

Approved 3-9-2009

**EAGLE'S NEST ON MARCO BEACH  
BOARD OF DIRECTORS BUDGET MEETING  
NOVEMBER 10 & 11, 2008**

The November 10 meeting was called to order at 8:30 a.m. by President, Charlie Shelby at the Eagle's Nest Resort, Marco Island, Florida. Board members in attendance were: Sharon Bohrer, Pat Doherty, Mitch Moore, Charles Shelby and Jon Udell. Assistant Treasurer Chandler McKelvey and contract/by-law consultant to the Board Wayne Gruber were also in attendance. 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 – Managed Collection, Lael Kilpatrick – Regional Manager Resort Operations and Riki Martin – Administrative Assistant and Acting Recording Secretary.

**APPROVAL OF PREVIOUS MINUTES**

**MOTION was made by Mr. Moore and seconded by Mrs. Bohrer to approve the minutes of the Board of Directors Teleconference meeting held on August 4, 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.**

**RESORT UPDATE**

**Loss Prevention/Property Inspection Report**

Loss Prevention Policy and Standards are in place. Ms. Kilpatrick shared several reports with the Board of Directors.

**Overview of Hilton Conducted Employee Training**

- New Hire Orientation
- Lunch-n-Learn front desk Workshop
- Maintenance Workshop
- Harassment Free Workplace
- Team Building
- Excel 1 & 2 Classes
- Outlook Class
- Leading Change (managers)
- Monthly Webinars (managers)
- Coaching & Counseling (supervisors)
- Progressive Discipline (supervisors)

**Store Results Report**

Year to Date profit \$8,962

**RCI Report**

Eagle's Nest has received the RCI Gold Crown distinction for 2009.

**Association Owned Weeks Status/Sales**

The Board reviewed the status of Association owned weeks. They were in agreement to place an article in the SandScript notifying the owners of unique opportunity to purchase Association owned weeks and to contact the onsite sales team.

**Delinquency Report/Rental Report**

**Delinquency Report**

Summary of Accounts

	# of Accounts	Outstanding Balance
Lien Action	0	\$
Foreclosure Action	38	\$ 56,630.94
Other Legal Action	10	\$ 51,078.20
Legal Action on Hold	2	\$ 20,149.66
Association Owned Weeks	7	\$ 48,374.62
<b>Total</b>	<b>57</b>	<b>\$176,233.42</b>

Mrs. Fohlbrook reviewed the rental report with the Board and noted a 75.9% occupancy rate year to date. Which is on target with budget and comparable to the 75 – 80% occupancy we have had over the last five years except in the case of 2006 due to Hurricane Wilma.

**Personnel Review**

Mrs. Fohlbrook reviewed the personnel list, at this time the only open position is in the Recreation Department. This position is not being filled with urgency in an attempt to reduce 2008 expenses.

**Enforcement of Guest Behavior in Common Areas**

Mrs. Fohlbrook is aware that at times there are more than six guests in a unit. However, enforcement of occupancy is a challenging task since proving how many people are staying and not visiting is difficult. Front desk will be reminded to monitor the internet room to ensure underage children are not using without a parent.

Mr. Jeff Anderson – Karin's Engineering and Kevin Phillips – R.L. James, Inc. joined the meeting.

PGT has advised R.L. James, Inc. that the slider glass in the tower units will need to be replaced. After an inventory count done by PGT identified a discrepancy in what was delivered to our resort, testing found the glass installed in the tower sliders failed under extreme pressure. PGT has agreed to pay for the materials and labor to replace the glass although they have not agreed to pay for project oversight fees. To date Eagle's Nest has incurred a cost of \$2,940.00 in project oversight fees. Eagle's Nest feels these fees should also be paid for by PGT. R.L. James, Inc. agreed that they will cover the project oversight costs if PGT does not pay as they are a vendor of R.L. James, Inc. Karin's Engineering would oversee the project on an hourly basis. R.L. James, Inc. will have a supervisor on-site. Work to begin November 28 during maintenance weeks.

R.L. James, Inc. will provide updated proposals for tower/villa walkway resurfacing and replacement of screen enclosures.

### **PROJECT ISSUES**

#### **Reserve Projects Completed in 2008**

**Sanitary Sewer Project** – Replaced in May at a cost of \$18,500 plus engineering fees of \$9,262.

**In-Room Internet Access Project** – Macario has completed running cable for the wireless and hook up is scheduled for later this month.

**Heat Pump Project for Pool/Spas** – In an effort to reduce rising gas cost for heating the pool and spas heat pumps have been installed which take heat from the air to produce heat for the pool and spas. Gas backup is provided to insure adequate heating of the facilities during cold and windy winter days.

**Water Proofing of Plaza & Remediation of Water in Maintenance Shop - R. L. James, Inc.** will begin work to waterproof the planter beds in plaza area on December 1.

**Fountain Fiberglas Liner** – A BASF representative will be on site during the waterproofing of the plaza to give recommendations as to the best waterproofing product for use in the fountain.

**TV Project** – Comcast Cable will begin running replacement cabling and installing guest bedroom cable lines on December 1st. This work is being done free of charge as part of an early contract renewal with Comcast.

**Boundary Landscaping** – Marriott installed mature landscaping at north property line and moved the fence to the correct property line. Mr. Udell and Mrs. Fohlbrook will send a letter to Ocean Resort regarding the south property line and the noise by night staff.

**Entry Doors, Upgrade** – During wind and driving rain entry doors become a big problem. They are constantly open due to the automatic eye being exposed to the elements. A proposal for roundabout type door is \$61,135.00. Mrs. Fohlbrook and Mr. Kiper will continue to look for options.

**Owner Baechle – Suggest Income Generating Spa at Game Room** - She suggested a nail salon for in-house guests. Mrs. Fohlbrook will look into all options for better use of the space.

**Flag Pole** – Mr. Doherty suggested an American flag be installed on the property to show our patriotism. Mrs. Fohlbrook will provide a proposal for a flag pole.

Lunch break 11:30 a.m. - 12:15 p.m.

### **FINANCIAL REVIEW**

The Board and Management reviewed the operating and reserve budget.

### **2009 OPERATING BUDGET/RESERVES**

Board members reviewed the proposed budget for operating and reserves. Cost for replacement and life expectancy adjustments were made to reserve line items. **MOTION was made by Mr. Moore and seconded by Mr. Doherty to increase the operating budget by \$3.00 to \$625 to begin to address the operating budget deficit. This is to be reviewed annually. Motion carried unanimously.**

**MOTION was made by Mrs. Bohrer and seconded by Mr. Doherty to accept the 2009 operating budget at \$625 per unit week. Motion carried unanimously.**

**MOTION was made by Mr. Udell and seconded by Mrs. Bohrer to approve the reserve budget at \$193.00. Motion carried unanimously.**

Total maintenance fee at \$818.00.

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

**MOTION was made by Mr. Udell and seconded by Mr. Moore to waive the statutory funding of reserves and recommend to the owners to vote to waive the statutory funding of reserves at the Annual meeting. Motion carried unanimously.**

**MOTION was made by Mrs. Bohrer and seconded by Mr. Doherty to transfer \$55,000 from Interior Reserves to Capital, \$57,000 from Paving to Capital, \$35,000 from Roof to Capital, \$45,000 from Painting to Capital. Motion carried unanimously.**

### **CREDIT CARD PAYMENTS**

**MOTION was made by Mr. Doherty and seconded by Mrs. Bohrer to approve the use of credit cards on the maintenance fee statement. Motion carried unanimously.**

### **ARDA**

Ms. Kilpatrick discussed the ARDA contributions to the timeshare industry over the past years. She 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 Mrs. Bohrer and seconded by Mr. Moore to allow Hilton Grand Vacations to include a request for a voluntary \$3.00 per week contribution to ARDA on the maintenance fee statement. Motion carried unanimously.**

### **INSURANCE REPORT**

An insurance appraisal report for Eagle's Nest by Hirons & Associates, Inc. was included in the budget packet for the Board's review. Florida Statute requires an insurance appraisal every three years. The Board expressed concern over rising cost and an interest as to whether the benefits of insurance through HGV are still cost effective. Mr. Piatt stated that he has no problem with Eagle's Nest seeking outside insurance bids.

The Board was in agreement to go out to bid for independent insurance coverage. Mr. Moore and Mr. Udell were appointed to work on the insurance bids.

### **MANAGEMENT CONTRACT**

The Board of Directors and Management reviewed the management contract. **MOTION was made by Mr. Doherty and seconded by Mrs. Bohrer to authorize the President to sign the revised contract and to retain the services of Hilton Grand Vacations. Motion carried.** Mr. Udell abstained as he disagreed with several provisions of the contract. He is in favor of HGV management.

### **LEASE AGREEMENT OF REAL ESTATE SALES OFFICE**

**MOTION was made by Mr. Udell and seconded by Mrs. Bohrer that Grand Vacations Realty represent Eagle's Nest for timeshare sales to renew the real estate sales office lease for three years. Motion carried unanimously.**

### **BY-LAW CHANGES**

#### **SUGGESTED BY-LAW REVISIONS**

Article IV, Section 10:

No fees shall be paid to directors for serving on the Eagle's Nest Board of Directors. No directors shall otherwise benefit financially from service to the Association.

Article IV, Section 13:

An Association member who has been convicted of any felony by any court of record in the United States and who has not had his or her civil rights restored pursuant to law in the jurisdiction of his or her residence for at least five years is not eligible for board membership.

**MOTION was made by Mrs. Bohrer and seconded by Mr. Udell to amend the bylaws as presented. Motion carried unanimously.**

**FUTURE MEETING DATES**

March 9, 2009 Annual meeting  
November 9, 2009 Budget meeting

Meeting recessed at 3:50 p.m. on Monday, November 10, 2008

The Budget Meeting was reconvened on November 11 at 10:00 a.m. by President Charlie Shelby.

**BATHROOM PROJECT REPORT**

The Board and Management went to Club Regency to view the new master bathroom.

Design Schemes presented their suggestions for future bathroom renovations.

Mrs. Visser – Creative Interiors and Ed Ehlen – Ehlen Floor Covering presented bathroom project proposals.

**MOTION was made by Mr. Udell and seconded by Mr. Moore to form a sub-committee to do strategic planning for future major projects. Motion carried unanimously.**

**ADJOURNMENT**

**MOTION was made by Mr. Moore and seconded by Mr. Udell to adjourn the meeting. Motion carried unanimously.**

**Meeting adjourned at 12:30 p.m.**