

THE CHARTER CLUB OF MARCO BEACH®
BOARD OF DIRECTORS TELECONFERENCE MEETING
THURSDAY, MAY 27, 2010

The meeting was called to order at 9:00 a.m. by President R. Lyman Wood at Hilton Grand Vacations Regional Office, Marco Island, Florida. Board members in attendance via telephone were: Noel Briggs, Lee Huston, John Konarski, Jim MacArthur and Lyman Wood. Attending from Hilton Grand Vacations were: Matt Fox - Resort Manager, Scott Shook - Assistant Resort Manager, Neil Hutchinson - Vice President Association Management Services (via telephone), Lael Kilpatrick - Regional Director Resort Operations and Riki Martin - Administrative Assistant and Acting Recording Secretary for this meeting.

APPROVAL OF AGENDA

MOTION was made by Mr. Konarski and seconded by Mr. Huston to approve the agenda. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

MANAGER'S REPORT

a. Financials

The Board reviewed the April financials.

Lael advised the Board that there are issues with the remapping of accounts and HGV has asked for more time to identify and resolve the mapping issues.

Matt has asked the pool company to service the pond for one month as a test. If successful he will not have to replace the open part time maintenance position.

b. Project List

The Board reviewed the project list

Rule enforcement training was conducted by Lael and Scott on April 8, 2010. Mark, Juan, Mathías and A.J. attending. The training was to teach the staff the proper way to enforce rules on the property.

Matt also addresses the rules at the weekly owners meetings.

Matt will contact Michael Belle regarding legal support for enforcing the smoking rules.

Add to project list

Dishes and Silverware

c. Palm Tree Review/South Building

Matt recommend removing the center palm tree that blocks the view in unit 102 and replace with a pigmy palm. Remove the one large palm that blocks the view in unit 101 and replace with pigmy palm. The landscapers recommend removing not relocating the trees. **MOTION was made by Mr. Konarski and seconded by Mr. Huston to remove the two trees Matt recommended.** Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted no and Mr. Wood aye. **Motion carried.**

PROJECT UPDATES

a. Unit Renovations

Saturday May 29 floors seven and eight will be renovated. The units are updated, fresh and very welcoming. Owner feedback has been positive, and all aspects of the projects are right on schedule. Niladri and Pat worked to move owner/guests to vacant north building units when possible.

b. Exterior Stone Repair/North Building

Queenslander Construction, Inc. will begin stone repair work on the north building June 1 and anticipate the project being completed in five weeks. Postcards will be sent to incoming guest advising them of the project.

c. Fire Alarm Panel

The overall design for the fire control panel has been submitted to the Marco Island Fire Marshall. Fire Marshall has requested that the sprinkler heads be tied into the fire panel.

Matt and Scott meet with Howard Pearson from A-1 Fire Equipment to discuss the fire sprinkler work. Mr. Pearson recommended the following:

- Cost of the fire sprinkler work to bring up to current Code compliance: \$35,500. This is based upon the “aesthetically pleasing” installation where all the sprinkler piping will be installed will be hidden. There will be no exposed piping. This price includes all costs associated with the installation.
- In lieu of the situation and along with the fact that we will already be on-site and will be able to consolidate some of the associated costs, we would like to offer a courtesy discount of \$3,500 which will now bring the price down to \$32,000.

MOTION was made by Mr. Huston and seconded by Mr. Briggs to proceed with the fire sprinkler work by A-1 Fire Equipment, Corp. to bring up to current code compliance including “aesthetically pleasing” installation at \$32,000. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

d. Spa Code Upgrades

The spa code upgrade project will begin in August.

e. Exterior Building Painting

The engineer is preparing the specifications for the exterior building painting. Management will select the date for the project.

OLD BUSINESS

No old business was discussed.

NEW BUSINESS

Neil reported that Hilton Worldwide just received the first quarter update we were given very positive news about the trends in the industry. Most of the industry have sold their mortgages and got into problems with the credit crunch. Hilton Grand Vacations has never been in that position we have always held our mortgages. That has worked in our favor because the rest of the industry had to scale back significantly Hilton Grand Vacations has not. We have been able to increase market share in total the company is doing very well.

Hilton Grand Vacations has a continued commitment to the managed properties in South Florida. We have hired a consultant to assess the current sales/rental programs and improve the marketing of resale's and rentals in Marco Island. We are working to create a website for on-line rentals and focus on competitive rates for rentals for South Florida.

Teleconference meeting is scheduled for July 8 @ 9:00 a.m.

ADJOURNMENT

MOTION was made by Mr. MacArthur and seconded by Mr. Konarski to adjourn the meeting. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. Motion carried unanimously.

Meeting adjourned at 10:15 a.m.