

Approved 12-4-2008

**THE CHARTER CLUB OF MARCO BEACH®
BOARD OF DIRECTORS BUDGET MEETING
OCTOBER 28 & 29, 2008**

The meeting was called to order at 8:30 a.m. by President, R. Lyman Wood at Hilton Grand Vacations Regional Office, Marco Island, Florida. Board members in attendance 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, Lael Kilpatrick – Regional Manager 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 as changed. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

APPROVAL OF PREVIOUS MINUTES

MOTION was made by Mr. MacArthur and seconded by Mr. Konarski to approve the minutes of the teleconference meeting held on September 11, 2008. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

RENTAL REPORT

	2008	2007	2006
Nights Available	1420	1232	1074
Nights Rented	1225	893	687
Occupancy	86.3%	72.5%	64.0%
Gross Revenue	\$246,368	\$275,597	\$211,192
Average Rate	\$305.20	\$308.62	\$307.41
Weeks Accepted for Rental	164	176	163
Weeks with Rental Activity	128	128	116
% with Rental Activity	78.0%	72.7%	71.2%
Weeks Renting 4 or more Nights	105	124	102
% occupied 4 or more Nights	64.0%	96.9%	87.9%

RESALES REPORT

2008 YTD Sales

Number of weeks sold	57
Dollar volume	\$658,100
Average price	\$11,545.61

Number of weeks currently listed 163

2007 Sales

Number of weeks sold 96
Dollar volume \$1,035,000
Average price \$10,781.25

The Board requested that all resale listings posted on property be typed and changes not hand written.

DELINQUENCY REPORT

Summary of Accounts
October 2008

	# of Accounts	Outstanding Balance
Lien Action	0	\$
Foreclosure Action	41	\$60,353.31
Other Legal Action	1	\$ 5,260.15
Association Owned Weeks	6	\$19,221.70
Total	48	\$84,835.16

Board asked HGV to turn over to Michael Belle the foreclosure units as soon as allowed by Statute.

COMERICA

MOTION was made by Mr. MacArthur and seconded by Mr. Konarski to limit future investments to five years or less. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

MANAGEMENT UPDATE

Staff Update

Temporary houseman position is available.

Financial Review

The Board reviewed the September financials.

Project List

The Board reviewed the project list.

Add to the project list:

- Management to look at height of owners mail slots and lighting in mail room
- Ice buckets
- Post grill procedures
- Proposal for fountain improvement
- Clean up the undercroft area

11:50 a.m. – 1:30 p.m. lunch recess

Review of Owners Correspondence

The Board reviewed the owner's correspondence

Comment Card and RCI Report

Mr. Fox reported that his appeal to RCI was successful and The Charter Club of Marco Beach was awarded the RCI Gold Crown for 2009.

PRESENTATION OF PROPOSED 2009 OPERATING BUDGET

Extensive review of the proposed budget for operations and reserves was held. Revenue and expense items were discussed item by item with increases and reductions made to several items. The reserve schedule was adjusted for dollar amounts to be spent on reserve line items and extending and shortening the number of years for scheduled items to be completed occurred.

MOTION was made by Mr. Huston and seconded by Mr. Konarski to recess 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 recessed at 6:15 p.m. on Tuesday, October 28, 2008

Meeting reconvened at 10:15 a.m. on Wednesday, October 29

The Board discussed the problem with the birds at the resort.

MOTION was made by Mr. Briggs and seconded by Mr. MacArthur to authorize management to investigate if poisoning the birds is allowable. If not, and the cold weather doesn't reduce the problem satisfactorily, then management is authorized to spend \$7,200 to purchase the Bird B Gone system. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

MOTION was made by Mr. Konarski and seconded by Mr. MacArthur to authorize management to purchase ice buckets for the units as displayed at the meeting for a price not to exceed \$3,000. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

Additional discussion was held on the reserve budget after Mr. Fox had made adjusted changes discussed before prior recess.

VOTE ON PROPOSED 2009 OPERATING BUDGET AS ADJUSTED

MOTION was made by Mr. MacArthur and seconded by Mr. Briggs to approve the 2009 maintenance fee of \$826.66, an increase of 4.7% over prior year. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

WAIVER OF STATUTORY FUNDING OF RESERVES

The budget adopted was based on the owners approving the waiver of statutory funding of reserves. **MOTION was made by Mr. MacArthur and seconded by Mr. Huston to approve the waiver of statutory funding of reserves and recommend that the owners approve the waiver at the Annual 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.**

CREDIT CARD PAYMENT

MOTION was made by Mr. MacArthur and seconded by Mr. Konarski to allow the use of credit cards on the maintenance fee statement with the wording “paying by check is the most cost-effective payment method for your association”. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

ARDA VOLUNTARY CONTRIBUTION

Ms. Kilpatrick discussed the ARDA contributions to the timeshare industry over the past years. She asked that the Board allow Hilton Grand Vacations to solicit a voluntary \$3.00 per week donation to ARDA this year on the maintenance fee statement. **MOTION was made by Mr. Briggs and seconded by Mr. MacArthur since non US residents are not able to fund the PAC and HGV is no longer offering a way for US residents to fund the PAC the Board voted not to fund ARDA.** Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski abstained, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried.**

OTHER BUSINESS

MOTION was made by Mr. Huston and seconded by Mr. Konarski to authorize management to spend up to \$5,000 for front entrance signage and appearance subject to approval of a management plan. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

FUTURE BOARD MEETING DATES

December 4, 2008 Teleconference meeting at 9:00 a.m.
March 24 & 25, 2009 Annual/Board meeting

ADJOURNMENT

MOTION was made by Mr. Huston 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 1:45 p.m.