

Approved 4-23-2009

**THE SURF CLUB CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTORS MEETING  
JANUARY 8, 2009**

The meeting was called to order at 10:05 a.m. at The Surf Club of Marco, Marco Island, Florida. Board members in attendance were: Bill Chandler, Jim McCanna and Joe McCluskey. Attending from Hilton Grand Vacation (HGV) were: Sharry Luneke – Resort Manager, Chris Schmadtke – Assistant to the Resort Manager, Randy Piatt - Regional Vice President Resort Operations (via telephone), Lael Kilpatrick – Regional Manager Resort Operations and Riki Martin – Administrative Assistant and Acting Recording Secretary for this meeting.

**APPOINTMENT OF RECORDING SECRETARY**

**MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to appoint Riki Martin as recording secretary for this meeting.** Mr. Chandler voted aye, Mr. McCluskey voted aye and Mr. McCanna voted aye. **Motion carried unanimously.**

**APPROVAL OF AGENDA & CERTIFICATION OF MEETING NOTICE**

**MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to approve the agenda and certification of meeting notice.** Mr. Chandler voted aye, Mr. McCluskey voted aye and Mr. McCanna voted aye. **Motion carried unanimously.**

**APPROVAL OF PREVIOUS MINUTES**

**MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to approve the minutes of the December 16, 2008 teleconference meeting as amended by Mr. Chandler's comments and correction of type error.** Mr. Chandler voted aye, Mr. McCluskey voted aye and Mr. McCanna voted aye. **Motion carried unanimously**

**NO SMOKING CLAUSE IN FUTURE HOA RESALES**

The Board had a discussion regarding the non-smoking policy. **MOTION was made by Mr. McCluskey and seconded by Mr. McCanna to notify all owners of weeks sold by the Association following adoption of a smoke-free policy for said units of the following policy, which applies to all future owners of said units:** Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. **Motion carried unanimously.**

“The Surf Club of Marco is transitioning to a totally smoke-free environment. In connection with that policy, the Association-sold weeks containing deed restriction on smoking within the units and balconies are hereby declared smoke-free. You are hereby advised that, since your unit week is one of those already smoke-free, smoking and/or the use of all tobacco products is prohibited within your unit and on your balcony. If a complaint from another owner about tobacco use or smoking within your unit or on your balcony is made and verified; or if housekeeping detects an odor of smoke in your unit after your departure, management will confirm and automatically place an additional

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charge on your credit card for removing the odor, at the cost of doing so, including labor, and in the amount of \$250.00. Your occupancy of the unit is confirmation of your authorization for management to so charge your credit card.”

### **PROJECT UPDATE**

Power washer has been installed. Maintenance department will prepare a schedule of usage. Mrs. Luneke will add the power washer schedule to the quarterly report.

Hot water boiler #2 has been installed and project is completed.

Bar stool and chair cushions are delaminating and will be replaced over the next four Saturdays. Ms. Kilpatrick stated Diana from Bayfront Interiors has contacted the manufacture asking them to replace the cushions. They chose not to replace the cushions. Bayfront Interiors has agreed to pay for the replacement cushions.

Bayfront Interiors will bring samples of full length mirror framing for master bedrooms.

Mrs. Luneke is proposing that Resort Sports come two days a week for additional weeks.

Mr. Chandler discussed the policy of keeping the 111 units owned by the Association for rentals. The owner of 111/21 has asked that the Association take the week back. Unit 111/21 is a fixed week Mrs. Graner would like to make it a flex week. **MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to accept the deed back of unit 111 week 21 to give the property owner relief.** Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. **Motion carried unanimously.** The request was withdrawn in April 2009.

Access panels throughout the building are being repaired on Sundays. Mrs. Luneke will add status of project to the quarterly report.

Board walk gate has been installed.

Waste Management has increased the price for the trash compactor. Mrs. Luneke will provide additional proposals at a future meeting.

Mrs. Luneke will present proposals at the board meeting in April for a gravity tank that is required by the year 2011. She will research other required code modifications for the spa/swimming pool.

### **ELEVATOR MODERNIZATION PROJECT**

Tim Murk of Lerch Bates joined the meeting at 10:45 a.m. – 11:35 a.m.

The Board and Management discussed the elevator modernization

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**MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to accept the Kone bid of \$225,000 based upon acceptance of the Lerch Bates bid terms and conditions; and contingent upon Kone cancelling the remaining term of the current five year maintenance contract and refunding unearned payments; accept the maintenance contract submitted by Lerch Bates on its paper and for an initial term of five (5) years following the one year full warranty period; and authorizing Mr. Murk of Lerch Bates to negotiate the cost of the maintenance contract not to exceed the amounts proposed by Kone. Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. Motion carried unanimously.**

**MOTION was made by Mr. McCanna and seconded by Mr. McCluskey authorizing director McCluskey on behalf of the Board of Directors to act on its behalf in regards to this contract. Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. Motion carried unanimously.**

Lead time for elevator modernization is 15 – 17 weeks after the contract is awarded. Construction time is 6 -9 weeks.

The Board was in agreement to cosmetically upgrade the elevator cabs approvals to be made by Director McCluskey.

Chris will contact Condee Cooling and Electrical to insure the proper maintenance is being done on the emergency generator. The generator has a 30 year life and is due for replacement in 2013.

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

Ms. Kilpatrick gave an explanation on waiver of statutory funding of reserves. She will ask Steve Brettholtz to provide an explanation to be added to the newsletter.

#### **APPROVAL OF 2009 DIRECTOR ELECTION BALLOT**

**MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to approve the changes to the ballot/proxy adding wording for one year term pursuant to recent Florida statutory revision. Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. Motion carried unanimously.**

#### **ARDA NATIONAL CONVENTION/EXPO**

**MOTION was made by Mr. McCanna and seconded by Mr. McCluskey that any board members who would like to attend the ARDA convention in Orlando March 29 – April 2, 2009 will be reimbursed for their expenses. Mr. Chandler noted that HOA board members are eligible for ARDA/ROC scholarships for the registration fee. Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. Motion carried unanimously**

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Lunch recess 12:10 p.m. – 1:10 p.m.

Attorney William Morris is the attorney for the Surf Club Association. Mr. Chandler has signed an engagement letter agreement with Attorney Morris for a fixed term until May 15, 2009 at a reduced rate of \$195 per hour and \$125 for his paralegal. Attorney Morris has sent a blanket letter to all of his clients increasing his hourly rate to \$260 per hour. The Board asked Mrs. Luneke to review his invoices to make sure we are being billed at \$195 per hour until May 15.

The board asked management to provide more detailed information on rental units. Mrs. Luneke provided the 2008 year end rental information.

#### **INVESTMENT OF RESERVES – MEETING WITH MORGAN STANLY REPRESENTATIVE.**

Morgan Stanley representatives David Caruso and Janet Perri joined the meeting at 1:25 p.m. – 2:00 p.m.

.The board revisited the investment recommendation with Morgan Stanley. **MOTION was made by Mr. McCluskey and seconded by Mr. McCanna that the reserve funds be invested with Morgan Stanley.** Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. **Motion carried unanimously.**

The Board of Directors also voted unanimously to adopt the investment policy and include the policy manual presented by Ms. Kilpatrick as recommended by HGV Corporate. (Investment Policy Addendum A)

#### **APPROVAL OF INTEGRATED TIMELINE**

**MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to set the date of budget meeting for October 22 & 23, 2009.** Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. **Motion carried unanimously.**

Mr. Piatt will present HGV recommendations at the April 23, 2009 meeting on how to proceed with Florida law of sending out the budget to all owners no less than 14 days prior to the budget meeting.

Mr. McCanna reminded the board and management that we need to discuss at the April meeting the cable contract. Mrs. Luneke will provide proposals from Comcast and Marco Island Cable for the budget meeting in October 2009.

Add to timeline the Comcast internet service as separate from the TV/cable service.

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**ADJOURNMENT**

**MOTION** was made by **Mr. McCanna** and seconded by **Mr. McCluskey** to adjourn the meeting. Mr. Chandler voted aye, Mr. McCluskey voted aye and Mr. McCanna voted aye. **Motion carried unanimously.**

**Meeting adjourned at 2:50 p.m.**