

PLANTATION BEACH CLUB CONDOMINIUM ASSOCIATION, INC.
BOARD OF DIRECTORS MEETING
March 12, 2007

President, Sue Aemisegger called the meeting to order at 8:35 am. In attendance were: President Sue Aemisegger, Secretary/Treasurer Sanford Searleman, Directors Carol Martin, Kathy Woods and David Schlegel; from HGVC: Ada Grzywna - Regional Manager, Raul Nieves – Accounting Manager, Randy Piatt - Sr. Director- Resort Operations, Sharon Glenn – Resort Manager and Bunnie Coffey-Acting Secretary for this meeting. Also in attendance were owners Allan Schinagle and Norb Ranz.

Motion was made by Sandy Searleman to approve the minutes of the October 24, 2006, November 3, 2006 and December 11, 2006 meetings as presented. Kathy Woods seconded the motion. Motion passed unanimously.

After discussion Carol Martin made a **Motion** that a policy be adopted by the Board regarding public comments. Owners may be given, at the time the subject is discussed, at the discretion of the President, up to three minutes of speaking time on that subject. Their request to speak must be presented in writing prior to the meeting and contain the subject on which they want to speak. David Schlegel seconded the motion.

OLD BUSINESS – Sharon Glenn began her report. A copy of her report is attached to the minutes. Under item 1 – After discussion Dave Schlegel made a **Motion** that the bid from A1 Leak Detection to repair the spa for \$850.00 as quoted be accepted. Sharon is to be sure there is not a hold harmless clause in the contract and that they give us a warranty in case they should damage the deck. Carol Martin seconded the motion. Motion passed unanimously.

Also, under item 1 – Dave Schlegel made a **Motion** that the pool be closed for weeks 19 and 20. During this time the scum gutters should be repaired at the same time the pool is being resurfaced. Kathy Wood seconded the motion. Motion carried unanimously. Sharon was asked to send out a letter informing the residents of weeks 19 and 20 that our pool will be closed, but that we have three other pools they may use, all of which are very close.

Item 4 – Sharon reported that the wireless and wired internet service to each room has not yet happened. The engineers are due to arrive today. Kathy Woods asked why they have been so delinquent. Sharon stated that perhaps Stay Online needed more equipment than they thought, because they wanted to charge us more money and were reminded of the fact that a contract was already signed. Hilton reminded Stay Online of the many properties that were using Stay Online internet services and that seemed to bring the Stay Online people in agreement that they might be losing money on the project at PBC, but they would get additional business from Hilton.

Sue Aemisegger stated that the front office remodeling was one of the best things to happen and she wanted to make sure that Tony, our chief engineer, was told what a wonderful job he had done. It was also stated that the area looks much more professional.

Item 2 regarding the painting of the building - Dave Schlegel summarized the painting issues from 2005. He reported that after the building was painted in 2005 there were issues with the

paint adhering to the building better in some places than in others. An engineer came to the property, took pictures and made a written report. From his findings it is the opinion of the engineer and the legal department at Hilton that recouping our loss was not possible. In 2010 we will have in our reserves \$230,000.00 for painting the entire building. This figure was obtained from the people who did the Reserve Study. Ada stated that the amount of money in the Reserve Study includes the wood and the liners of the planter boxes as well as the painting. We presently do not have enough money to paint the entire building. It was suggested that we get a company that would paint just part of the building. It was suggested that all alternatives to wood be explored, including composite materials, to be used to replace the wood that is deteriorating on the building. Warranties and guarantees on the paint and the painting were discussed. Bids that Sharon has received were discussed. Sharon was asked to check out the reputation of Predominate Painting with the Better Business Bureau. Kathy asked Ada what was the conclusion of the envelope specialist. Ada explained that his report found that the very first layer of paint is what is coming off the building. The preparation of the building prior to painting the building the first time is why the paint is coming off now. Sharon is checking the warranty of the product and the labor. Ada reminded everyone of the water leaks evident in the parking garage area, and suggested that an engineer be hired to find the problem areas. Dave Schlegel made a **Motion** to accept the bid from Predominant Painting in the amount of \$12,650 to paint the building contingent upon checking out the financial condition of the painting company, their warranty and any complaints against them. Then spend up to \$2,000.00 to hire an engineer to determine where the areas are leaking that need to be fixed. Carol Martin seconded the motion. Dave Yes, Sue Yes, Sandy No, Kathy No, Carol No. Motion did not pass.

Kathy then made a **Motion** that Sharon be authorized to obtain a leak expert to analyze the problems in the garage and authorized to spend up to \$2,000 to determine the problems and report back to the board as soon as possible. Sandy seconded the motion. Motion passed unanimously.

Kathy made a **Motion** to have Sharon contact Predominate Painting Company, advise them that we are interested in them and see if they can have this bid remain open 90 days from 2/28/07. Sandy seconded. Motion passed unanimously.

A personal privilege break was taken.

Back in session at 10:25A.M. Hurricane Shutters is the next item on the agenda. Dave stated that he measured the channel both at the sliders and at the screen and there was a 2 inch difference. No water came in the sliders during Hurricane Frances or Jeanne. With Hurricane Wilma the damage was from the water coming in under the channel. It has been grouted and Dave feels that it would be redundant to install Hurricane Shutters. He felt that the appearance greatly detracts from the beauty of the porch. He also stated that the 2" high channel for the shutters would be a dirt catcher and was very unattractive. Sue stated that she felt we should have shutters, but she doesn't like white. Ada stated that our sliding glass doors are getting old and will eventually have to be replaced. When the doors are replaced it will be mandatory that they be replaced with hurricane rated high impact glass doors. Randy Piatt explained that code states that up to 40ft you must have high impact glass; from 40 – 80 ft above ground level you must have medium impact glass and above 80 ft. no special glass is necessary.

Randy recommends hurricane sliding glass doors over hurricane shutters. Shutters are not a water proofing process. Ada explained that we will have \$125,000 for sliding glass doors in 2015. And once you start working on the doors you must bring them all up to code.

Kathy made a **Motion** to postpone the hurricane shutter discussion and requests Hilton get a cost of installing hurricane sliders and whether the hurricane doors could be done over time instead of all at one time. Sandy seconded. Motion passed unanimously. Dave feels that what we have is adequate to solve our problem and that the appearance is not insignificant. Dave asked if it was possible to use the existing doors with new channels. Ada explained that once you began working on the doors you would have to bring them up to code.

AUDITORS REPORT - Mr. Searleman asked why Mr. Brettholtz from the accounting firm of Myers, Brettholtz & Company, PA was not coming to give the Auditor's Report. Ada told Mr. Searleman that Mr. Brettholtz had a conflict this year. Ada stated that the auditors gave us a clean opinion, with no area of concerns. PBC is in accordance with accounting standards. There was a \$17,000 deficit. There was a huge insurance increase, and an increase in utilities. Mr. Searleman asked where the professional consulting fees had come from. Ada explained that was for Bill Armbruster.

INSURANCE – Randy Piatt explained that under the current policy PBC does not have anything written that discusses reimbursement for m fess if your unit is not able to be occupied due to an insured event, nor in the current policy will that ever exist. Hilton is securing the services of Aon, an insurance broker for all of the HGVC properties. They are pulling us out of the Hilton umbrella for a couple of reasons. First, the needs of a Homeowners association building are very different than a hotel. While PBC has had great coverage, the specific items (i.e. Mr. Schlegel's insistence of having that specific language in the policy) could never be added in the current policy because the overriding weight of the policy is on the hotel's side. Under the new policy Hilton will be able to add those items that could not be added before. The second reason is because of the size of the scope of Hilton's properties. Some of the limits that are part of that policy are way beyond the necessary limits for a timeshare association. The spread of risk is good. Plantation Beach Club is a high risk property. Hilton also looked into having a separate policy for each property, which would have been a nightmare, but if the cost was better, so be it. However that was not possible. Martin County would not allow Hilton to write through Citizens Insurance. Aon does their own modeling and they do their own sales to the insurance market. They came up with a premium of 6.5 to 7 million over all. Last year the premium was 9.7 million, so we are hopeful to have a savings. We would be sharing the policy with 33 properties with a total worth of approximately \$975,000.00. On the Corporate side, Hilton is adding a new property worth one billion dollars which will also be on this policy. It is a purpose- built property in Manhattan one block off Central Park. The figures for this policy should be in place by the first week in May with renewal the first week of June. The coverage will be full replacement coverage, as it is now. There will be a buy down policy. He was unsure of the level of that at this time, but he anticipates it to be about \$100,000 which is what we have presently for windstorm. All other perils are \$25,000 deductible and we will continue to have landscape and pool insurance the same as in previous years. Dave asked Randy to ask Aon if there is anything we can do to reduce the rate for our policy. Randy said of course. Sue asked if there would be a loss of use clause. Randy said there will be a term for it but it will not be loss of use and will not provide with alternative accommodations, but there will be reimbursement of maintenance fees if it is an insured loss. Dave asked Randy how many claims were paid from Hurricane Wilma. Randy said he would guess there were about 70 people who got reimbursed their maintenance fees, reserves and taxes. He is anticipating that the premium for our General Liability when down. Hilton is not pulling our liability insurance. Only property is being pulled

out of the Hilton Hotels package. Hilton is continuing to look into the D & O coverage. Randy stated that he feels that our budget had an increase built in for additional premium rates beginning in March. If so we should see a savings in that area.

Randy also stated that the painting issue at PBC has certainly been a question for a period of time. Hilton has had great success with an envelope specialist who specializes in the waterproofability (if that is a word) of a building. His name is Paul Beavers. He is a good resource for situations such as PBC's. Randy stated that if PBC hired Mr. Beavers to do a thorough analysis of the building HGVC will pay for anything over the \$2,000.00 that the Board had previously approved. This would be Mr. Beavers doing a thorough analysis and a written report telling us what we should do to the building complete with specs of everything that is exposed to the open air. The Board unanimously agreed to hire Mr. Paul Beavers.

Sharon Glenn then reported to the board regarding the amenities. Irene was able to have additional items in the units without going over her budget. Sharon also explained the current problems with our present linen company. After discussion Dave Schlegel made a **Motion** to change linen companies to Palm Beach Linen. Motion was seconded by Kathy Woods. Motion carried unanimously. This motion is based on the assumption there is no penalty to stop services with East Coast Linen. This does not include triple sheeting. The Board will reconsider triple sheeting for the 2008 budget. Sharon was asked to put on the October meeting agenda additional amenity items such as coffee, salt and pepper, dryer sheets and eye make up cleanser. Dave Schlegel stated that all soaps should be unscented.

Kevin, a representative of Predominate Painting spoke to the board regarding the painting of the building. The Board asked him to extend the quote for an additional 90 days. He stated that was not a problem.

The Board broke for lunch.

Meeting reconvened at 12:55pm.

Mrs. Aemisegger reminded everyone that as Ocean Club members we are entitled to a 15% discount at the Marriott on food, both at the Tiki Bar at the Sandpiper and at the main hotel restaurant, but not on alcoholic beverages. Sharon explained that she was getting surveys from our guests and would have the results available in July. This should be enough time for the board to go over the figures and talk with the Marriott some time in August. Ada reminded the Board that the property was sold with the amenity package. To change that and not have any of those amenities would require a vote of all of the members.

Sharon reported that Platinum Mosquito has installed the nozzles around the pool area and they seem to be doing a great job keeping the noseemus away. She also reported that the grab bars for the showers were being installed at a rate of two units per month.

Ada Grzywna reported on the Reserves. She stated that the reason this was on the agenda was that Mr. Neff had asked why the reserves had such a large increase. Some of the items that were not in the reserves in past years are: \$5,000 for bed frames; \$75,000 for new interior doors; \$97,000 for updating the elevator cabs as required by law; \$5,000.00 for an ice machine; \$20,000 for door locks. Mr. Searleman asked how much the reserves would be in 2008 and Ada replied

that they would be \$212.75 per unit/week, that is a 5% per unit increase. She also stated that for the next few years PBC would not be waiving our reserves, as was done in past years.

New Business:

Discussion followed regarding getting the recently elected board members to a board meeting. The Board was reminded that the State mandates an Annual Meeting where the owners elect the new board members. This is the only state mandated meeting. Carol Martin asked what the availability was at PBC in this building for the month of June. Kathy stated that she would like reimbursed only for her hotel and air expenses as long as the board could get together before the October budget meeting. Randy explained to the board that there is a 13 month window allowed for the annual meeting. You can go to the end of that 13 month period each year and thus move the Annual Meeting date forward to better accommodate the present Board. In past years the Board was primarily made up of winter owners so the February and March Annual meetings met with their schedules because the most of them would already be staying at PBC. The budget meeting cannot be moved very much because the budget must be completed in time for HGVC to send out the maintenance fees at the end of December. Sandy stated that he would like to see the meetings scheduled a year in advance. After discussion the board decided to have their next meeting June 15th. Carol stated she would arrive the evening of the 14th, meet on the 15th and leave on Saturday morning. Kathy stated that if she wanted to stay for Sunday she could go to the hotel.

The Voting Online for 2008 was discussed. Ada explained that the owners will have to have their contract number to vote online. Bunnie will go online and vote for the people who want to vote by paper ballot. Everyone will be mailed a notice of the Annual Meeting along with a Proxy Ballot notifying each owner that they may vote on line or vote by mail.

Going Green and recycling was discussed. Sue suggested that the resort should be using long lasting bulbs and environmentally friendly products in all area. Paper towels, toilet paper and all the cleaning supplies should be recyclable. Sharon stated that she and her staff and HGVC have been looking into these products.

Foreclosure procedures were discussed. The Board agreed to allow the Resort Manager to tell the attorney the value of the unit/week to be foreclosed upon. Randy explained that after foreclosure the unit/week is given to Mandy for resale. Randy also explained that the legal process to get to foreclosure is normally a two year process.

After discussion Kathy Woods made a **Motion** to establish a Resource Committee made up of past board presidents and up to two concerned owners who are not past presidents. This committee is not to exceed 7 members. Dave Schlegel agreed to head up this committee. Motion was seconded by Sandy Searleman. Motion carried unanimously.

Ada Grzywna went over the Investment Policy. After discussion Sandy Searleman made a **Motion** to adopt the audit of Myers, Brettholtz for the year ending 2006. Motion was seconded by Kathy Woods. Motion carried unanimously.

Kathy Wood made a **Motion** to spend up to \$500.00 for the construction of another walkway leading from the parking lot to the driveway on the north side of the property. Motion was seconded by Carol Martin. Motion passed unanimously.

Sandy Searleman made a **Motion** to adopt the revised March 12, 2007 Investment Policy. Motion was seconded by Kathy Woods. Motion passed unanimously.

Mandy Ciolino gave her report on resales. She advised that most of her sales are generated from owners. Last year the total volume of sales was \$579,100 with a total of 56 week sold. Through March 5 of this year she has sold 12 weeks for a total of \$199,500.00.

Kathy asked Sharon if it would be possible for her to write a managers report once a month so that the Board members could see the things that are happening and the progress of the projects. Sharon said she would be happy to email that to each Board member. She stated that the report should be about the 27th of each month.

A letter from Mr. & Mr. Pagano regarding the disposition of their week was read and discussed. Dave Schlegel made a **Motion** to accept their week back to the association. Motion seconded by Kathy Woods. Motion passed unanimously.

Dave Schlegel made a **Motion** to adjourn at 3:25pm seconded by Kathy Woods.

Meeting adjourned at 3:25pm.