

THE CHARTER CLUB OF MARCO BEACH®
CONDOMINIUM ASSOCIATION, INC.
ANNUAL MEETING
THURSDAY, MARCH 11, 2010

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, Neil Hutchinson – Senior Director Association Management Services, Lael Kilpatrick – Regional Director Resort Operations and Riki Martin – Administrative 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 2009 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 2009 Annual meeting as presented.** All voted in favor. **Motion carried.**

MANAGER'S REPORT

Projects completed in 2009

- Entry doors replaced
- Kitchen renovations in south building
- Walkways and balcony railings
- Clubhouse/front desk renovation/relocation
- Clubhouse restrooms renovated
- Guest computer center updated
- Fitness center painted
- Selected fitness equipment replaced
- Painted/sealed/coated all floors in service areas. (Hskp, maint, laundry)
- Replaced living room & master bedroom televisions with flat panel televisions
- Sealed & striped parking lot
- Replaced sales building carpeting
- Replaced pool furniture
- Replaced metal entry doors in housekeeping

Projects to be completed in 2010

- Interior renovations for living room, dining room, master bathroom beginning May 8th in the south building and August 21st in the north building

- Clubhouse doors to be replaced
- Entry lobby doors in north and south building to be replaced
- Fire control system to be replaced
- Spa collection tank replaced to comply with code enforcement
- Refurbishment of pond

RESALES REPORT

2009

Number of Weeks Sold 92
Dollar Volume \$909,430

YTD 2010

Number of Weeks Sold 13
Dollar Volume \$241,000

RENTAL REPORT

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Nights Available	1207	1433	1435
Nights Rented	661	930	1012
Occupancy	54.8%	64.9%	70.5%
Gross Revenue	\$220,464	\$280,521	\$304,513
Average Rate	\$333.53	\$301.64	\$300.90
Weeks Available for Rental	168	203	201
Weeks with Rental Activity	105	153	166
% with Rental Activity	62.5%	75.4%	82.6%
Weeks Renting 4 or more Nights	94	121	143
% getting 4 or more Nights	89.5%	79.1%	86.1%

COMMENTS:

Transient Rental business to Florida was severely impacted in 2009 by a myriad of factors not least among them, the tight economy. Occupancies across our Southwest Florida managed resorts was the worst in our history. In an effort to revamp our Rental Operations we have engaged a new marketing company and, for the first time in our history, feel we have to offer promotions and discounts during the High Season months of February, March and April just to help generate traffic to the resorts. At this meeting last year we said, "Forecasts for a rebound in 2009 are dim and initial reservations reflect this." Unfortunately, that statement has come to pass and we are looking for a very slow recovery which may take several years to accomplish.

FINANCIAL REPORT

A draft of the 2009 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, 2009, 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.

Mr. Wood recognized owner, Ed Pascal who is a trademark expert. He has protected the trademark for The Charter Club of Marco Beach and does not charge a fee for his services.

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.

BOARD OF DIRECTORS REPORT

Mr. Wood stated that The Charter Club of Marco Beach has the best management team ever. The Directors are trying to give consideration to the view points of 2600+ owners and the dollars that are available to spend. We are trying to maintain our resort as a A-B+ property.

The Board is in agreement to be aggressive on the handling of delinquencies. The state level of delinquencies is 13%, Charter Club is 1%.

OLD BUSINESS

An owner commented that the grounds look the best ever.

Q. Could a roof be added to the garbage hut and the area cleaned up?

A. Will be added to the list of projects for board review.

Q. Why is the maintenance fee higher on a flex week than a fixed week?

A. The maintenance fee is the same for all units. There is a \$20 flex reservation fee charged on flex weeks.

Q. The fan at the Marriott doesn't seem to be as loud this year.

A. The Charter Club of Marco Beach asked the City of Marco to review excessive noise with the fan and enforce compliance with City ordinances.

Q. Is the wireless service going to be addressed?

A. 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. HGVC club member received a discount on rentals, can that offer be extended to owners who have to leave the property early due to an emergency?

- A. The discount offered to HGVC club members is for club inventory only and an amenity of the membership.

NEW BUSINESS

MOTION was made and seconded to approve the 2010 budget. All voted in favor.
Motion carried.

- **Waiver of Statutory Funding of Reserves**

There were 1,471 votes to waive the statutory funding of reserves and 57 votes not to waive the statutory funding of reserves. Therefore the reserve funding will remain at the level approved in the 2010 Capital Reserve Budget.

- **Teller's Report**

There were 1,630 unit weeks represented, both in person and by proxy, out of a possible 4,080 weeks, which represents 40 % owner response.

- **Elections**

There were 6 candidates seeking election to fill the two seats available on the Board of Directors. The candidates receiving the highest number of votes were Noel Briggs and Jim MacArthur 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 11:20 a.m.