

**STARDUST VACATION CLUB, INC.**  
**Budget Board Meeting Minutes**  
**September 24, 2007**  
*Held at Colony's Conference Room*  
*(Located at Tahoe Colony Inn Annex Building)*

*Jm*  
*JH*  
*EMS*  
*RSJ*  
*MJA*  
*WDL*  
*ht*

**Board Members Present:** Merrill Higham, Rick Lehr, Ed McCarthy, Jan McCarthy, and Bill Cathcart

**Board Member Excused:** None

**Others:** Kathleen Shoda, Kenny Sutton, Jennifer Cewinski, Georjean Vosburg, Laura Anderson.

- I **Meeting Called to Order by President Merrill Higham 9:00 am.**
- II **Board Approval of Agenda**  
Motion to approve agenda made by Jan McCarthy, second, Bill Cathcart....passed unanimously.
- III **Special Presentation – Grant-Wolf**  
Grant-Wolf, the Club's largest reseller of our timeshare inventory, gave update as to 2007 sales and projections through 2009.
- IV **Executive Session 10:20am to 11:20am**
- V **Remodeling Plans – Needs Board Vote**  
Rick Lehr made motion to proceed to investigate comprehensive remodel plan, both exterior and interior, with Grant-Wolf designers, etc., seconded by Bill Cathcart, passed unanimously.
- VI **Approval of Prior Meeting Minutes**  
4-23-07 Board Meeting  
5-19-07 General Membership & Election Meeting.  
Motion to approve prior meeting minutes by Rick Lehr, seconded by Bill Cathcart, passed unanimously.
- VII **Old Business**
  - a. **Non-Smoking Property Update – Kenny Sutton**  
All rooms now have no smoking signs on backs of the unit doors, showing inside the room for extra reminders. There is a \$250 fine if a guest smokes in the room, which is being enforced. Smokers must smoke at least 20 feet from any window or door.

- b. **Healthy Breakfast Update – Kenny Sutton**  
Hard boiled eggs are being served M – F with donuts being served 7 days a week. Serving various flavors of juices, not just orange juice, is being received well. We tried cereal, but donuts always are preferred. Owners say they want healthy breakfast snacks, but when we try them out, they don't pick them. We get great feedback on the eggs and donuts.

**VIII New Business**

**Property Discussion – Jan McCarthy, General Manager**

- a. **Health Insurance** – We would like to provide a better health insurance plan for our employees and have built into the 2008 Budget an insurance that will provide better coverage. We researched and have found Aetna to be a better plan than our current Blue Cross plan for approximately \$1,000/mo more.
- b. **RCI Fee**  
The Board discussed charging a fee for incoming RCI guests to cover expenses of additional services (currently charge individual fees for these amenities (i.e. wireless web, activities and activities equipment). We will check into adopting this plan for RCI guests at our resort(s) and at what weekly fee.

**Bonus Time**

Board increased Bonus Time rates by 2.9% effective 1/1/08 due to cost increases for unit supplies, etc. Motion to approve by Rick Lehr, seconded by Jan McCarthy, passed unanimously.

- c. **Reserves Transfer**  
We have a projected \$300,000 cash excess balance in Operating portion of our budget for 2006 year end and the Board would like to transfer this excess cash to Reserves to put toward remodeling projects. Motion made by Merrill Higham, seconded by Rick Lehr, passed unanimously.

**IX Budget Discussion and Approval**

**Budget Proposal Presentation – Kathleen Shoda**

- a. **Audit update and schedule conference call for final approval.**
- b. **Proposed Budget with Line Item Detail**  
Board reviewed proposed budget in detail. Motion to accept 2008 Proposed Budget by Jan McCarthy, seconded by Bill Cathcart, passed unanimously.

Motion to adjourn meeting at 12:45pm by Jan McCarthy, seconded by Rick Lehr, passed unanimously.

Respectfully Submitted by  
Georjean Vosburg and Jan McCarthy, Secretary