



November 2009

Dear Charter Club of Marco Beach® Owner,

It is our pleasure to serve you and ensure that your resort remains an extraordinary setting for your vacation getaways.

In recent months, several exciting property enhancements have been made, including the completion of the South Building kitchen renovation project, refurbishment of the lobby restrooms, re-sealing of the parking lot, and installation of new pool furniture, among other projects.

2010 Billing / Budget Impacts

Enclosed is the statement for your 2010 maintenance fee assessment and real estate taxes. The operating assessment portion funds the day-to-day operations of your resort, with the reserves portion funding future improvements to your property, including replacement of furniture and roofing, painting and other enhancements as needed.

Many of the key factors that contribute to a change in maintenance fees for 2010 are largely beyond the control of the association, such as insurance premiums and utility costs. In addition, the association has seen an increase in uncollectible accounts and a decrease in interest earned on operating funds.

Please keep in mind that your association's Board of Directors and Hilton Grand Vacations work carefully to establish your association's budget, addressing important needs for maintaining and enhancing your property while managing your annual maintenance fee. For more information about your billing statement – including Frequently Asked Questions – please review the enclosed brochure, "Understanding Your Vacation Ownership Statement."

Prompt payment of the enclosed bill – due on January 1, 2010 – is appreciated. Payment on or before that date will ensure sufficient flow of funds to support ongoing operations at your property. Remember that the postage date has no bearing on the application of funds to your account – allow at least 10 business days after mailing your payment for the payment to be posted in our system.

Please be aware that your account will be considered past due after January 1, 2010. Any late fees and related charges will not be waived, in accordance with your association's governing documents, and/or applicable law and/or the policies set by your Board of Directors.

Payment Options

By Check – Paying by check is the most cost-effective payment method for your association. Please make your check payable to The Charter Club of Marco Beach, include your ownership account number on the check and remit it with your payment stub. If you own at more than one property, please prepare a separate check for each owners association to prevent co-mingling of funds among associations. Multiple weeks owned at The Charter Club of Marco Beach may be paid for with a single check.

By Credit Card Online – If you are a Hilton Grand Vacations Club Member, log in at hgclub.com using your Club Member number and password, and click "Pay Fees & Taxes" under the "My Ownership" tab. If you've never logged in before, visit the "Create an Account" section on the website's sign-in page to create your password and access your account. **If you are not a Club Member**, simply go to hgclub.com and click the online payment button for non-members.

All payments must be payable in U.S. funds. Please do not mail cash or send payments by express mail.

Board of Directors

At the last Annual Owners Meeting, the ownership re-elected Lyman Wood, John Konarski and T. Lee Huston to seats on the Board of Directors. We also extend our thanks to the rest of your Board Members – James MacArthur and W. Noel Briggs – for their continued support and leadership.

At the 2010 Annual Owners Meeting, two (2) candidates will be elected to the Board of Directors. If you are interested in pursuing candidacy, please complete the enclosed Board of Directors Candidate Form and return it by January 31, 2010.

ARDA – Timeshare's First Line of Defense

As the vacation ownership industry's trade association, the American Resort Development Association (ARDA) promotes a "timeshare-friendly" legislative agenda at the local, state and federal levels. On behalf of ARDA, we would like to thank those who have supported these efforts by making a voluntary \$3 annual contribution to the ARDA-Resort Owners Coalition.

ARDA has been successful at protecting timeshare Owners from excess federal taxes (on prepaid assessments, surplus assessments and capital reserve funds) as well as from excess resort-use taxes. ARDA has also been instrumental in preserving the second home exemption for timeshare Owners. Your Board of Directors has made the decision to include a contribution to ARDA on your billing statement and encourages you again to make this voluntary contribution of \$3 when paying your 2010 assessment. To learn more about ARDA, visit arda.org.

If you have any questions about your 2010 maintenance fees and taxes, please feel free to contact me by phone at (239) 394-4192 or by email at mafox@hgvc.com.

On behalf of the staff of the Charter Club of Marco Beach, we look forward to welcoming you back to the familiar comfort of your home away from home.

Warmest regards,



Matthew Fox
Resort Manager

THE CHARTER CLUB OF MARCO BEACH CONDOMINIUM ASSOCIATION, INC
ANNUAL BUDGET FOR THE PERIOD
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

4080 unit/weeks Description	2010 Annual Budget	2010 Per Unit/ Week	2009 Per Unit/ Week	2009 Annual Budget
REVENUE				
Association Fees	2,637,570	646.46	630.56	2,572,679
Late Fee Income	17,100	4.19	4.50	18,425
NSF Income	140	0.03	0.03	105
Interest Income	1,300	0.32	5.81	23,700
Dividend Income	0	0.00	1.41	5,754
Long Distance	600	0.15	0.20	800
Sales Rent Income	25,200	6.18	6.18	25,200
Concession Income	9,240	2.26	2.26	9,240
Flex Reservation Fees	43,600	10.69	10.69	43,600
Boat Income	4,400	1.08	2.13	8,700
Other Revenue	3,500	0.86	0.86	3,500
TOTAL OPERATING REVENUE	2,742,650	672.22	664.63	2,711,703
ADMINISTRATIVE				
Annual Audit	6,200	1.52	1.47	6,000
Bad Debt Expense	5,040	1.24	1.24	5,040
Other Administrative Expenses	78,700	19.29	22.00	89,775
Postage, Printing, Newsletter	25,975	6.37	5.39	22,000
Management Fees	149,436	36.63	36.63	149,436
Division Fees	8,160	2.00	2.00	8,160
Financial Services Fees	45,624	11.18	10.96	44,724
Board Reimbursement	10,000	2.45	2.45	10,000
Total	329,135	80.68	82.14	335,135
OPERATING EXPENSE				
Office, Desk	397,335	97.39	96.45	393,535
Housekeeping, Laundry, Supplies	535,972	131.36	134.45	548,526
Security Provisions	56,100	13.75	14.14	57,700
Grounds & Landscaping	73,380	17.99	21.22	86,580
Pool & Spa	38,400	9.41	9.61	39,216
Recreation	163,066	39.97	34.11	139,174
Total	1,264,253	309.87	309.98	1,264,731
UTILITIES				
Electric	147,000	36.03	35.18	143,520
Water, Sewer, Gas	105,360	25.82	21.92	89,460
Waste Disposal	22,560	5.53	5.53	22,560
Telephone	37,200	9.12	7.06	28,800
Cable Television	29,880	7.32	6.85	27,960
Total	342,000	83.82	76.54	312,300
BUILDING				
Maintenance - Service, Equipment, Supplies	377,619	92.55	92.73	378,337
Building & Equipment Contracts	5,600	1.37	1.72	7,000
Elevator Contracts	16,800	4.12	2.79	11,400
Total	400,019	98.04	97.24	396,737
INSURANCE & TAXES				
General Insurance	390,743	95.77	87.48	356,900
Income Tax	16,500	4.04	11.25	45,900
¹ Taxes (Ad Valorem Taxes)	n/a	n/a	n/a	n/a
Taxes Upon Leased Areas	n/a	n/a	n/a	n/a
Total	407,243	99.81	98.73	402,800
SALE OF ASSOCIATION WEEKS				
Sale of Association Weeks	(33,000)	(8.09)	(8.09)	(33,000)
Cost of Sales	33,000	8.09	8.09	33,000
Total	0	0.00	0.00	0
OPERATING EXPENSE TOTAL	2,742,650	672.22	664.63	2,711,703
OPER. PROFIT/(LOSS)	0	0.00	(0.00)	(0)

¹ Ad Valorem Taxes on individual weeks are billed by the Collier County Property Appraiser's office based on the relative value of the unit week and therefore, are not reflected in the above operating budget.

THE CHARTER CLUB OF MARCO BEACH CONDOMINIUM ASSOCIATION, INC
ANNUAL BUDGET FOR THE PERIOD
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

	Statutory Reserve Funding			With Owner Waiver of Statutory Reserve Funding		
	2010 Annual Budget	2010 Per Unit/ Week	2009 Per Unit/ Week	2009 Annual Budget	2010 Annual Budget	2010 Per Unit/ Week
RESERVE REVENUE	1,060,157	259.84	196.10	800,102	859,044	210.55
RESERVE EXPENSES						
Capital Reserves:						
Interior	754,506	184.93	127.82	521,527	522,550	128.08
Roof	13,312	3.26	6.09	24,853	24,853	6.09
Paving	29,044	7.12	5.41	22,064	34,927	8.56
Recreation	25,045	6.14	2.82	11,515	23,800	5.83
Common Area	0	0.00	0.00	0	0	0.00
Capital Improvements	155,455	38.10	31.75	129,520	172,308	42.23
Total	977,362	239.55	173.89	709,479	778,438	190.79
Painting Reserve	82,795	20.29	22.21	90,623	80,606	19.76
Total	82,795	20.29	22.21	90,623	80,606	19.76
RESERVE EXPENSE TOTAL	1,060,157	259.84	196.10	800,102	859,044	210.55
RESERVE PROFIT/(LOSS)	0	0.00	0.00	0	0	0.00

Summary	Statutory Reserve Funding			With Owner Waiver of Statutory Reserve Funding		
	2010 Annual Budget	2010 Per Unit/ Week	2009 Per Unit/ Week	2009 Annual Budget	2010 Annual Budget	2010 Per Unit/ Week
OPERATING FEE	2,637,570	646.46	630.56	2,572,679	2,637,570	646.46
CAPITAL RESERVE	977,362	239.55	173.89	709,479	778,438	190.79
PAINTING RESERVE	82,795	20.29	22.21	90,623	80,606	19.76
SPECIAL ASSESSMENT	0	0.00	0.00	0	0	0.00
NET BEFORE CREDITS	3,697,727	906.30	826.66	3,372,781	3,496,614	857.01
CREDITS						
PAINTING RESERVE REFUND	0	0.00	0.00	0	0	0.00
OPER. SURPLUS REFUND	0	0.00	0.00	0	0	0.00
TOTAL CREDITS	0	0.00	0.00	0	0	0.00
TOTAL AMOUNT BILLED	3,697,727	906.30	826.66	3,372,781	3,496,614	857.01

THE CHARTER CLUB OF MARCO BEACH CONDOMINIUM ASSOCIATION, INC
RESERVE ANALYSIS FOR THE PERIOD
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

4080 unit/weeks Replacement Fund	Average Estimated Life (in years)	Average Estimated Remaining Life (in years)	Estimated Replacement Cost (4080 units)	2010 Statutory Reserve Funding	Estimated Fund Balance As of 1/1/2010	2010 Proposed Reserve/Assmt. Funding	2010 Projected Expenses	Estimated Fund Balance As of 12/31/2010
Interior	11.14	6.75	5,821,720	754,506	731,259	522,550	1,179,360	74,449
Roof	16.41	6.53	140,000	13,312	53,054	24,853	0	77,907
Painting	8.84	5.39	568,500	82,795	121,891	80,606	190,300	12,197
Paving	19.97	7.17	229,000	29,044	20,797	34,927	8,000	47,724
Recreation	5.13	2.56	80,248	25,045	16,047	23,800	23,200	16,647
Common Area	0.00	0.00	0	0	0	0	0	0
Capital Improvements	18.04	11.36	1,931,252	155,455	165,230	172,308	311,500	26,038
TOTAL			8,770,720	1,060,157	1,108,278	859,044	1,712,360	254,962

	2010 Statutory Reserve Funding	2010 Proposed Reserve Funding
Operating Fee	\$646.46	\$646.46
Capital Reserve	\$239.55	\$190.79
Painting Reserve	\$20.29	\$19.76
Special Assessment	\$0.00	\$0.00
Total Amount Billed	\$906.30	\$857.01
Painting Reserve Refund	\$0.00	\$0.00
Operating Surplus Refund	\$0.00	\$0.00
TOTAL AMOUNT BILLED	\$906.30	\$857.01

** The State of Florida mandates that condominium associations prepare calculations to fully fund reserves. The Law also provides the reserve requirement may be waived or reduced, allowing the unit owners to put less money into the reserve accounts. To meet fully funded requirements for Statutory Reserves, the resulting annual maintenance fee would be \$906.30. The Board of Directors recommends a vote in favor of waiving the full funding requirements for Statutory Reserves at the 2009 annual meeting, thereby establishing the maintenance fee at \$857.01 for the 2010 budget year.

NOTE:

There may be some items that may require future replacement and are NOT reserved for, i.e.: replacement of plumbing, railings, electrical wiring, etcetera. These types of items will need to be paid from operating funds or will require a special assessment.

The components' actual replacement costs and useful lives may vary from the estimated amounts. If additional funds are needed, the Association has the right, subject to Board approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

There are 4080 periods of 7-day annual use availability that exist within the timeshare plan for which annual fees are required to be paid to the Division of Florida Land Sales, Condominiums and Mobile Homes, Bureau of Timeshare, in accordance with Section 721.27, Florida Statutes.