

**THE CHARTER CLUB OF MARCO BEACH®
CONDOMINIUM ASSOCIATION, INC.
ANNUAL MEETING
THURSDAY, MARCH 23, 2011**

The meeting was called to order at 10:30 a.m. by President, R. Lyman Wood in the Clubhouse at The Charter Club of Marco Beach. Board members in attendance were: Noel Briggs, Lee Huston, John Konarski, Jim MacArthur and Lyman Wood. Attending from Hilton Grand Vacations (HGV) were: Matt Fox – Resort Manager, Scott Shook – Assistant Resort Manager, Lael Kilpatrick – Regional Director Resort Operations and Riki Martin – Executive Assistant and Acting Recording Secretary for this meeting. Also in attendance were: Attorney Michael Belle and John Lopez of Myers, Brettholtz and Company.

A sign-in sheet was circulated for owners present to sign in lieu of a formal roll call. Call for outstanding proxies.

APPROVAL OF PREVIOUS MINUTES

The minutes of the 2010 Annual meeting were sent to the owners. A copy was included in the agenda packet distributed to owners in attendance. Mr. Wood asked if there were any corrections to the minutes. **MOTION was made and seconded to approve the minutes of the 2010 Annual meeting as presented.** All voted in favor. **Motion carried.**

MANAGER'S REPORT

2010 Projects

Interior renovations for living room, dining room, master bedroom
New TV's for living and master bedroom
Exterior building painting 2010 - 2011
Fire system control panel 2010 – 2011
Spa collection tank replaced to comply with code enforcement
Repair stone work on north building

2011 Projects

Replacement of washer/dryers/dishwashers
Replace air conditioner condensers on roof
Smoking ban enforcement to include 2 designated smoking areas
Property access gates to be installed
Bicycle shelter

FINANCIAL REPORT

A draft of the 2010 audit has been prepared by the CPA firm Myers, Brettholtz and Company, PA of Ft. Myers. Mr. Lopez, reporting for the auditors, stated in their opinion the financial statements present fairly in all material respects the financial position of The Charter Club of Marco Beach Condominium Association, Inc. as of December 31, 2010, and the results of its operations and its cash flows for the year then ended, in conformity

with accounting principles generally accepted in the United States of America. When finalized a copy of the report will be available to any owner who may request a copy from the Resort Manager.

As a recap of the years' activities I offer the following:

Operating cash	\$2,020,128
Reserve cash	\$ 110,990

3 Certificates of Deposit 100% guaranteed by the FDIC earning an average of 3.3% ranging from less than one year to 5 years remaining \$268,198

Total operating revenue	\$2,859,167
Total operating expenses	\$2,770,427
Excess (deficiency)	\$ 88,740

Beginning Operating Fund Balance January 1, 2010	\$238,567
Ending Operating Fund Balance December 31, 2010	\$327,307

Mr. Wood introduced Michael J. Belle, PA
Mr. Belle has been involved with The Charter Club of Marco Beach since 1994. He handles the foreclosures for the Association and outlined the process his firm uses on delinquencies.

RESALES REPORT 2010

Number of Weeks Sold	89
Dollar Volume	\$693,103

Included in the sales volume 8 Association fixed weeks sold for \$41,300

YTD 2011

Number of Weeks Sold	24
Dollar Volume	\$481,600

Included in the sales volume 1 Association fixed week sold for \$10,000

Currently Grand Vacations Realty has 230 weeks listed for sale at The Charter Club of Marco Beach.

RENTAL REPORT

	<u>2010</u>	<u>2009</u>
Nights Available	1319	1207
Nights Rented	849	661

Occupancy	64.4%	54.8%
Gross Revenue	\$271,647	\$220,464
Average Rate	\$319.96	\$333.53
Weeks Available for Rental	183	168
Weeks with Rental Activity	126	105
% with Rental Activity	68.8%	62.5%
Weeks Renting 4 or more Nights	120	94
% getting 4 or more Nights	65.4%	89.5%

BOARD OF DIRECTORS REPORT

Mr. Wood stated that The Charter Club of Marco Beach has the best management team ever. The Directors give consideration to approximately 2600+ owners' feelings about the property and units and try to keep the management fee increase between 3% – 5%. The 2011 increase was 3.4%.

The Hilton Grand Vacations management contract is due for renewal on October 2, 2011. We do not anticipate any concerns with the contract.

The Board is in agreement to be aggressive on the handling of delinquencies. The state level of delinquencies is between 7 – 10 %, Charter Club is 1% or less.

Mr. Wood reminded the owners to put their comments regarding the resort in writing, the Board reviews all comments at the board meetings.

OLD BUSINESS

Q. Is the internet access going to be improved in the units?

A. Wireless is being added to the units by mid summer. We have an assortment of wireless and hard wired routers that may be checked out at the front desk on a first come, first served basis, free of charge.

Q. Are the feral cats being fed on the property?

A. Yes, some one comes in daily and feeds the cats down near the beach dune area at the northwest corner of the property. The cats were a bigger problem before they were being fed as they begged for food and occasionally bit or scratched children and adults who tried to feed or pet them.

Q. Do we have an enforcement policy on smoking?

A. Smoking is banned from the units and if smoke is detected in the unit management could charge an administrative fee.

The Board has the authority under the by-laws to enforce. "Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected

immediately as an emergency matter by the Association and the cost thereof shall be charged to the Unit Owner as a specific item, which shall be a lien against said Owner's Unit or Unit Week with the same force and effect as if the charge were a part of the common expenses."

NEW BUSINESS

MOTION was made and seconded to approve the 2011 budget. All voted in favor.
Motion carried.

- **Waiver of Statutory Funding of Reserves**

There were 1,516 votes to waive the statutory funding of reserves and 30 votes not to waive the statutory funding of reserves. Therefore the reserve funding will remain at the level approved in the 2011 Capital Reserve Budget.

- **Non-Judicial Foreclosure**

There were 1,523 votes to approve the amendment to the Association's CC&R's (the Condominium documents) to provide for Non-Judicial Foreclosures per Florida Statute 721.822 and 46 votes not to approve the Non-Judicial Foreclosures.

- **Teller's Report**

There were 1,615 unit weeks represented, both in person and by proxy, out of a possible 4,080 weeks, which represents 39 % owner response.

- **Elections**

There were 6 candidates seeking election to fill the three seats available on the Board of Directors. The candidates receiving the highest number of votes were Lyman Wood, John Konarski and Lee Huston who were elected to serve a two-year term.

ADJOURNMENT

MOTION was made and seconded to adjourn the meeting. All voted in favor.
Motion carried.

Meeting adjourned at 11:30 a.m.