

Approved April 25, 2008

**SEAWATCH ON THE BEACH  
ANNUAL MEETING  
MONDAY, APRIL 30, 2007**

The meeting was called to order at 1:30 p.m. by President, Steve Hoffman poolside at Seawatch on the Beach, Ft. Myers Beach, Florida. Board members in attendance were: Mike Dammeyer, Steve Hoffman, Dave Kaiser, Harold Lund and Tim Pellerin. Attending from Hilton Grand Vacations Company (HGVC) were: Michele Jenkins – Resort Manager, Don Fandrey – Assistant to the Resort Manager, Ada Grzwyna – Regional Director 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 the owners present in lieu of a formal roll call. There was a call for outstanding proxies.

**APPROVAL OF PREVIOUS MINUTES**

The minutes of the 2006 Annual meeting were sent to the owners in the newsletter in 2006. A copy was included in the agenda packet distributed to the owners in attendance.

**MOTION was made and seconded to approve the minutes of the 2006 Annual meeting held on April 28, 2006 as presented.** All voted in favor. **Motion carried.**

**MANAGER'S REPORT**

Mrs. Jenkins thanked the owners for attending the meeting.

**2006 Completed Projects**

- Painted and waterproofed the building
- Hurricane compliant sliding glass doors were installed
- Washer, dryers and dishwashers were replaced in the units.
- Awning and screens replaced
- Hurricane improvements
- Bayside screen to keep out water intrusion

**BOARD OF DIRECTOR'S REPORT**

Mr. Hoffman introduced the Board of Directors. The hurricane sliding glass doors in 01 and 06 units will be completed this year. All unit carpeting will be replaced in 2007. Two bedroom interior doors will be replaced and the hardware on the one bedroom interior doors. Elevator will be upgraded. In 2008 the living room and dining room furniture will be replaced. The Board is looking into redoing the parking lot.

**FINANCIAL REPORT**

Mr. Brettholtz of the CPA Myers, Brettholtz and Company of Ft. Myers attended the morning Board of Directors meeting. The firm has audited the financial records through December 31, 2006. Mr. Brettholtz stated that the financial statements present fairly, in all material respects, the financial position of Seawatch-on-the-Beach Condominium Association, Inc. as of December 31, 2006, 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. A copy of the report will be available to any owner who may request a copy.

### **INSURANCE REPORT**

Mrs. Grzywna stated that the cost of insurance, especially in Florida is a hot topic. HGVC was shocked and very concerned because of the escalation in rates experienced last year. As late as April HGVC was anticipating a 100% increase and the Association's budget built in a cushion in anticipation of the potential increase. But in June, the increase actually was 286%. The insurance market is softening a bit, and new investors were attracted to the insurance market which will make it a little more competitive.

### **RESALES REPORT**

#### **2006 SALES**

Number of Weeks Sold	67
Dollar Volume	\$709,850

#### **2007 SALES Y-T-D**

Number of Weeks Sold	12
Dollar Volume	\$120,000

Number of Weeks Currently Listed for sale	185
Volume	\$2,079,800
Listing Price Range	\$6,000 - \$25,000

### **RENTAL REPORT**

	<b>2006</b>	<b>2005</b>	<b>2004</b>
Nights Available	815	726	730
Nights Rented	425	433	481
Occupancy	52.1%	59.6%	65.9%
Gross Revenue	\$106,594	\$107,568	\$117,650
Average Rate	\$239.00	\$248.42	\$244.59
Weeks Available	65	73	115
Weeks with Rental Activity	65	64	78
Weeks renting 4 or more Nights	40	59	67

## **OLD BUSINESS**

Owner, Mark Carey thanked the Board of Directors and Management for doing a great job. He feels the chlorine generator is a good idea. He also owns at Hilton Grand Vacations Company in Las Vegas and feels the maintenance fees are right in line.

Owner, Bill Hammond asked the Board if they could keep the cost down by doing only the projects that are necessary. Mr. Hoffman stated the Board works very hard to keep the fees down. The Board previously asked management look for ways to save energy. Seawatch was under budget by 20% for electricity in 2006 due to changing all light bulbs to energy saving bulbs and to turn up the unit thermostats to 80 degrees when the unit is not occupied.

Mr. Hoffman stated that in September 2006 the Board of Directors called a teleconference meeting to discuss a reduction in the taxes for Seawatch on the Beach owners. Mr. Appel had worked with different HGVC resorts that were closed for the hurricanes over the past two years. Mr. Appel applied for a tax credit on the real estate taxes and Seawatch received a \$33,000 tax credit that is held in escrow.

## **NEW BUSINESS**

### **Ratification of 2007 Budget**

The proposed 2007 Operating Reserve Budget were sent to each owner with the maintenance fee statement and a copy was included in the agenda packet distributed at this meeting. **MOTION was made and seconded to ratify the 2007 budget as presented.** All voted in favor. **Motion carried.**

### **Teller's Report**

There were 1,101 unit weeks represented, both in person and by proxy, out of a possible 2,100 unit weeks, which represents 52% owner response.

### **Waiver of Statutory Funding of Reserves**

There were 1,051 votes to waive the statutory funding of reserves and 33 votes not to waive the statutory funding of reserves. 17 chose not to vote on the waiver of statutory funding of reserves. Therefore the reserve funding will remain at the level approved in the 2007 budget.

### **Election of Director**

There were 4 candidates seeking election to fill the one seat available on the Board of Directors. The candidate receiving the highest number of votes was: Steve Hoffman who was elected to serve a three year term.

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The current Board of Directors is: Steve Hoffman, Mike Dammeyer, David Kaiser, Harold Lund and Tim Pellerin.

Thanks to the owners for participating in the election and the meeting.

**ADJOURNMENT**

**MOTION was made and seconded to adjourn the meeting.** All voted in favor.  
**Motion carried.**

**Meeting adjourned at 2:10 p.m.**