

Approved 11-9-2009

**EAGLE'S NEST ON MARCO BEACH
BOARD OF DIRECTORS MEETING
MONDAY, MARCH 9, 2009**

The meeting was called to order at 8:00 a.m. by President Charlie Shelby in the conference room at Eagle's Nest Resort, Marco Island, Florida. Board members in attendance were: Sharon Bohrer, Pat Doherty, Mitch Moore, Charles Shelby and Jon Udell. Also in attendance were Chandler McKelvey, Eagle's Nest Assistant Treasurer and Wayne Gruber, Eagle's Nest consultant. Attending from Hilton Grand Vacations (HGV) were: Mona Fohlbrook – Resort Manager, Nelly Rafael – Assistant to the Resort Manager, Randy Piatt – Regional Vice President Resort Operations and Riki Martin – Administrative Assistant and Acting Recording Secretary for this meeting. Also attending were Steve Brettholtz of Myers, Brettholtz & Company, PA and Jeff Anderson, Karins Engineering Group.

APPROVAL OF PREVIOUS MINUTES

MOTION was made by Mr. Doherty and seconded by Mrs. Bohrer to approve the minutes of the meeting held on November 10 & 11, 2008. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Moore voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

MOTION was made by Mr. Doherty and seconded by Mrs. Bohrer to approve the minutes of the teleconference meeting held on December 5, 2008. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Moore voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

MOTION was made by Mr. Doherty and seconded by Mrs. Bohrer to approve the minutes of the teleconference meeting held on January 22, 2009. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Moore voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

FINANCIAL UPDATE

• **Investment Policy**

MOTION was made by Mr. Udell and seconded by Mr. Moore to approve the investment policy presented by Mr. McKelvey. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Moore voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.** (Attached as Addendum A)

• **Operating Budget**

Mr. McKelvey stated two actions were taken at the November, 2008 Budget meeting.

1. Increase the operating budget by \$3.00 to begin to address the operating budget deficit.
2. The Board instructed management to cut costs as much as possible.

For the first two months of 2009, Eagle's Nest is doing well. Mr. McKelvey is anticipating those actions taken in November will cut the deficit in half in 2009.

- **Status of Owner Fee Payments**

Maintenance Fee Payment Comparison Report

January 1, 2008 42.12% paid	January 1, 2009 41.88% paid
February 1, 2008 71.4% paid	February 1, 2009 70.92% paid

2007 maintenance fees paid by credit card 40.98% (313 credit card pmts.)
2008 maintenance fees paid by credit card 25.98% (266 credit card pmts.)
January 2009 credit cards payments 315

- **Sale of Association-Owned Weeks**

The remaining Association-owned weeks are September fixed weeks.

- **Store Results**

The resort store did well in 2008, with a profit of \$7,262.

- **Auditor Report – Steve Brettholtz**

Steve Brettholtz's report stated, "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eagle's Nest on Marco Beach Condominium Association, Inc., as of December 31, 2008, and the results of its operations and its cash flows for the year then ended are in conformity with accounting principles generally accepted in the United States of America."

Mr. Brettholtz gave a recap of the year's activities as follows:

Operating cash \$863,859

Reserve cash \$50,301

5 Certificates of deposit 100% guaranteed by FDIC earning an average of 4.4%, ranging from less than one year to 7 years, totaling \$433,099.

\$184,305 of Municipal Bonds Florida – non taxable

Total operating revenue \$2,952,505

Total operating expenses \$3,065,351

Excess (deficiency) (\$112,846) off budget 3.8%

Beginning Operating Fund Balance January 1, 2008 (\$58,001)

Ending Operating Fund Balance December 31, 2008 (\$170,847)

MOTION was made by Mr. Moore and seconded by Mr. Doherty to approve the audit. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Moore voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

FORECLOSURE PROCEEDINGS

MOTION was made by Mr. Moore and seconded by Mr. Doherty to eliminate the collection agency and have Michael Belle's office send any collection letters. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Moore voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

FACILITY PROJECTS & ISSUES REVIEW

- **American Flag**

MOTION was made by Mr. Doherty and seconded by Mrs. Bohrer to install a flag/flag pole on the property at an estimated cost of \$4,628. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Moore voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

- **Hot Water Project**

In order to reduce energy costs and to comply with safety and standards of operations, we should reduce our temperature of water to the rooms to 115 degrees. However, the linens need to be washed at 140 degrees. Mrs. Fohlbrook recommended installing a separate heater for the laundry area at approximately \$8,450. This will allow setting the boiler on the roof at 115 degrees rather than 140 degrees which will provide saving on gas expense and will allow safe water temperatures for the rooms and the laundry. The Board agreed to purchase the heater for \$8,450.

- **TV Replacement Project**

Mrs. Fohlbrook suggested ordering 32" LCD Sony TVs. **MOTION was made by Mr. Doherty and seconded by Mrs. Bohrer to place the order for the TVs, Sony or Samsung, at Mrs. Fohlbrook's choice, to begin by ordering 6 TVs, and purchase additional TVs to be installed by summer.** Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Moore voted no, Mr. Shelby voted no and Mr. Udell voted aye. **Motion carried.**

- **Waterproofing of Plaza & Remediation of Water Intrusion into Maintenance Shop Area**

Flood testing has been completed on all areas and no leaks were found below. The area seems to be sealed tight.

- **Windows/Doors Glass Replacement Project**

Window/Door project was completed in December, 2008. Engineering fees related to correction have been paid by R. L. James as of February 20.

- **Fountain Liner**

The fountain does leak but water loss estimate per month may be only approximately \$58. Mr. Anderson stated the cost of relining the fountain would be approximately \$25,000 and the extent of water loss does not warrant such expense at this time.

RESERVE PROJECT PLANNING REPORT

MOTION was made by Mr. Doherty and seconded by Mr. Udell to approve in principle the following Reserve Project Plan. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Moore voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

2010 Reserve Year The Tower walkway resurfacing/slab edge repairs/screen frames and villa walkway resurfacing/handrail replacement project will be scheduled.

2010 Reserve Year Increase the reserve project maintenance fee by an amount to be determined no later than November, 2009, with anticipation that this increase will be in the range of \$35 - \$45 per unit week. (It is projected that additional project funds (estimated \$1,000,000) will need to be borrowed on a short term basis, possibly structured similar to that which was done for the window/door project).

2011 Time Frame Bathroom remodeling/refurbishment and Tower lanai resurfacing and screen frame projects will be scheduled.

2012 Reserve Year Unit refurbishment and carpet (it is anticipated that the next unit refurbishment and carpet replacement will be scheduled for 2016, returning to a planned 4 year cycle).

It is understood that all of the other Reserve Projects presently on the reserve schedule will be completed as planned.

- **Entry Doors Upgrade**

During wind and driving rain, our doors become a big problem. They are constantly opening due to the automatic eye being exposed to the elements. This allows the driving rain to pour into our lobby. The alternative of locking the doors and having to have an attendant stand there to open the door when someone wishes to enter is

unrealistic. We requested a proposal for a roundabout type door, but the proposal came in at \$61,135. This is a wish list item for the future.

- **Owner Baechle's Suggested Use of Game Room**

In 2008, Ms. Baechle suggested changing the game room into a nail salon. At this time, we are not pursuing any changes in use of the game room.

FACILITY INSURANCE

Mr. Moore asked Mr. Piatt for further clarification on the Hilton insurance policy. Mr. McKelvey suggested an outside analysis to examine new insurance options. The Board thanked Mr. Moore for his efforts to examine new insurance options.

BYLAW CHANGES

MOTION was made by Mrs. Bohrer and seconded by Mr. Moore to delete the two issues on the bylaw changes that were made in November, 2008. Mrs. Bohrer voted aye, Mr. Doherty voted aye, Mr. Moore voted aye, Mr. Shelby voted aye and Mr. Udell voted aye. **Motion carried unanimously.**

- **Wooden Pool Deck Appearance**

Mrs. Fohlbrook and Mr. Doherty will survey the wooden pool deck and determine appropriate time for staining.

- **High Speed Internet Project**

Mrs. Fohlbrook stated that the signal is good with the exception of areas on floors 9 and 10 and some one-bedroom villas. An additional boost could be installed to help the signal at the one-bedroom villas, with minimal expense. To improve Tower signal on floors 9 and 10, we will need to wait until the lanai and screen enclosure work is being done in 2011. Overall, owners and guests are pleased with the service in the units.

- **North & South Property Boundary Issues & Landscaping**

North property boundary line issues were resolved last year, with Marriott's moving its fence to the correct north property line and installing mature landscaping along the property line. Mrs. Fohlbrook and Mr. Udell will meet with the manager at the Marco Beach Ocean Resort concerning the location of the fence at the south property line.

- **Facility Inspection/Handrails/Safety etc.**

In-house maintenance staff has removed the area of spalling concrete at the 7th floor walkway and has had our screen contractor temporarily replace the missing pickets at the villa handrails.

Mrs. Fohlbrook presented Mrs. Bohrer and Mr. Shelby with gifts, in appreciation for their service on the Board of Directors.

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ADJOURNMENT

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

Meeting adjourned at 10:00 a.m.