

Approved 10-23-2008

**THE SURF CLUB OF MARCO ISLAND
BOARD OF DIRECTORS TELECONFERENCE MEETING
JULY 9, 2008**

The meeting was called to order at 1:00 p.m. by President, Bill Chandler at the Hilton Grand Vacations Regional Office, Marco Island, Florida. Board members in attendance: Bill Chandler, Joe McCluskey (via telephone) and Sherwin Turk (via telephone). Attending from Hilton Grand Vacations (HGV) were: Sharry Luneke – Resort Manager, Chris Schmadtke – Assistant to the Resort Manager, Randy Piatt – Regional Vice President – Resort Operations-Managed Collection (via telephone), Lael Kilpatrick – Regional Manager Resort Operations and Riki Martin – Administrative Assistant and Acting Recording Secretary for this meeting. Owners in attendance were: Ms. Myers, Mr. Gambardella and Mr. and Mrs. Strano.

APPOINTMENT OF RECORDING SECRETARY

MOTION was made by Mr. Turk and seconded by Mr. McCluskey to appoint Riki Martin as Recording Secretary for this meeting. Mr. Chandler voted aye, Mr. McCluskey voted aye and Mr. Turk voted aye. **Motion carried unanimously.**

APPROVAL OF AGENDA & CERTIFICATION MEETING NOTICE

MOTION was made by Mr. Turk and seconded by Mr. McCluskey to approve the agenda and certification of meeting notice with the addition of 3a. comments from owners. Mr. Chandler voted aye, Mr. McCluskey voted aye and Mr. Turk voted aye. **Motion carried unanimously.**

Owner comments are limited to three minutes and only on items on the agenda.

Comments by Owners in Attendance

Ms. Myers asked to review the agenda of this meeting.

Ms. Myers requested that a copy of Roberts Rules of Order be available at this meeting when reconsidering motions of the January 17, 2008 meeting.

Ms. Myers stated she had materials concerning Michael Belle that she presented to the Board of Directors. For our current attorney of record showing association weeks that were purchased by Mr. and Mrs. Michael Belle. Ms. Myers would like for the materials to be made a part of the record. She felt perhaps that is why the motion passed in January 2008 to appoint a new attorney for the Board.

Mr. Strano is an owner at the Surf Club and was not notified of the recent sale of Association owned weeks. The Board agreed at the January 17, 2008 board meeting at which Ms. Myers was President to aggressively sell the weeks. The Surf Club sales associate was given 30 days to sell the weeks. Mr. Turk was not present at the January 17, 2008 board meeting.

An owner asked why the teleconference meeting was being held at the Regional Office instead of the Surf Club. Mr. Chandler stated it was a legal reason and he will address the question at the informal 2:00 p.m. meeting in the Social Room at the Resort.

APPROVAL OF REPRESENTATION AGREEMENT WITH ATTORNEY WILLIAM MORRIS.

MOTION was made by Mr. McCluskey and seconded by Mr. Turk to authorize the President to execute a Representation Agreement with Attorney William Morris. Mr. Chandler voted aye, Mr. McCluskey voted aye and Mr. Turk voted aye. **Motion carried unanimously.**

RECONSIDERATION OF JANUARY 17, 2008 APPROVED MOTIONS

a. Page 4: Motion to authorize President to sign certificate of resolution

MOTION was made by Mr. Turk and seconded by Mr. McCluskey to reconsider the motion to authorize the President to sign the certificate of resolution as adopted on January 17, 2008. Mr. Chandler voted aye, Mr. McCluskey voted aye and Mr. Turk voted aye. **Motion carried unanimously.**

MOTION was made by Mr. Turk and seconded by Mr. McCluskey to rescind the motion made on January 17, 2008 regarding the President signing the certificate of resolution. Mr. Chandler voted aye, Mr. McCluskey voted aye and Mr. Turk voted aye. **Motion carried unanimously.**

Mr. Chandler explained that Grand Vacations Title required that the Secretary of the Board of Directors not the President, sign the Certificate of Corporate Resolution authorizing Sharry Luneke as Resort Manager of The Surf Club of Marco Condominium Association. Therefore the reconsideration rescindment is necessary.

b. Page 5: Motion to appoint William Morris as registered agent et cet.

MOTION was made by Mr. Turk and seconded by Mr. McCluskey to reconsider the motion to appoint William G. Morris as the Registered Agent for the Surf Club of Marco, Inc. and also the attorney for the Surf Club of Marco, Inc. to handle all delinquent accounts and foreclosures as adopted on January 17, 2008. Mr. Chandler voted aye, Mr. McCluskey voted aye and Mr. Turk voted aye. **Motion carried unanimously.**

Mr. Turk was not present at the January 17, 2008 meeting. This was an action taken by the Board under the direction of Ms. Myers at the January 17 meeting. The past practice has been to have Attorney Belle handle the foreclosure sales and he has done a very good job. Mr. Turk questioned why he would be replaced.

Mr. Piatt stated that the management company is acting on behalf of the Board of Directors to use an outside legal counsel which is unrelated either to the management company of the association with regard to the foreclosure of delinquent accounts. There is a serving of due process required in any of these foreclosures. Michael Belle's firm has a very sophisticated process by which all of the legal requirements are met to the letter of the law which keeps these things moving forward. The foreclosure and repossession process gets the property back into the hands of the association as quickly as possible.

Mr. Piatt also stated to change that process is certainly at the discretion of the board. However, it could complicate and change the cost process as it relates to the management companies turn over of documents. We are getting an economy of scale by using Mr. Belle at all of the associations versus having one being separated out it. It would change the cost structure that would go along with that.

Mr. Turk noted that in the past one board member (it could have been Ms. Myers but he could be mistaken) was concerned that someone associated with the Belle firm had purchased a foreclosure. The belief by that person raised the concern this appeared to be a conflict of interest. As an attorney Mr. Turk does not see a conflict of interest. As always he noted he does not act as association counsel. When a sale is conducted in public anyone has a right to purchase at that sale as long as it is properly noticed. He was not aware that there was any impropriety action.

Ms Kilpatrick stated that later it was discovered that Mr. Belle has purchased foreclosure units at other Hilton Grand Vacations properties on Marco Island with Board approval.

Mr. McCluskey asked for an explanation of Registered Agent. Mr. Piatt asked to clarify the registered agent question. Registered agent is a person that receives the service of process within the state for associations it is the person that receives notices for filing requirements and is a division of corporations. To have that be a board member because of the rotation of the board member chairs it becomes challenging. While it is not a function of the management company to be that registered agent because the management company may have to be doing one of the filings. It is generally an independent registered agent who is responsible on behalf of the association to be the person to whom official notices from the state are filed. That is why you have a registered agent. Generally not the management company but it is someone that the association to each Board of Directors chooses to use as a registered agent.

The current board needs to decide who they want as their registered agent. This will be discussed at the next meeting.

MOTION was made by Mr. Turk and seconded by Mr. McCluskey to rescind the motion to appoint William G. Morris as the Registered Agent for the Surf Club of Marco, Inc. and also the Attorney for the Surf Club of Marco, Inc. to handle all delinquent accounts and foreclosures as adopted on January 17, 2008. Mr. Chandler

voted aye, Mr. McCluskey voted aye and Mr. Turk voted aye. **Motion carried unanimously.**

REVIEW OF 2008 ANNUAL MEETING MINUTES

Mr. McCluskey and Mr. Turk will review the 2008 annual meeting minutes and report to Mrs. Luneke within fifteen days.

APPROVAL OF INTEGRATED TIMELINE AS OF JULY 9, 2008 with future meeting dates of April 23 & 24, 2008 for Board and Annual meetings. MOTION was made by Mr. McCluskey and seconded by Mr. Turk to approve the integrated time line as of July 9, 2008. Mr. Chandler voted aye, Mr. McCluskey voted aye and Mr. Turk voted aye. **Motion carried unanimously.**

ADJOURNMENT

MOTION was made by Mr. McCluskey and seconded by Mr. Turk to adjourn the meeting. Mr. Chandler voted aye, Mr. McCluskey voted aye and Mr. Turk voted aye. **Motion carried unanimously.**

Meeting adjourned at 1:30 p.m.