

Approved 1-11-2008

**CLUB REGENCY OF MARCO ISLAND
BOARD OF ADMINISTRATION BUDGET MEETING
OCTOBER 11-12, 2007**

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: Jan Brehm, Jim Chinavare, Judge Pearman, Dr. Pineno and Arnold Zimmerman. Attending from Hilton Grand Vacations (HGV) were: Sharry Luneke – Resort Manager, Tony McHugh – Assistant to the Resort Manager, Randy Piatt – Senior Director Resort Operations, Ada Grzywna – Regional Director Resort Operations, Lael Kilpatrick – Regional Manager Resort Operations and Riki Martin – Administrative Assistant and Acting Recording Secretary for this meeting. Also in attendance was owner David Ruth.

APPROVAL PREVIOUS MINUTES

MOTION was made by Mr. Zimmerman and seconded by Dr. Pineno to approve the minutes of the June 21, 2007 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.**

PROJECT UPDATE

The Board reviewed the project list.

MOTION was made by Mr. Zimmerman and seconded by Mr. Chinavare to eliminate four phone lines and add another DSL line to service the E building. 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 UPDATE

2006 SALES

Number of Weeks Sold	32
Dollar Volume	\$450,100
Average Price	\$14,065.63

2007 YTD SALES

Number of Weeks Sold	20
Dollar Volume	\$275,050
Average Price	\$13,752.50

Platinum Weeks – 4

Gold Weeks – 10

Silver Weeks – 6

Association Weeks – 2 sold Totaling \$7,750 (C101/35, E108/36)

12 Association Weeks are currently listed at a total of \$70,000. Of these, 2 are Gold and 10 are Silver.

There are 126 units for sale at a total of \$1,127,250

21 of these weeks occur during weeks 34, 35 and 36

CORPORATE RESOLUTION

MOTION was made by **Dr. Pineno** and seconded by **Mr. Chinavare** to authorize **Judge Pearman** to sign the corporate resolution authorizing **Sharry Luneke** 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.**

DELINQUENCY REPORT – SEPTEMBER 2007
SUMMARY OF ACCOUNTS

	# of Accounts	Balance
Lien Action	7	\$ 8,505.16
Foreclosure Action	0	
Other Action	0	
Legal Action on Hold	0	
Association Owned Weeks	14	143,235.55
Total	21	\$151,740.71

PRESENTATION OF PROPOSED 2008 RESERVE SCHEDULE

The reserves have been increased by \$575,000. Management proposed a special assessment that would accelerate the bathroom renovation, window/sliding glass door project and eliminate the need for additional funding. The Board requested that the unit cost be capped at a 6% increase.

MOTION was made by **Dr. Pineno** and seconded by **Mr. Zimmerman** to adopt the **2008 reserve budget of \$167.14.** Ms. Brehm voted aye, Mr. Chinavare voted aye, Judge Pearman voted aye, Dr. Pineno voted aye and Mr. Zimmerman voted aye. **Motion carried unanimously.**

PRESENTATION OF PROPOSED 2008 OPERATING BUDGET

Management advised that we have a deficit of \$52,800 for years before 2007 and that the allowance for bad debt is estimated to be \$4,084 at year end, which is inadequate. Mr. Zimmerman suggested that this is a 2007 and prior problem and is, therefore, not relative to the 2008 budget unless we want to provide reserves in 2008 to address this. He further noted that we have a 2007 surplus of \$39,842 through September 30, 2007

MOTION was made by **Dr. Pineno** and seconded by **Mr. Zimmerman** to adopt the **2008 operating budget of \$565.05.** 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 Maintenance Fee including operations and reserve is \$732.19

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 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.**

ARDA/ARDA ROC PAC VOLUNTARY CONTRIBUTION

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. She asked the Association to become a member of ARDA ROC PAC. There is a \$100.00 membership fee for the PAC. **MOTION was made by Dr. Pineno and seconded by Ms. Brehm to allow HGV to include a request for a voluntary \$3.00 per week contribution to ARDA ROC PAC on the maintenance fee statements and authorize that the \$3.00 per week voluntary contribution be allocated \$2.00 to ARDA ROC PAC and \$1.00 to ARDA ROC. The Association will pay \$100.00 to be a member of the PAC.** 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 PAYMENT OPTION

The management company offered again this year that the maintenance fee statements can refer owners to the HGVClub's website if they want to pay their fees on-line using a credit card. **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 Mr. Zimmerman to authorize the charge of NSF fees. 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 recessed at 5:05 p.m. on Thursday, October 11

Reconvened at 9:00 a.m. on Friday, October 12

MOTION was made by Dr. Pineno and seconded by Ms. Brehm to adopt the conflict of interest policy 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.**

SPA PROJECT

Mrs. Luneke presented proposals for the spa options from Kuhlman Engineering, Inc. The Board was in agreement to table the spa project at this time.

BATHROOM RENOVATION

The Board and Management discussed the bathroom renovation. First and foremost the plumbing needs to be addressed. Once the determination has been made on plumbing and electrical repairs, the Board will move forward with the possibility of a bathroom renovation.

The Board inquired about a survey. Mrs. Grzywna suggested a survey to be given to the owners on the bathroom renovations, window sliding glass door project and the spa. The survey could be sent to the HGV communications department for proper wording. She also suggested artist renderings at the resort with the concept for bathroom renovation. The consensus of the Board was to get much more information before approving a project of this magnitude and expense.

OTHER

The Board recommended beautifying the boardwalk at the beach side.

The Board would like to have new still photos on the website Ms. Kilpatrick will speak to Peter Berec.

MANAGEMENT CONTRACT

The only change to the contract is the date and the fee. Judge Pearman requested a letter in addition to the contract for the 5% to be used for fire and life safety. He will sign the management contract at the board meeting on January 11, 2008.

ADJOURNMENT

MOTION was made by Mr. Chinavare 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 11:20 a.m.