published in the fall 2009 and spring 2010 issues of the Sandscript. It was also discussed at the 2010 Annual meeting and weekly owners meetings. The Board is trying to be proactive with communications to Eagle's Nest owners. Mrs. Fohlbrook will address the issue of the bathroom renovations and the plumbing issues again in the upcoming newsletter and maintenance fee letter. The Board agreed to keep the owners well informed of the upcoming tower project.

FINANCIAL ISSUES

- **2010 Year to Date Operating Budget**

The Board reviewed the statement of income and expense as of September 30, 2010 which reflects that we are currently \$166,969.00 under budget. Mrs. Fohlbrook recommended transferring \$126,000 of the operating surplus funds to the interior reserves. She also suggested purchasing Eagle's Nest sweatshirts for the employees as this year's holiday gift.

Management suggested that Eagles Nest may want to release the funds held in the "Allowance for Doubtful Accounts" to the operating surplus. There is roughly \$29,000 in that account. The Board decided not to transfer those funds and to no longer contribute to that fund, but to add a line item in the Operating Budget for any forecasted losses the Association may incur in the sale of Association-owned weeks.

Cash Flow/Deficit

MOTION was made by Mr. Bathon to authorize management to move \$126,000 from operating to interior reserves. Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr.

Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

- **Presentation of Proposed 2011 Operating/Reserve Budget**

Extensive review of the proposed budget for operations and reserves was done. The reserve schedule was adjusted for dollar amounts with consideration given for safety, priority and length of life in each instance.

MOTION was made by Mr. Bathon to approve the 2011 Operating Budget with individual annual maintenance fees of \$625.00 per unit-week. Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye, Mr. Moore voted aye. **Motion carried unanimously.**

MOTION was made by Mr. Moore to approve the 2011 Capital Reserve contribution of \$269.00 and the Painting Reserve contribution of \$29.00 per unit-week (a total of \$298.00). Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye, Mr. Moore voted aye. **Motion carried unanimously.**

These reserve contributions are less than statutorily required for 2011. It is recommended unanimously by the Board of Directors to waive this requirement for 2011, and to request the owners vote as such at the Annual Owners Meeting or by proxy.

The Board is working to have the reserves fully funded in the near future.

- **Payment of Fees Via Credit Card**

The management company offered again this year that the maintenance fee statements can refer owners to the HGVCclub's website if they want to pay their fees on-line using a credit card. **MOTION was made by Mr. Bathon to approve the use of credit cards on the maintenance fee statement.** Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

- **Recommendation of ARDA/ROC \$3 Voluntary Contribution**

Ms. Kilpatrick asked that the Board allow Hilton Grand Vacations to solicit a voluntary \$3.00 per week donation to ARDA this year on the maintenance fee statement. **MOTION was made by Mr. Bathon to allow Hilton Grand Vacations to include a request for a voluntary \$3.00 per week contribution to ARDA/ROC on the maintenance fee statement.** Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. **Motion carried unanimously.**

- **Asset Disposal Policy**

Establish a policy which will be used and review the policy prior to each refurbishment. The Board discussed disposing used assets of the Association in the process of performing certain renovations, refurbishments, replacements and repairs at Eagle's Nest

on Marco Beach. After review and discussion, the Board was in agreement to have a discussion on asset disposal policy at the annual/board meeting in order to expedite the removal process.

Budget Notice to Owners

Florida statute 718.112 (2) (e) was reviewed. HGVC's legal department recommends compliance. In addition to past procedures, this year the meeting agenda and preliminary budget were posted on the website. Owners were notified by a postcard mailing of the date of the budget meeting and the website address where, after October 8 the preliminary budget to be considered could be viewed.

MOTION was made by Mr. Bathon to approve a \$300 special assessment to the owners in May 2011. Mr. Bathon voted aye, Mrs. Bohrer, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. Motion carried unanimously.

MOTION was made by Mr. Kelsey to move forward to 2011 and 2012 the purchase of the couches and love seats to be included with the timing of unit renovations with the understanding that this change may cause a slight increase in the reserve funding needed. Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. Motion carried unanimously.

MOTION was made by Mr. Bathon to add kitchen cabinets to the unit specification as a unit cost to be revisited at the March or June 2011 meeting. Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. Motion carried unanimously.

MOTION was made by Mr. Bathon to plan refurbishment models for both the one bedroom and two bedroom villas. Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. Motion carried unanimously.

MOTION was made by Mr. Gruber that the board recommended that Mr. Bathon be on-site at Eagle's Nest as a board consultant for the one and two bedroom villa models. Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. Motion carried unanimously.

MOTION was made by Mr. Kelsey that when a board member is going to serve as a board consultant he/she is authorized to follow the board approved travel reimbursement policy. The assigned board consultant will send notice to the board members to keep them properly informed on a weekly basis. Major changes are to be conveyed to the board member in advance of the change. Mr. Bathon voted aye, Mrs. Bohrer voted aye, Mr. Gruber voted aye, Mr. Kelsey voted aye and Mr. Moore voted aye. Motion carried unanimously.

Mrs. Fohlbrook stated that in the past it has been beneficial to have a board consultant on-site when working on a project that require that persons expertise. She feels it is important for Mr. Bathon to be present to interview the contractors for the upcoming unit renovations.

The Board discussed the model unit 107

- Guest bath paint color to be changed
- A door will be added to laundry area
- Kitchen island to be moved back 3 – 4 inches
- Standing toilet paper holder will remain in master bathroom
- Grab bar to be added to master shower
- Shower door in master bath with one stationary sliding glass door
- Color to match recess wall on kitchen back splash
- Add medicine cabinet to guest bathroom
- Replace picture at entry kitchen wall not to exceed \$100.00

Mrs. Fohlbrook thanked the Board for all of their input on the model unit. A special thanks to Mr. Bathon for all of his work on the model unit.

The Board agreed with the option of on-line voting and electronic communications.

FUTURE MEETING DATES

Annual/Board Meeting March 14, 2011 Board meeting @ 9:00 a.m. Annual meeting @ 2:00 p.m.

Teleconference Meeting June 4, 2011 @10:00 a.m.

Budget Meeting November 7, 2011@ 9:00 a.m.

Mr. Bathon left the meeting prior to adjournment.

ADJOURNMENT

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

Meeting Adjourned at 11:40 a.m.