

Approved 5-7-2009

**SEAWATCH ON THE BEACH
BUDGET MEETING
OCTOBER 30 & 31, 2008**

The meeting was called to order at 9:05 a.m. by President, Tim Pellerin at Hilton Grand Vacations Regional Office Marco Island, Florida. Board members in attendance were: Steve Couch, Mike Dammeyer, Steve Hoffman, Tim Pellerin and John Sykora. Attending from Hilton Grand Vacations (HGV) were: Michele Jenkins – Resort Manager, Lael Kilpatrick – Regional Manager Resort Operations and Riki Martin – Administrative Assistant and Acting Recording Secretary for this meeting.

APPROVAL OF PREVIOUS MINUTES

MOTION was made by Mr. Dammeyer and seconded by Mr. Hoffman to approve the minutes of the Board of Directors A.M. & P.M. meetings held on April 25, 2008. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

MOTION was made by Mr. Couch and seconded by Mr. Sykora to approve the minutes of the Board of Directors Teleconference meeting held on May 28, 2008. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

DISPLACEMENT OF GUEST/OWNER POLICY

MOTION was made by Mr. Hoffman and seconded by Mr. Couch to adopt a displacement policy. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

Displacement Policy: The board discussed with the management team how they would like to handle any situations that may arise if a guest or owner cannot occupy their unit. The following is the policy.

If for any reason an owner/guest cannot occupy their unit, the displaced owner/guest will be relocated to another Seawatch unit. If an alternate Seawatch unit is unavailable, the owner/guest will be relocated to another resort. Management will endeavor to relocate the guest to a resort of similar quality, depending on availability.

FIRST AID POLICY

The Board discussed the current first aid policy and acknowledges that HGV employees and security personnel are not authorized or trained to administer first aid. Limited first aid supplies will be made available in the office during normal office hours.

LEGISLATIVE UPDATE

Ms. Kilpatrick stated that the following language has been added to the Seawatch on the Beach Board of Directors candidate form.

Until further notice from applicable Florida authorities, although the Bylaws for Seawatch on the Beach states that there are Board term limits, the Division of Florida Condominiums, Timeshares, and Mobile Homes of the Florida Department of Business and Professional Regulations has recently ruled the Board term limits are not enforceable.

MANAGER UPDATE

a. Staffing Update

Mrs. Jenkins was happy to report that Glenda Griffin – front desk, Heather Schweitzer – recreation and Stephanie Goolsby – vacation counselor are doing a great job. They demonstrate great team work.

Financial Review – Variance

The Board reviewed the variance report.

b. Project List

South elevator renovation will be completed in early November
Pool bar lighting has been completed. The remaining light bulbs are on back order
Unit books have been updated
North side planter beds have been completed

c. Comment Card and RCI Report

The Board reviewed the comment cards. Seawatch has received the RCI Gold Crown distinction for 2009.

d. Comerica

Ms. Kilpatrick gave an overview of Seawatch investments with Comerica. There are no management fees charged to the association for Comerica handling their investments. Their relationship is compensated on a transactional basis.

Lunch Break - Marco Resorts Property Walk 12:30 p.m. - 3:10 p.m.

e. Foreclosure Review

DELINQUENCY REPORT/SPECIAL ASSESSMENT UPDATE

Summary of Account September 2007

	# of Accounts	Outstanding Balance
Lien Action	0	\$
Foreclosure Action	23	\$36,280.02
Other Legal Action	1	\$ 1,454.48

Legal Action on Hold	0	\$
Association Owned Weeks	8	\$43,232.96
Total	32	\$80,967.46
Current Year 2008 Dues	108	

2009 BUDGET

PRESENTATION OF PROPOSED 2009 BUDGET/RESERVES

a. Television Proposals

The Board agreed to postpone the purchase of TV's for the living rooms until early 2009. This decision was made as the price of 32" LCD TV's continue to drop. They will be purchased to coincide with the delivery of the television stands.

b. Television Stands

MOTION was made by Mr. Hoffman and seconded by Mr. Dammeyer to purchase from Bayfront Interiors TV stand Option B at \$872.91 tax included per TV stand. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

c. Door Bids

MOTION was made by Mr. Sykora and seconded by Mr. Dammeyer to accept the bid from Gulfstream Painting to paint the unit doors. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

d. Patio Floor Report

Project postponed at this time.

e. Gas Grills

MOTION was made by Mr. Dammeyer and seconded by Mr. Hoffman to authorize the purchase of five gas grills cost not to exceed \$800 per grill. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

f. Pool Heater

MOTION was made by Mr. Hoffman and seconded by Mr. Dammeyer to purchase the GEO-THERMAL pool heater from J& L Refrigeration & Air Conditioning Inc. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

g. Lobby Mirrors

MOTION was made by Mr. Hoffman and seconded by Mr. Couch to add wood trim to existing lobby mirrors. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

h. Pool Deck/Stairwells

MOTION was made by Mr. Hoffman and seconded by Mr. Dammeyer to accept Four G's Industrial Coatings Option One as well as the stairwell including the spyglass logo not to exceed \$11,000. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

4:20 p.m. - 4:40 p.m. Raul Nieves Senior Accounting Manager joined the meeting via telephone.

The Board inquired as to why some of the monies were in a non interest bearing account. Money was coming in from the special assessment billing. Real Estate taxes are paid in November in order to take advantage of the early payment discount. The money needed to be in that account in order to make the payment. It is necessary to have 2 months worth of cash in the operating account in order to pay the monthly expenses. The balance of the funds are then sent to Comerica to invest.

MOTION was made by Mr. Sykora and seconded by Mr. Dammeyer to recess the meeting at 5:45 p.m. on October 30, 2008. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

Meeting reconvened at 9:31 a.m. on Friday, October 31, 2008 at Seawatch on the Beach Ft. Myers Beach, Florida. Don Fandrey – Assistant to the Resort Manager attended the meeting on October 31, 2008.

The Board and management walked the property.

The Board was in agreement after visiting the Marco Island resorts that Seawatch with the least amount of staff members looks cleaner and more organized than any other property. They complimented the staff for doing a great job.

The Board discussed the feasibility of dividing the game room, 50% for games, 50% for exercise equipment. Mrs. Jenkins will obtain a proposal to present to the Board at the April 2009 annual meeting to construct a wall and purchase exercise equipment.

Lunch break 1:00 p.m. – 1:30 p.m.

Resale Update

Ms. Goolsby joined the meeting for the resale update. She has 4 Association owned weeks under contract and 6 Association owned weeks for sale. She is looking forward to season and is open to any suggestions. The Board was in agreement that Stephanie is a big asset to the resort and a great team player. They presented her with a token of their appreciation.

The Board reviewed the operating budget and reserves. **MOTION was made by Mr. Sykora and seconded by Mr. Couch to accept the maintenance fee of \$770.64 an increase of 2.6%.** Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

Operating \$556.70 Reserves \$213.94

SANDSCRIPT ADVERTISING FEES

MOTION was made by Mr. Couch and seconded by Mr. Hoffman the Board agreed to raise the Sandsript advertising fee to \$25.00 per week. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

WAIVER OF STATUTORY FUNDING OF RESERVES

MOTION was made by Mr. Hoffman and seconded by Mr. Couch to waive the statutory funding of reserves and to offer to the owners to waive the statutory funding of reserves at the Annual meeting. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

ARDA VOLUNTARY CONTRIBUTION

Ms. Kilpatrick discussed the ARDA contribution 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 Mr. Couch and seconded by Mr. Hoffman that Seawatch will not allow the ARDA contribution on the maintenance fee statement this year.** Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted no. **Motion carried.**

CREDIT CARD PAYMENT OPTION

MOTION was made by Mr. Hoffman and seconded by Mr. Sykora to approve the use of credit cards on the maintenance fee statement. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

NSF FEES

MOTION was made by Mr. Hoffman and seconded by Mr. Couch to approve the charge of \$35.00 for NSF fees. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr.

Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

OTHER BUSINESS

The Board discussed sealcoating the parking lot. Mrs. Jenkins will provide information to the board in order to move forward with the project.

FUTURE MEETING DATES

Annual meeting April 27, 2009

ADJOURNMENT

MOTION was made by Mr. Couch and seconded by Mr. Sykora to adjourn the meeting. Mr. Couch voted aye, Mr. Dammeyer voted aye, Mr. Hoffman voted aye, Mr. Pellerin voted aye and Mr. Sykora voted aye. **Motion carried unanimously.**

Meeting adjourned at 2:37 p.m.