

SCR *in* TOUCH

Fall 2005

THE SCOTTSDALE CAMELBACK RESORT QUARTERLY NEWSLETTER

FROM JERRY SIKES — HOA MANAGING AGENT & PRESIDENT, PRO-MANAGEMENT

Good News for Owners!

And the good news is... Owners will receive a **CREDIT** that will **REDUCE** their 2006 Assessment. This is great news! How did it occur?

A combination of events not anticipated took place in 2005 that resulted in a decreased demand on our operating funds leaving us with excess cash as we approach December 31st. Material, cost saving benefits were evident this year from our continued focus on operating effectiveness and efficiencies, a major reduction in all payroll and payroll related expenses as a result of employee turnover and significant time gaps to replace personnel, plus several less prominent unanticipated cost reductions that when added to revenue increases in all areas will provide excess cash in our operation fund as of December 31, 2005.

The entire Management team is confident that the excess cash will be approximately \$170,000. Secure with Management's assessment of operations in the remaining months of the year, the Board of Directors at its third quarterly meeting on September 30, 2005, approved and directed Management to apply the excess cash to Owners' 2006 Assessment, specifically the portion of the Assessment identified as the Operating Assessment.

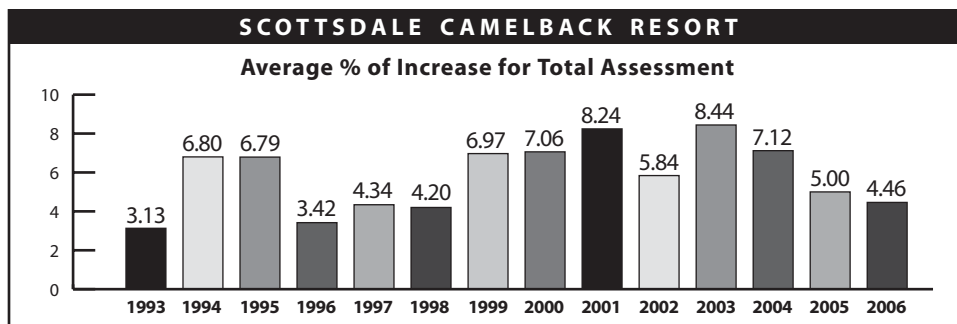
Credits will be calculated by villa type (A, B, D and C) in the same manner in which assessments are calculated.

CREDITS will be: A-\$31.60 B-\$26.38 C-\$37.66 D-\$34.00

After credits are applied to 2006 Assessments, Owners will find that their 2006 payment is actually less than their 2005 Assessment.

Planning ahead for the future, we spent considerable time this year reviewing the manner in which our reserve dollars are put to use. Based on our in-depth analysis of historical spending trends we devised a new long-term plan to be implemented in 2006 that is designed to redirect reserve dollars to provide for major projects that at some point will need attention now that our Resort is 20+ years old. We will be providing more information on our new spending strategy as we begin 2006. Stay tuned! We hope to capture your interest with our new ideas.

I am sure you will join me in congratulating the Resort staff (both management and associates) for their extraordinary performance without which we would not be in this positive cash position. We also recognize the SCR Board of Directors for their exceptional stewardship, and you, the amazing group of Owners who have supported our efforts over the last several years when assessment increases were elevated to meet major expenditures and to shore up the financial structure of Scottsdale Camelback Resort.



SCOTTSDALE CAMELBACK RESORT

6302 East Camelback Road
Scottsdale, AZ 85251
480-947-3300

www.scrhoa.com

2005 Board of Directors

Fred Soufal – *President*
Mary Nance – *V.P./Treasurer*
Ron Hawkins – *V.P./Secretary*
Bernard Blaustein – *Director*
C. Benton Mosley – *Director*

Key Contacts

**General Ownership
Information** Ext. 502
Reservations Ext. 563
**Banquets
& Catering** Ext. 528
**Account
Information** Ext. 509, 511

**Vacation & Travel Services
(Exchanges)**
888-515-3696
www.vacationsandtravel.com

**Desert Vacation Realty
(Ownership Resales)**
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www.desertvacation.com

RCI Gold Crown
800-221-6400

Interval International
800-843-8843

I.C.E.
888-320-4234

ResorTime.Com
877-477-7368

Notice of Annual Meeting Agenda

Place: Scottsdale Camelback Resort
6302 E. Camelback Rd.
Scottsdale, AZ

Date: Saturday, December 3, 2005

Time: 1:00 PM

- I. Call to Order/Roll Call
- II. Establishment of Notice and Quorum
- III. Establishment of Meeting Procedures
- IV. Greetings from the President
- V. Reading and Approval of Prior Meeting Minutes
- VI. Treasurer's Report
- VII. Reports
- VIII. Election of Directors
- IX. Members' Forum and Round Robin
- X. Election Results
- XI. Confirmation of Future Annual Meeting Date
- XII. Adjournment

Future Meeting Dates

Fourth Quarter:

Friday, December 2, 2005 at 1:00 pm

Annual Meeting:

Saturday, December 3, 2005 at 1:00 pm

Organizational Meeting:

Saturday, December 3, 2005 at 3:00 pm

Synopsis of the Third Quarter Board of Directors' Meeting

FRIDAY, SEPTEMBER 30, 2005

The Third Quarter Board of Directors' Meeting was called to order at 1:04 pm. Board members in attendance: President, Fred Soufal; Vice President/ Secretary, Ron Hawkins; Vice President/Treasurer, Mary Nance; Director, C. Benton Mosley. Director Bernard Blaustein was absent.

Also in attendance were PRO Management President, Jerry Sikes; Director of Marketing/Public Relations, Clark Rowley; Director of Operations, Eric Downey; Controller, Ralph Cayton; Guest Services Manager, Robin Freese; and Recording Secretary, Marybeth Brown.

The following actions were taken: A motion was made and approved for a modified agenda adding to Section VII, New Business the category Resolution Regarding Bad Debt. The Second Quarter Meeting minutes were approved. The Board unanimously approved the 2006 Resort Budget. A motion was made to accept the new policy regarding Resolution of Bad Debt as submitted by Management, subject to changes noted in the verbiage. The motion was unanimously approved.

Discussion on the following items: Robin Freese updated the Board on her work to obtain clear titles for three deedbacks. Ms. Freese also reported that Christopher Perry, a real estate lawyer, had been engaged to help with HOA title corrections, lien enforcements and foreclosures. Clark Rowley gave the third quarter utilization report, plus an update on Resort departmental news. Plans for the 2005 Annual Meeting were discussed.

NOTE: The Board of Directors' Meeting Minutes are posted on our website at www.scrhoa.com. If you would like a full copy of the Board of Directors' Meeting Minutes, please send your request to: Minutes, 6302 E. Camelback Rd., Scottsdale, AZ. 85251.



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Each Month A Star is Born!



Over the past three months, the Resort has recognized three associates for a job well done. These individuals have not only achieved their daily job tasks, but have gone above the call of duty to ensure our guests' needs are met.

In the month of July, Senior Management recognized Karen Graham in Reservations for her continued efforts in sales and in making sure guests' needs are met before they ever check-in. In August, Jean Davis, our poolside bartender, was recognized for her amicable personality; Jean keeps guests coming back each night! In September, Kathy Arias, Guest Service Agent, was recognized for welcoming our guests each morning to the lobby with that friendly smile and greeting. She never forgets a name, making our guests feel right at home.

Each quarter, Senior Management rewards one supervisor for their outstanding service and their achievements for that period. Our Third Quarter Supervisor Award went to Robin Freese, Guest Services Manager. Robin's ability to handle guest concerns and needs has been outstanding, and her ability at staying calm during challenging situations is remarkable.

Congratulations to all our associates for an outstanding quarter!

Owners Budget 2006

REVENUE

Assessment	3,452,764
Marketing	592,460
F&B	268,029
Retail	119,500
Other	84,000

Total Revenue4,516,753

FIXED COSTS

Property Tax.....	115,200
Reserve Funding.....	602,000
Fixed Expenses.....	780,560

Total Fixed Costs.....1,497,760

OPERATING COSTS

Administration.....	808,888
Food and Beverage.....	256,588
Guest Services	213,537
Retail.....	144,057
Property Maint.	303,370
Housekeeping	561,697
Marketing	594,860
Other	135,996

Total Operating Costs.....3,018,993

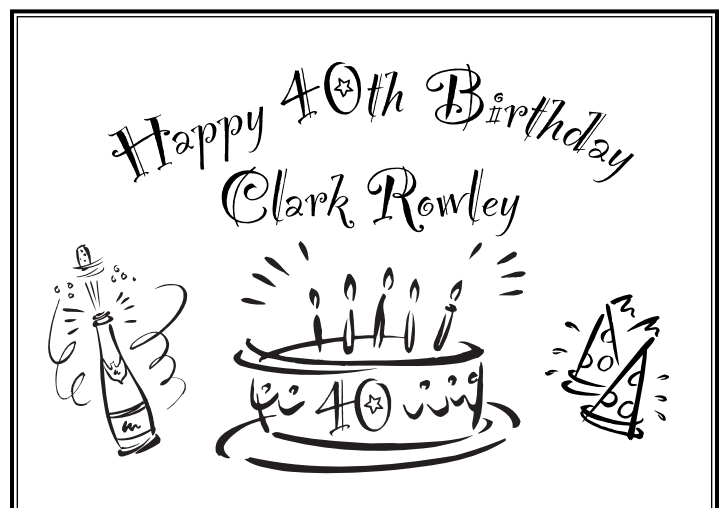
Total Expenses4,516,753

2005 Scottsdale Camelback Resort Nomination

RON HAWKINS, INCUMBENT

EXPERIENCE counts! I have been affiliated with Scottsdale Camelback Resort as an Owner and Board member since its origin. As the Timeshare industry grew, SCR matured and changed. We have been trying to set the pace for homeowner managed resorts for some time. My frequent personal interface at the Resort keeps me informed about the constantly changing conditions due to economics, taxes, political/social actions, industry trends, reserve issues, employee concerns and so on. Organizational affiliations with national, regional and local groups such as American Resort Development Association (ARDA) provide common issue communications. Networking is the buzzword of the day. Although now partially retired from architecture, engineering, real estate investing, construction, property management and thus available, my past EXPERIENCE in individual as well as corporate settings with their attendant responsibilities of contract negotiations, planning, budgeting, personal management, production scheduling, quality control customer relations provide valuable knowledge and EXPERIENCE to apply to my position as a Board member. I appreciate your past confidence in me and would be pleased to represent you again. I solicit your vote this year for the Scottsdale Camelback Resort Homeowner Board.

For those of you who already know me, forgive the repetition of my last election statement above. For those of you who don't know me, I believe the statement stands. In fact, I now have three additional years of EXPERIENCE! The Resort's situation continues to improve even as we age. Many physical entities, such as air conditioner replacement and street paving have been accomplished. Additionally, the Association's fiscal condition is currently the best it has ever been during the fifteen years that it has been controlled by the Owners. We can never be new again, but we can be quality.



Do you know the secret to successful exchanging?

Why are some owners always able to get high demand areas like Hawaii, California and popular ski, summer and spring break destinations year after year?

Savvy Scottsdale Camelback owners know how to play the “trade game” and if you follow these “rules” you can too!

- 1 They deposit their weeks up to two years in advance!** You do not need to pre-pay your maintenance fees in order to deposit future years.
- 2 They place their request as early as possible!** You can request outside resorts up to 13 months in advance and internal SCR trades up to two years prior through the Scottsdale Travel Club.
- 3 They know to be flexible!** If you can only travel on one specific date – you need to pick numerous locations or if you only want one location you need to be flexible on your dates. You are competing with hundreds of other owners for these high demand times – plan well in advance!!

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DESERT VACATION REALTY

On-Property Timeshare Resale Brokers for the Scottsdale Camelback Resort

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2006 Assessment

VILLA TYPE	PROPERTY TAX	RESERVES	OPERATIONS	TOTAL
A VILLA	\$19.90	\$97.00	\$533.10	\$650.00
B VILLA	\$14.28	\$69.56	\$445.16	\$529.00
C VILLA	\$21.66	\$105.00	\$635.34	\$762.00
D VILLA	\$21.31	\$104.00	\$573.69	\$699.00

American Resort Development Association–Resort Owners Coalition (ARDA-ROC) is the first line of defense against legislation that may negatively impact timeshare owners. Your billing statement will reflect \$3.00 added to your assessment for the benefit of ARDA-ROC. If you do not wish to make this voluntary contribution you may deduct \$3.00 from the total of your assessment billing.