

CASA YBEL BEACH & RACQUET CLUB, PHASES F, G, H
BOARD OF DIRECTORS MEETING
April 28, 2009

The meeting was called to order at 2:30 p.m. by Chairman Pro-Tem Joe Gala upstairs in the Thistle Lodge at Casa Ybel Resort, Sanibel Island, Florida. Board members in attendance were John Demos, Len Elikan, Joe Gala, Lynn Perkins, Brenda Pommerenke and Pat Sweeney. Susan Walter was in attendance via telephone. Attending from Hilton Grand Vacations Company (HGVC) were Chris Cain – Interval Manager, Randy Piatt – Vice President of Resort Operations, E. J. Nees – Director of Resort Operations and Cindy Glasenapp – Administrative Assistant and acting Recording Secretary for this meeting. Also in attendance was Ron Miller, President of the Casa Ybel Beach & Racquet Club, Phase IJK.

ELECTION OF OFFICERS – Duly nominated and unanimously elected were:

Brenda Pommerenke as President
Len Elikan as Vice President
Lynn Perkins As Secretary/Treasurer

2009 BUDGET – *MOTION was made by Lynn Perkins and seconded by Joe Gala to approve the 2009 budget as presented to the owners.* Mr. Demos voted aye, Mr. Elikan voted aye, Mr. Gala voted aye, Mr. Perkins voted aye, Ms. Pommerenke voted aye, Ms. Sweeney voted aye and Ms. Walter voted aye. **Motion carried unanimously.**

Ms. Walter disconnected from the meeting.

INSURANCE PROPOSAL – Mr. Miller noted that the Casa Ybel IJK Board felt it was their fiduciary responsibility to explore all our options, and got an additional insurance proposal from Brown and Brown (B&B) Insurance for comparison. The purpose was to find out what was available so we can ensure our owners that we have enough coverage. The IJK Board had also asked HGVC for an opinion on how this compares to HGVC's policy.

Mr. Piatt stated that HGVC's Insurance Department looked at it quickly after IJK's meeting yesterday. Areas of concern:

- An insurance appraisal was conducted in 2008 for HGVC which put new values on the buildings. Insurance premiums are based on per \$100 value. The values used for the B&B analysis were about \$4 million less than what the appraisals came back at last year. While it reduces the premium amount, it would impact negatively if you have a claim. The B&B proposal has 80/20 co-insurance; they'll pay 80% of the value amount, not replacement value. If you get an appraisal at the time of the loss that was significantly higher than what it was insured at, there would be a penalty for understating the value. HGVC's policy is full replacement value.
- The B&B proposal has no coverage for reimbursement of maintenance fees and taxes for loss of use.
- The B&B proposal has no "property in the open" coverage, i.e. landscaping or anything outside the contents or the building.
- The B&B proposal Civil Authority coverage is 1 mile. Current coverage is 10 miles

- The B&B proposal includes no coverage for loss of ingress/egress; if people couldn't get here (loss of the bridge).
- Wind coverage through the B&B proposal is through Citizens, an unproven entity at this time. It has high exposure because it's the only insurance Florida owners in coastal areas can get. HGVC's policy doesn't rely on a single carrier for windstorm.
- B&B has a 3% deductible for windstorm. The current policy has a 5% deductible for windstorm, but also has buy-down to \$100,000, shared with FGH, IJK and Sanibel Cottages. The current policy only triggers windstorm/flood if it's a "named storm" within 25 miles of shore. The deductible for All Other Peril is \$25,000.
- The B&B proposal has no Law and Ordinance coverage. The Association was the beneficiary of this coverage in HGVC's policy after Hurricane Charley. Upgrades to code were paid by insurance. The assessment after the hurricane was to do upgrades, not to subsidize insurance coverage.
- While the liability deductibles are low in the B&B proposal, the liability deductible is zero under HGVC's policy.
- The Directors and Officers limit through B&B is \$1 million; HGVC's limit is \$5 million.
- Crime/liability is carried 100% by HGVC; not charged to the Association.
- B&B's insurance limit is \$15 million; HGVC is \$150 million.

Mr. Piatt stated that other coverage is attainable, premiums may be less than what you're currently paying, but there's a lot more to it than the dollar premium.

An advantage of the B&B proposal is that there is a single deductible per year for property coverage. HGVC's deductible is per building.

HGVC's final report will be sent to the board members.

Appreciation was expressed to Mr. Miller for his efforts and for the reassurance that we have excellent coverage for the amount of money paid.

NEXT MEETING DATE – The FGH budget meeting is scheduled for Monday, October 12, 2009 (the IJK meeting will be Tuesday, October 13th, and the Casa Ybel Presidents' Meeting will be October 9th). The spring Board and Annual Meetings were scheduled for Monday, April 19, 2010.

There being no further business, **MOTION was made by Pat Sweeney and seconded by Joe Gala to adjourn.** Mr. Demos voted aye, Mr. Elikan voted aye, Mr. Gala voted aye, Mr. Perkins voted aye, Ms. Pommerenke voted aye and Ms. Sweeney voted aye. **Motion carried unanimously.**

Meeting adjourned at 3:05 p.m.