

THE CHARTER CLUB OF MARCO BEACH®
CONDOMINIUM ASSOCIATION, INC.
ANNUAL MEETING
WEDNESDAY, MARCH 25, 2009

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, Randy Piatt – Regional Vice President Resort Operations, Lael Kilpatrick – Regional Manager Resort Operations and Riki Martin – Administrative Assistant and Acting Recording Secretary for this meeting.

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 2008 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 2008 Annual meeting as presented.** All voted in favor. **Motion carried.**

MANAGER'S REPORT

Projects completed in 2008

- Kitchens renovations in north building
- Walkways, balcony railings and planters have been completed
- Hurricane/fire rated fiberglass entrance doors
- Internet direct wired hardware
- Elevator modernization
- Clubhouse renovations

Projects to be completed in 2009

- Added security features
- Kitchen refurbishment to begin May 9 in the south building
- Living room refurbishment to begin in August

FINANCIAL REPORT

A draft of the 2008 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, 2008, 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 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 has seen a rise in foreclosures this year. In 2008 there were 25 foreclosures; 4 were resolved in paying and 21 went into foreclosure.

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.

RESALES REPORT

2008

Number of Weeks Sold	66
Dollar Volume	\$718,900

YTD 2009

Number of Weeks Sold	20
Dollar Volume	\$375,300

RENTAL REPORT

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Nights Available	1433	1435	1316
Nights Rented	930	1012	813
Occupancy	64.9%	70.5%	61.8%
Gross Revenue	\$280,521	\$304,513	\$240,600
Average Rate	\$301.64	\$300.90	\$295.94
Weeks Available for Rental	203	201	194
Weeks with Rental Activity	153	166	137
% with Rental Activity	75.4%	82.6%	70.6%
Weeks Renting 4 or more Nights	121	143	117
% getting 4 or more Nights	79.1%	86.1%	85.4%

COMMENTS:

While the tourism industry in general experienced a significant slow down in the latter half of 2008, The Charter Club of Marco Beach maintained a good occupancy and held a steady average rate. Unfortunately, the outlook for 2009 is not as optimistic. Even the traditionally high season months of February, March and April, demand is off significantly and the occupancy is suffering. Even with some stabilization in the economy recovery will be slow and it could be a lean year or two for owners who are trying to rent their weeks.

BOARD OF DIRECTORS REPORT

Mr. Wood stated that The Charter Club of Marco Beach has the best management team ever. The Board is pleased with the way Mr. Fox manages the operations of the resort. The entire staff is going a great job. The three year management contract with Hilton Grand Vacations was signed in October 2008. The HGC sales office is also on a three year contract expiring at the same time as the management contract. 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 B+/A- property.

This year the Directors are concerned with foreclosures, currently we have 26 foreclosure units. They are working with Hilton Grand Vacations to address the foreclosures.

- Q. An owner asked if it is a good idea to waive the statutory funding of reserves.
A. Michael Belle stated there is no legal risk.
- Q. An owner asked why the pool hours are being posted as closing at dusk.
A. Mr. Wood stated it is a Florida Statute to post the pool closing at dusk. However, the pool is open until 10:00 p.m.
- Q. An owner of six weeks received 6 maintenance fee statements. He mailed one check for all six weeks and was sent a late fee notice.
A. Mr. Piatt will address the issue with the owner after the meeting.
- Q. An owner asked if The Charter Club of Marco Beach is piggy backing on the sales at Marriott's Crystal Shore.
A. Mrs. Shook has an open house sign with her cell phone number listed and it has proven to be effective.

An owner stated that the kitchen looks beautiful the building railings look outstanding and thanked management for doing a great job.

NEW BUSINESS

MOTION was made and seconded to approve the 2009 budget. All voted in favor.
Motion carried.

- **Waiver of Statutory Funding of Reserves**

There were 1422 votes to waive the statutory funding of reserves and 46 votes not to waive the statutory funding of reserves. Therefore the reserve funding will remain at the level approved in the 2009 Capital Reserve Budget.

- **Teller's Report**

There were 1486 unit weeks represented, both in person and by proxy, out of a possible 4,080 weeks, which represents 36 % owner response.

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- **Elections**

There were nine 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.