

CASA YBEL BEACH & RACQUET CLUB, PHASE IJK
ANNUAL MEETING
April 27, 2009

The meeting was called to order at 1:45 p.m. by President Ron Miller upstairs in the Thistle Lodge at Casa Ybel Resort, Sanibel Island, Florida. All Board members were in attendance: Ron Miller, Janette Reid and Terry Williams. Attending from Hilton Grand Vacations Company (HGVC) were: Chris Cain – Interval Manager, Astra Kruger – Assistant to the Interval Manager, E. J. Nees – Director of Resort Operations, Sanibel/Captiva, Mary Lou Farrell – Vacation Counselor and Cindy Glasenapp – Administrative Assistant and acting Recording Secretary for this meeting. Also in attendance from Casa Ybel Hospitality were Froilan (JR) Ramirez – General Manager of Casa Ybel Resort and Amy Speckman – Director of Resort Operations.

Mr. Miller welcomed the owners to the meeting and introduced the Board of Directors and management staff. A sign-in sheet was circulated for all owners present to sign in lieu of a roll call. There was a call for outstanding proxies. A quorum was established.

APPROVAL – PREVIOUS MINUTES – The minutes of the 2008 Annual Meeting were sent to all owners in the newsletter during 2008 and were also included in the agenda packet distributed at the meeting. *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 – Chris Cain

Chris thanked the owners for coming to the meeting. He reported that projects completed since the last annual meeting include installing new handrails on the front and back of the buildings, replacing rotted wood, painting the exteriors of the buildings, new exterior lighting and signage, new gulf-side stairway decking and a new beach boardwalk. Inside the units, sliding glass doors and windows have been replaced. All the windows and doors are now hurricane rated.

The Association participated in two resort-wide projects during the past year. The first was repaving the parking areas and driveways, installing new curbing and brick pavers in the entrance and at the registration office. The second project was adding wireless Internet access to the resort.

Chris thanked JR and Amy and the resort’s team, indicating that they have a great staff in place. He also thanked his staff, Astra Kruger and Janet Parks, Mary Lou Farrell and Rita Slaughter in the sales office, and HGVC’s regional staff for their efforts over the past year. Chris thanked the Board for being very proactive and supportive.

An owner stated that the grounds look lovely; everything looks splendid!

BOARD OF DIRECTORS REPORT – Ron Miller

Mr. Miller stated that our buildings are as close to being brand new as they can be. This year we’ll be painting the units on the inside, replacing the stained patio coating with tile, and putting new TVs in the living rooms and master bedrooms. In addition, due to numerous complaints on the sofas, they’ll be replaced as quickly as can be done. Mr. Williams added that the Board plans to replace the sofa with a three-cushion sofa, maintaining the basic color scheme by using the same fabric. Mary Lou suggested getting the longest sofa possible and to consider getting another chair in there. Mr. Miller noted that the Board will be looking into that.

Mr. Miller thanked Chris and management for their support.

An owner asked if there were plans to enhance the landscaping around the retention pond at the front of the resort. JR Ramirez, General Manager of the Resort, explained that they've planted the area with ferns and mahoe trees, but it will take a few years to mature and get that lush look we had prior to the hurricane. The retention pond water level is very low which makes that area look a little barren at this time.

Mr. Williams related that the Board toured our property and he was very impressed with the workmanship on the walkway out to the beach. It looks great, and the outside of the buildings look great. The Board has also asked that the eastern end of our property be cleaned out and spruced up.

Mr. Williams thanked Mr. Miller for his service as President.

FINANCIAL REPORT – E. J. Nees

In accordance with Florida statutes, an audit of the 2008 financial statements was conducted. The Board of Directors engaged the firm of Myers, Brettholtz & Company, P.A., an independent certified public accounting firm in Fort Myers, to prepare the audit. The Board met with John Lopez, a partner in the firm, this morning to review the audit. A clean opinion was issued. An audit is not mailed to each owner due to mailing costs, but will be available within a few weeks upon request to the Interval Manager.

In 2008, total Operating revenues were \$511,900; total Operating expenses were \$572,272 resulting in a deficiency of revenues over expenses of (60,372). The Board budgeted a deficiency of \$63,000 (\$70/unit week) to return surplus funds to the owners. The beginning Operating Fund balance on January 1, 2008 was \$64,641, and at December 31, 2008 was \$4,269.

Reserve funds at December 31, 2008 were: \$5,101 – Interior; \$18,367 – Roof; \$35,179 – Painting; \$1,143 – Paving; and \$57,155 – Capital Improvements, for a total of \$117,945.

INSURANCE REPORT – E. J. Nees

The Hilton Grand Vacations Company master property insurance program, which renewed June 1, 2008, provides coverage for the Association. The program is a layered structure comprised of multiple insurance carriers with a \$150,000,000 limit, per occurrence and in annual aggregate. This limit provides full replacement value coverage. Evidence of Property Insurance was included in the agenda packet distributed at this meeting. Generally, the program insures against perils resulting in direct physical loss or damage to the real and/or personal property at the resort for "All Risks" including flood, earthquake, and named windstorm. In addition, the policy extends coverage for landscaping, debris removal, code upgrades and for reimbursement of maintenance fees and taxes for an insurable loss with certain qualifications. Deductibles under the policy are determined for any one occurrence of an insurable event and vary depending on the type of peril experienced at the resort property. Again, generally all insurable losses will have a \$25,000 deductible, with the exception of named windstorm, earthquake, and flood. Earthquake and flood deductibles are 2% and 5% respectively of the values. Named windstorm deductibles are 5% of the value at the time of loss. Your association also has a deductible buy down feature for named windstorm losses which reduces the deductible to \$100,000. This deductible is shared among Casa Ybel FGH, Casa Ybel IJK and Sanibel Cottages based on their percentage of damage. In addition to property coverage, Hilton maintains for each Association insurance

policies for general liability, terrorism and Directors & Officers coverage. Limits and deductibles are stated in the Certificate of Insurance included in the agenda packet distributed at this meeting.

RESALES REPORT – Mary Lou Farrell

In 2008, 26 IJK weeks were sold through Grand Vacations Realty for a total sales volume of \$383,750. The average sales price was \$14,760. Year-to-date 2009, 14 IJK weeks have been sold through Grand Vacations Realty for a volume of \$405,750, an average sales price of \$28,982. The listing price range is \$7,000 - \$42,000. If you're interested in buying more weeks or selling your weeks, see Mary Lou or Rita. Also, consider the HGVCclub if you're interested in exchanging your week.

2009 BUDGET – A copy of the 2009 budget was sent to each owner with their maintenance fee statement. A copy was also included in the agenda packet distributed at the meeting. ***MOTION was made and seconded to ratify the 2009 Budget as presented by the Board of Directors.*** All voted in favor. **Motion carried.**

GENERAL DISCUSSION:

An owner asked who is responsible for marketing the resort as a whole. Mr. Ramirez replied that Casa Ybel Hospitality does the general marketing of the resort and for rentals. HGVC markets for sales. The resort's plans to maximize Casa Ybel on the summer market will target Florida residents with a certain household income, promoting "staycations", and partnering with the local Visitor and Convention Bureau.

Mr. Miller advised that all of the boards on the resort have an annual meeting with the resort's management to put together a unified strategic plan about the direction of the resort.

TELLER'S REPORT – Astra Kruger

There were 462 unit weeks represented, both in person and by proxy, out of a possible 900 unit weeks, which represented 51% owner response.

WAIVER OF STATUTORY FUNDING OF RESERVES: There were 426 votes to waive statutory funding of reserves and 28 votes against waiving statutory funding. Statutory funding requirements were waived, therefore the reserve funding will remain at the level approved in the 2009 budget.

ELECTION: There were three candidates seeking election to fill the one seat available on the Board of Directors. The candidate receiving the highest number of votes was Ron Miller. The current Board of Directors is: Ron Miller, Janette Reid and Terry Williams. Astra congratulated Mr. Miller on his re-election and thanked the owners on their participation in the election and the meeting.

There being no further business, ***MOTION was made and seconded to adjourn.*** All voted in favor. **Motion carried.**

Meeting adjourned at 2:05 p.m.