

Approved January 9, 2009

**CLUB REGENCY OF MARCO ISLAND
BUDGET MEETING
OCTOBER 2 & 3, 2008**

The meeting was called to order at 1:20 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, Dr. Pineno and Mr. Zimmerman. Attending from Hilton Grand Vacations (HGV) were: Anthony McHugh – Resort Manager, Roberto Trejos – Assistant to the Resort Manager, Randy Piatt – Regional Vice President – Managed Collection, Lael Kilpatrick – Regional Manager Resort Operations and Riki Martin – Administrative Assistant and Acting Recording Secretary for this meeting.

Prior to the meeting the Board and Management had a property walk at Club Regency.

APPROVAL OF PREVIOUS MINUTES

MOTION was made by Mr. Zimmerman and seconded by Dr. Pineno to approve the minutes of the July 11, 2008 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.**

DELINQUENCY REPORT

Summary of Accounts

	# of Accounts	Balance
Lien Action	0	\$
Foreclosure Action	22	\$27,669.00
Other Action	3	\$ 8,264.87
Legal Action on Hold	0	\$
Association Owned Weeks	2	\$ 8,221.64
Total	27	\$44,155.51

SALES UPDATE

2008 YTD Sales

Number of weeks sold	43
Dollar volume	\$287,350
Average price	\$6,682.56

Number of weeks currently listed	111
Volume	\$1,056,095
Listing price range	\$ 9,514

2007 Sales

Number of weeks sold	29
Dollar volume	\$ 358,900
Average price	\$ 12,375

PROJECT UPDATES

The Board reviewed the project list.

MOTION was made by Dr. Pineno and seconded by Ms. Brehm to authorize Gulfstream Painting and Waterproofing, Inc. to remove rusty door frames, finish stucco and paint at a cost of \$250 per door. Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

PROPOSED 2009 PRIOR YEAR DEFICIT RESERVE

MOTION was made by Mr. Zimmerman and seconded by Dr. Pineno to fund the deficit over a three year period with a first installment for 2009 of \$28,000. Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

2008 RESERVE FOR BAD DEBTS

MOTION was made by Dr. Pineno and seconded by Mr. Zimmerman to suspend additional reserve to bad debts for the remainder of the year. Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

Mr. Piatt stated that insurance was budgeted at \$138,820 for 2009, an increase over the 2008 estimated budgeted amount. This is due to an increase in the insurable value as determined by an appraisal that was done by an independent company this year. In addition to the appraisal, HGV had a Hurricane Risk Assessment completed. Florida law now requires an appraisal every three years.

Meeting recessed at 5:30 p.m. on October 2, 2008

Meeting reconvened at 9:15 a.m. on October 3, 2008
Mr. Piatt did not attend the meeting on October 3

MOTION was made by Dr. Pineno and seconded by Ms. Brehm to adopt the 2009 reserve budget of \$169.83. Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge

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

PROPOSED 2009 OPERATING BUDGET

MOTION was made by Dr. Pineno and seconded by Ms. Brehm to adopt the 2009 operating budget of \$611.89. Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

2009 Maintenance Fee including operations and reserve is \$781.72, an increase of 6.8%

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 Mr. Zimmerman and seconded by Mr. Chinavare 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.**

CORPORATE RESOLUTION

MOTION was made by Mr. Zimmerman and seconded by Dr. Pineno to authorize Secretary Jan Brehm to sign the corporate resolution authorizing Anthony McHugh as Resort Manager of Club Regency of Marco Island Condominium Association, Inc., to execute closing documents necessary for the proper closing of the sales transaction on behalf of the Association. 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 Mr. Chinavare and seconded by Dr. Pineno 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.**

CREDIT CARD PAYMENTS

MOTION was made by Mr. Zimmerman and seconded by Dr. Pineno 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 Mr. Zimmerman 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.**

RCI

Ms. Kilpatrick and Mr. McHugh met with the resort staff in August to discuss ways to improve the RCI scores.

PROPOSALS & DISCUSSIONS

Ms. Kilpatrick presented to the Board an application for Club Regency to collect and/or report tax in Florida. HGV has been remitting the sales tax that was collected on merchandise and rentals previously, (beach towels, movie rentals, etc.), but Hilton's corporate office will be overseeing the reporting as of November 2008 and has asked that the association be registered and remit the tax directly. The Entity Start Date is the date the Association itself will begin remitting the sales tax. Judge Pearman signed the application.

MOTION was made by Dr. Pineno and seconded by Mr. Chinavare to approve the proposal from EJH Cabinets & Millwork, Inc. to repair cabinets at a cost not to exceed \$1600. Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

The Board complimented Tony on his preparation for the budget meeting and genuine interest in the resort.

ADJOURNMENT

MOTION was made by Dr. Pineno and seconded by Ms. Brehm 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 10:30 a.m.