

Approved 1-8-2010

**CLUB REGENCY OF MARCO ISLAND
BUDGET MEETING
OCTOBER 12 & 13, 2009**

The meeting was called to order at 1:00 p.m. by President, Ralph Pearman at Hilton Grand Vacations Regional Office, Marco Island, Florida. Board members in attendance were: Ms. Brehm, Mr. Chinavare, Judge Pearman and Dr. Pineno. Mr. Zimmerman attended the meeting via telephone. Attending from Hilton Grand Vacations (HGV) were: Anthony McHugh – Resort Manager, Joan Paquett - Assistant to the Resort Manager, Neil Hutchinson – Sr, Director Association Management Services, Lael Kilpatrick – Regional Manager Resort Operations and Riki Martin – Administrative Assistant and Acting Recording Secretary for this meeting. Lee Shook – Sales Associate joined the meeting for the sales report.

APPROVAL OF PREVIOUS MINUTES

MOTION was made by Dr. Pineno and seconded by Ms. Brehm to approve the minutes of the July 17, 2009 teleconference meeting. Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

SALES REPORT

2008 YTD Sales	
Number of Weeks Sold	43
Dollar Volume	\$284,350
Average Price	\$6,682.56
2009YTD Sales	
Number of Weeks Sold	31
Dollar Volume	\$186,860
Average Price	\$6,027.74
Platinum Weeks	2
Gold Weeks	13
Silver Weeks	12
Association Weeks Sold in 2008	
Dollar Volume	\$39,100

In 2009, 6 Association weeks were sold for a total of \$25,800. Three of these sales included the HGV Club.

Currently there are 5 Association weeks for sale. 3 are Gold weeks \$17,000 total and 2 are Silver weeks \$6,000 total.

There are 18 weeks in arrears as of September 30, 2009. One is in Bankruptcy and we anticipate 12 being returned to the Association by foreclosure. Lee has sold 4 weeks that were in arrears prior to foreclosure.

Current weeks listed total 108 @ \$1,093,245.

DELINQUENCY REPORT

Summary of Accounts September 2009

	# of Accounts	Outstanding Balance
Lien Action	0	\$
Foreclosure Action	20	\$36,396.20
Other Action	3	\$10,303.24
Association Owned Weeks	9	\$18,028.98
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Total	32	\$64,728.42

PROJECT UPDATES

The Board reviewed the project list.

Mr. Hutchinson summarized the insurance issues addressed in the last two editions of the Board Member Beacon. He asked the board members to keep in mind insurance cost is not just about the premiums. Other items, such as overall program design, first responders and claim management are also very important.

PROPOSED 2010 BUDGET

Extensive review of the proposed budget for operations and reserves were done. Revenue and expense items were discussed item by item with increases and reductions made to several items. The reserve schedule was adjusted for dollar amounts per line items with consideration given for safety, priority and length of life in each instance.

The board discussed the deficit and cash flow for the remainder of 2009. The Board discussed ways in which the reserved improvements to the resort could continue to be a

priority without impacting the owners with a large increase. The Board felt that the guest bathroom improvements were needed recognizing the positive feedback from owners regarding the master bath improvements.

Meeting recessed at 4:50 p.m.

Meeting reconvened at 9:00 a.m. Tuesday October 13, 2009

WAIVER OF STATUTORY FUNDING OF RESERVES

The budget adopted was based on the owners approving the waiver of statutory funding of reserves. **MOTION was made by Dr. Pineno and seconded by Ms. Brehm to approve the waiver of statutory funding of reserves and recommend that the owners approve the waiver of statutory funding at the Annual meeting.** Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **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 Dr. Pineno and seconded by Ms. Brehm to allow Hilton Grand Vacations to include a request for a voluntary \$3.00 per week contribution to ARDA on the maintenance fee statement.** Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

RESOLUTION OF THE BOARD OF DIRECTORS OF *Club Regency of Marco Island, Condominium ASSOCIATION, INC.*

October 12, 2009

The undersigned, being all of the directors of Club Regency of Marco Island Condominium Association, Inc., a Florida not for profit corporation (the "Association"), hereby consent to the following actions and resolutions of the Board of Directors of the Association (the "Board");

ASSESSMENT BILLING

WHEREAS, the Association is the owner of that certain property known as Club Regency of Marco Island located at 500 South Collier Blvd. Marco Island, Florida (the "Property"); and

WHEREAS, Hilton Grand Vacations Development Company is the management company for the Association (the "Management Company"); and

WHEREAS, the Association's governing documents, including without limitation the Association's Bylaws and the Declaration of Condominium or Declaration of Covenants, Conditions & Restrictions for the Property (the "Governing Documents") and applicable state law provide procedures and processes regarding the assessment billing for the Association (the "Billing Process"); and

WHEREAS, applicable state law and/or the Governing Documents: (i) are silent, ambiguous or inconsistent on certain specific aspects of the Billing Process, or (ii) require Board's approval; and

WHEREAS, the Board has the authority to adopt resolutions to clarify specific aspects of the Billing Process; and

WHEREAS, the Board deems it advisable and in the best interest of the Association: (a) to re-state approval of certain aspects of the Billing Process within these resolutions, (b) clarify certain aspects of the Billing Process, and (c) approve and/or ratify certain aspects of the Billing Process; and

WHEREAS, it is the Board's obligation and the Board deems it advisable and in the best interest of the Association to consistently and impartially collect all assessments, late fees, finance charges and other charges set forth in these resolutions, under applicable law or in the Governing Documents.

DUE DATE OF REGULAR ASSESSMENTS

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the imposition of an annual due date of **January 1st** for all regular assessments.

LATE FEE

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the prior imposition by the developer of the Property or the Management Company, or their affiliates or predecessors, of late fees on each ownership interest for which applicable assessments were not paid on or before the Due Date; and

FURTHER RESOLVED, that the Board hereby APPROVES in all respects the imposition of a late fee of **\$25** on each ownership interest for

which applicable assessments have not been paid on or before **forty-five (45)** days after the Due Date, effective as of: (i) the date of these resolutions, (ii) the date of execution of the Amended Rules (defined below), or (iii) recordation of Amended Rules, whichever is later.

FINANCE CHARGE

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the prior imposition by the developer of the Property or the Management Company, or their affiliates or predecessors, of finance charges on each ownership interest for which applicable assessments were not paid on or before the Due Date; and

FURTHER RESOLVED, that the Board hereby APPROVES in all respects the imposition of a finance charge of **eighteen percent (18%) per ownership interest** (the "Finance Charge") on each ownership interest for which applicable assessments have not been paid on or before **seventy-five (75)** days after the Due Date, such Finance Charge to begin accruing from January 1 until paid, effective as of the date of these resolutions.

OTHER CHARGES

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the prior imposition by the developer of the Property or the Management Company, or their affiliates or predecessors, of other miscellaneous charges on each ownership interest for which applicable assessments were not paid on or before the Due Date; and

FURTHER RESOLVED, that the Board hereby APPROVES in all respects the future imposition of other miscellaneous charges which are available under applicable law or the Governing Documents.

LOCK-OUT

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the prior denial by the developer of the Property or the Management Company, or their affiliates or predecessors, of the use and enjoyment of accommodations and facilities by any owner who owned (individually or jointly) an ownership interest for which applicable assessments were not paid on or before the Due Date; and

FURTHER RESOLVED, that the Board hereby APPROVES in all respects the denial of the use and enjoyment of accommodations and facilities by any owner who owns (individually or jointly) an ownership

interest for which applicable assessments have not been paid on or before **One Hundred and Five (105)** days after the Due Date (the "Lockout Date"), effective as of the date of these resolutions; and

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the prior retention of lockout fees by the developer of the Property or the Management Company, or their affiliates or predecessors; and

FURTHER RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects that, effective as of the date of these resolutions, a lockout fee of **\$15** ("Lockout Fee") shall be charged to each ownership interest for which applicable assessments have not been paid on or before the Lockout Date, and such Lockout Fee shall be retained by the Management Company for its own account.

COLLECTIONS

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the prior engagement by the developer of the Property or the Management Company, or their affiliates or predecessors, of a third-party collection agency or outside attorney ("Collection Firm") for collections on delinquent accounts; and

FURTHER RESOLVED, that the Management Company is hereby AUTHORIZED to engage a Collection Firm on future delinquent accounts; and

FURTHER RESOLVED, that the Management Company and/or the Collection Firm is AUTHORIZED to charge and impose a lien against the delinquent owner(s) for all costs and fees related to third-party collections.

CONSISTENCY IN BILLING PROCEDURES

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the collection of all assessments, late fees, finance charges, lockout fees and other charges by the developer of the Property, the Management Company, or their affiliates or predecessors; and

FURTHER RESOLVED, that the Board hereby AUTHORIZES the Management Company or Collection Firm to collect such assessments, late fees, finance charges and other charges consistently and impartially for all owners and in accordance with applicable law, the Governing Documents or the resolutions set forth in this resolution.

MISCELLANEOUS

RESOLVED, that the Management Company, or the President, Vice President, Secretary, Treasurer or other officer of the Association (each of such persons hereinafter referred to as an "Authorized Representative"), is hereby AUTHORIZED and DIRECTED to do or cause to be done any and all such other actions and to execute and deliver, in the name and on behalf of the Association, all agreements, exhibits, schedules and other documents related thereto in order to effectuate the foregoing resolutions, with such changes as are authorized by such Authorized Representative, the execution and delivery thereof by such Authorized Representative to be conclusive evidence that the same were authorized by this resolution.

FURTHER RESOLVED, that any and all such actions heretofore or hereinafter taken, on behalf of the Association, by any of said persons or entities within the terms of the foregoing resolutions are hereby RATIFIED, APPROVED, CONFIRMED and ADOPTED in all respects as the acts and deeds of the Association.

FURTHER RESOLVED, that this resolution may be executed in one or more counterparts, all of which shall constitute the resolution, and facsimile signatures or signatures transmitted via email in "pdf" or similar format shall have the same effect as original signatures.

BILLING RESOLUTION

MOTION was made by Ms. Brehm and seconded by Dr. Pineno to approve the billing resolution presented by Hilton Grand Vacations. Ms. Brehm voted aye, Mr.

Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

CREDIT CARD PAYMENTS

MOTION was made by Dr. Pineno and seconded by Ms. Brehm to approve the use of credit cards on the maintenance fee statement. Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. Motion carried unanimously.

NSF FEE

MOTION was made by Dr. Pineno and seconded by Ms. Brehm to authorize the charge of \$35.00 NSF fee. Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

**CLUB REGENCY OF MARCO ISLAND
CONDOMINIUM ASSOCIATION, INC.,
2010 BUDGET RESOLUTION**

The Board of Directors ("Board") of Club Regency of Marco Island Condominium Association, Inc. ("Association"), hereby vote in favor of the following resolution:

WHEREAS, the 2010 operating budget ("Operating Budget") and 2010 capital reserve schedule ("Capital Reserve Budget") for the Association were presented to the Board prior to the October 12, 2009 Board meeting; and

WHEREAS, after review and discussion of the Operating Budget, the Board approved the total operating expenses for 2010 of \$1,019,101; with individual annual operating fees of \$624.45 per unit week; and

WHEREAS, after review and discussion of the Capital Reserve Budget, the Board approved the funding of \$331,642 for the Capital Reserves for 2010; with individual annual reserve funding of \$203.21 per unit week; and

WHEREAS, the Board budgeted total proposed expenditures in 2010 of \$128,000 for the various projects as outlined in the Capital Reserves; and

WHEREAS, based on current operations, the 2009 year-end forecast is a cash shortfall of (\$67,427). Due to the projected cash shortfall the 2010 budget includes a contra revenue deficit reduction line item in the amount of \$35,000 and \$6,000 in the Bad Debt expense line to offset the deficit.

WHEREAS, the Board approved and instructed Manager to facilitate the mailing of the 2010 annual maintenance fees to the members of the Association; and

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the total operating expenditures for 2010 of \$1,019,101; with individual annual maintenance fees of \$827.66 (operating and reserve) per unit week; and approved the funding of \$331,642 for the 2010 Capital Reserve Budget, and further approved and instructed the Manager to facilitate the mailing of the 2010 annual maintenance fees to the members of the Association.

PROPOSALS & DISCUSSIONS

MOTION was made by Dr. Pineno and seconded by Ms. Brehm authorize using operating fees for 2010 in 2009. Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

Ms. Brehm will contact Frazee Inc. to request a breakdown on the guest bathroom renovation costs. She will also contact two additional companies to present proposals for guest bathroom renovations at the Spring 2010 meeting of the Board.

Room safes were tabled at this time.

Florida Communication Consultants

Steve joined the meeting at 10:00 a.m.

He presented proposals for hard wiring residential units for internet access, call accounting, voice mail and telephone system. The Board did not make a decision on Florida Communication Consultants proposals at this meeting.

Aquatic Architechs

Jim Ryan, Rick Cleveland, and Brian Myers joined the meeting at 10:30 a.m.

Proposals to enlarge the spa from its current 7 foot diameter to 10 feet were presented by Aquatic Architechs. The Florida Department of Health requires that by July 1, 2011 our current spa be retrofitted with a collection tank.

COMMENT CARDS & RCI

The Board discussed the importance of RCI scores. The front desk is currently contacting all RCI guests on Sunday to insure their accommodations are satisfactory.

The Board thanked Mr. Chinavare for his service on the Board of Administration.

ADJOURNMENT

MOTION was made by Mr. Zimmerman and seconded by Dr. Pineno to adjourn the meeting. Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

Meeting adjourned at 12:30 p.m.

Approved 1-8-2010

**CLUB REGENCY OF MARCO ISLAND
BUDGET MEETING
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priority without impacting the owners with a large increase. The Board felt that the guest bathroom improvements were needed recognizing the positive feedback from owners regarding the master bath improvements.

Meeting recessed at 4:50 p.m.

Meeting reconvened at 9:00 a.m. Tuesday October 13, 2009

WAIVER OF STATUTORY FUNDING OF RESERVES

The budget adopted was based on the owners approving the waiver of statutory funding of reserves. **MOTION was made by Dr. Pineno and seconded by Ms. Brehm to approve the waiver of statutory funding of reserves and recommend that the owners approve the waiver of statutory funding at the Annual meeting.** Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **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 Dr. Pineno and seconded by Ms. Brehm to allow Hilton Grand Vacations to include a request for a voluntary \$3.00 per week contribution to ARDA on the maintenance fee statement.** Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

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ASSESSMENT BILLING

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WHEREAS, Hilton Grand Vacations Development Company is the management company for the Association (the "Management Company"); and

WHEREAS, the Association's governing documents, including without limitation the Association's Bylaws and the Declaration of Condominium or Declaration of Covenants, Conditions & Restrictions for the Property (the "Governing Documents") and applicable state law provide procedures and processes regarding the assessment billing for the Association (the "Billing Process"); and

WHEREAS, applicable state law and/or the Governing Documents: (i) are silent, ambiguous or inconsistent on certain specific aspects of the Billing Process, or (ii) require Board's approval; and

WHEREAS, the Board has the authority to adopt resolutions to clarify specific aspects of the Billing Process; and

WHEREAS, the Board deems it advisable and in the best interest of the Association: (a) to re-state approval of certain aspects of the Billing Process within these resolutions, (b) clarify certain aspects of the Billing Process, and (c) approve and/or ratify certain aspects of the Billing Process; and

WHEREAS, it is the Board's obligation and the Board deems it advisable and in the best interest of the Association to consistently and impartially collect all assessments, late fees, finance charges and other charges set forth in these resolutions, under applicable law or in the Governing Documents.

DUE DATE OF REGULAR ASSESSMENTS

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the imposition of an annual due date of **January 1st** for all regular assessments.

LATE FEE

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the prior imposition by the developer of the Property or the Management Company, or their affiliates or predecessors, of late fees on each ownership interest for which applicable assessments were not paid on or before the Due Date; and

FURTHER RESOLVED, that the Board hereby APPROVES in all respects the imposition of a late fee of **\$25** on each ownership interest for

which applicable assessments have not been paid on or before **forty-five (45)** days after the Due Date, effective as of: (i) the date of these resolutions, (ii) the date of execution of the Amended Rules (defined below), or (iii) recordation of Amended Rules, whichever is later.

FINANCE CHARGE

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the prior imposition by the developer of the Property or the Management Company, or their affiliates or predecessors, of finance charges on each ownership interest for which applicable assessments were not paid on or before the Due Date; and

FURTHER RESOLVED, that the Board hereby APPROVES in all respects the imposition of a finance charge of **eighteen percent (18%) per ownership interest** (the "Finance Charge") on each ownership interest for which applicable assessments have not been paid on or before **seventy-five (75)** days after the Due Date, such Finance Charge to begin accruing from January 1 until paid, effective as of the date of these resolutions.

OTHER CHARGES

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the prior imposition by the developer of the Property or the Management Company, or their affiliates or predecessors, of other miscellaneous charges on each ownership interest for which applicable assessments were not paid on or before the Due Date; and

FURTHER RESOLVED, that the Board hereby APPROVES in all respects the future imposition of other miscellaneous charges which are available under applicable law or the Governing Documents.

LOCK-OUT

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the prior denial by the developer of the Property or the Management Company, or their affiliates or predecessors, of the use and enjoyment of accommodations and facilities by any owner who owned (individually or jointly) an ownership interest for which applicable assessments were not paid on or before the Due Date; and

FURTHER RESOLVED, that the Board hereby APPROVES in all respects the denial of the use and enjoyment of accommodations and facilities by any owner who owns (individually or jointly) an ownership

interest for which applicable assessments have not been paid on or before **One Hundred and Five (105)** days after the Due Date (the "Lockout Date"), effective as of the date of these resolutions; and

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the prior retention of lockout fees by the developer of the Property or the Management Company, or their affiliates or predecessors; and

FURTHER RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects that, effective as of the date of these resolutions, a lockout fee of **\$15** ("Lockout Fee") shall be charged to each ownership interest for which applicable assessments have not been paid on or before the Lockout Date, and such Lockout Fee shall be retained by the Management Company for its own account.

COLLECTIONS

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the prior engagement by the developer of the Property or the Management Company, or their affiliates or predecessors, of a third-party collection agency or outside attorney ("Collection Firm") for collections on delinquent accounts; and

FURTHER RESOLVED, that the Management Company is hereby AUTHORIZED to engage a Collection Firm on future delinquent accounts; and

FURTHER RESOLVED, that the Management Company and/or the Collection Firm is AUTHORIZED to charge and impose a lien against the delinquent owner(s) for all costs and fees related to third-party collections.

CONSISTENCY IN BILLING PROCEDURES

RESOLVED, that the Board hereby APPROVES and RATIFIES in all respects the collection of all assessments, late fees, finance charges, lockout fees and other charges by the developer of the Property, the Management Company, or their affiliates or predecessors; and

FURTHER RESOLVED, that the Board hereby AUTHORIZES the Management Company or Collection Firm to collect such assessments, late fees, finance charges and other charges consistently and impartially for all owners and in accordance with applicable law, the Governing Documents or the resolutions set forth in this resolution.

MISCELLANEOUS

RESOLVED, that the Management Company, or the President, Vice President, Secretary, Treasurer or other officer of the Association (each of such persons hereinafter referred to as an "Authorized Representative"), is hereby AUTHORIZED and DIRECTED to do or cause to be done any and all such other actions and to execute and deliver, in the name and on behalf of the Association, all agreements, exhibits, schedules and other documents related thereto in order to effectuate the foregoing resolutions, with such changes as are authorized by such Authorized Representative, the execution and delivery thereof by such Authorized Representative to be conclusive evidence that the same were authorized by this resolution.

FURTHER RESOLVED, that any and all such actions heretofore or hereinafter taken, on behalf of the Association, by any of said persons or entities within the terms of the foregoing resolutions are hereby RATIFIED, APPROVED, CONFIRMED and ADOPTED in all respects as the acts and deeds of the Association.

FURTHER RESOLVED, that this resolution may be executed in one or more counterparts, all of which shall constitute the resolution, and facsimile signatures or signatures transmitted via email in "pdf" or similar format shall have the same effect as original signatures.

BILLING RESOLUTION

MOTION was made by Ms. Brehm and seconded by Dr. Pineno to approve the billing resolution presented by Hilton Grand Vacations. Ms. Brehm voted aye, Mr.

Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

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WHEREAS, the 2010 operating budget ("Operating Budget") and 2010 capital reserve schedule ("Capital Reserve Budget") for the Association were presented to the Board prior to the October 12, 2009 Board meeting; and

WHEREAS, after review and discussion of the Operating Budget, the Board approved the total operating expenses for 2010 of \$1,019,101; with individual annual operating fees of \$624.45 per unit week; and

WHEREAS, after review and discussion of the Capital Reserve Budget, the Board approved the funding of \$331,642 for the Capital Reserves for 2010; with individual annual reserve funding of \$203.21 per unit week; and

WHEREAS, the Board budgeted total proposed expenditures in 2010 of \$128,000 for the various projects as outlined in the Capital Reserves; and

WHEREAS, based on current operations, the 2009 year-end forecast is a cash shortfall of (\$67,427). Due to the projected cash shortfall the 2010 budget includes a contra revenue deficit reduction line item in the amount of \$35,000 and \$6,000 in the Bad Debt expense line to offset the deficit.

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The Board thanked Mr. Chinavare for his service on the Board of Administration.

ADJOURNMENT

MOTION was made by Mr. Zimmerman and seconded by Dr. Pineno to adjourn the meeting. Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

Meeting adjourned at 12:30 p.m.