

Approved 5-21-2009

**THE CHARTER CLUB OF MARCO BEACH®
BOARD OF DIRECTORS MEETING
MARCH 24, 2009**

The meeting was called to order at 8:30 a.m. by President, R. Lyman Wood at the Hilton Grand Vacations Regional office, Marco Island, FL. 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.

APPROVAL OF AGENDA

MOTION was made by Mr. Huston and seconded by Mr. Konarski to approve the agenda to be adjusted as agreed. 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 board meetings held on February 9, 2009. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

MANAGERS REPORT

Financials

The Board reviewed the February financials.

The operating account is presently in a non-interest bearing account to protect the investment until the money can be invested. At the end of January the reserve funds are fully funded and the investment process begins at the end of February.

The Board would like for Hilton Grand Vacations to invest the cash from maintenance fees into interest bearing accounts before the end of December each year and bi-weekly or monthly thereafter if significant funds are received in excess of operating needs.

Accrued real estate taxes show as an asset on the real estate escrow account and shows as a liability on the balance sheet.

Manager's bonus was an accrual in 2009. The bonus pay out was February 6 the true up entry will be made as a part of the audit.

Comerica statement does not show interest on the Keybank National Association CD. Mr. Piatt stated that the interest accrued for the Association is shown on the annual

statement. Taxes are paid on imputed interest not received in accordance with government guidelines. The interest is actually received when the CD matures in 2015.

Some budget line items were added to the budget template by HGV after the budget process was completed, thereby creating under/over actual to budget comparisons: i.e. credit card fees/bank charges.

Some line items had the full year budget entered in January, thereby making the YTD actual to budget comparison appear more favorable than it really is. In the future the budget should be spread monthly or as can best be determined prior to the new budget year.

Items such as “professional fees” should be accrued and not show the full actual in one entry.

Project List

MOTION made by Mr. MacArthur and seconded by Mr. Huston to incorporated 26 watt bulb into the guest bedroom lamp with a reasonably priced shade. 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. Huston and seconded by Mr. Konarski to authorize management to proceed with guest lobby restrooms not to exceed the budgeted amount of \$7,500. 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. Huston and seconded by Mr. Konarski management to proceed within the budgeted amount of \$4,200 for the entry way planters/sign. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

ADD TO PROJECT LIST

- Security Cameras
- Review the elevator noise in the North Building
- Clean pool furniture
- Trimming of the shrubs in front of the north building
- Marriott fan noise

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

Lunch 12:00 p.m. – 1:00 p.m.

Resale/Rental Update

2008 SALES

Weeks Sold 66
Dollar Volume \$718,900

Included in this figure were 8 weeks that were sold as foreclosures for the association for a total volume of \$52,000.

2009 YTD

Weeks Sold 20
Dollar Volume \$375,300

RENTAL REPORT – 2008

	2008	2007	2006
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.

Review of Decorating Committee Recommendations/Living Room

The decorating committee chose a fabric with a palm motif. The furniture configuration of the room will remain the same. Cornice board will be removed.

MOTION was made by Mr. Huston and seconded by Mr. Konarski to precede with the living room renovations this year without having a model unit due to time constraints. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

In the future when a major unit project is planned the Board was in agreement to have sufficient lead time to build a model and allow time for owners to view and make recommendations.

Upcoming Project Bids

MOTION was made by Mr. MacArthur and seconded by Mr. Briggs go with less expensive patio furniture and make a provision that the patio furniture is replaced every four years. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski abstained, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried.**

MOTION was made by Mr. Huston and seconded by Mr. Briggs to accept the Griffith Paving, Inc. proposal to include asphalt repairs with squeegee application including tax not to exceed \$10,070. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

Comment Cards/Owner's Correspondence

The Board was in agreement to forward all owner correspondence to management for review.

Mr. Briggs will send a written response to Mr. John Howlett's letter.

Board/Property Management Review/Approval of mailed owner documents

Board of Directors have requested they be allowed 10 days to review the budget letter that goes out with the maintenance fee statement before it goes to print. In addition if HGV changes the general wording from the prior year, the changes should be highlighted for comparison purposes. The board members will contact the President immediately if they have any questions on the wording of the mailings.

The annual meeting mailing will be presented to the board 30 days in advance of the deadline for mailing. Suggested changes should be sent to the President within one week.

The limit on the number of words in a candidate's biography is 100 and will be strictly enforced. Candidates' wording on their biographies may be changed to ensure accuracy of facts. Add the number of weeks owned at the end of each biography.

NEW BUSINESS

The Board discussed the option of offering a sealed bid to the owners for purchasing the association owned weeks for \$2,900.

MOTION was made by Mr. Huston and seconded by Mr. Konarski to ask management to present a proposal to the Board on internal sealed bid to owners for the sale of Association owned weeks. 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. MacArthur and seconded by Mr. Huston to recess the meeting at 4:40 p.m. 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 reconvened at 8:30 a.m. on Wednesday, March 25, 2009

MOTION was made by Mr. Konarski and seconded by Mr. MacArthur management to prepare an owner's directory with no cost for submittal of information and a purchase price of \$20. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

The information on the swap list and the form for the owner's directory will go out with the April/May newsletter.

FUTURE BOARD MEETING DATES

April 6, 2009 Teleconference meeting @ 9:00 a.m.
August 7, 2009 Teleconference meeting @ 9:00 a.m.
November 3, 2009 Budget meeting @ 8:30 a.m.
March 10, 2010 Board meeting @ 8:30 a.m.
March 11, 2010 Annual meeting @ 10:30 a.m.

In an effort to better communicate with the Board of Directors. Neil Hutchinson Sr. Director Owner Services HGV will be the liaison to the board members through the Beacon periodic newsletter, Legislative and ARDA. Ms. Kilpatrick will continue to be the first board contact person.

Michael J. Belle, PA joined the meeting at 9:00 a.m.

Delinquency Report

Summary of Accounts March 2009

	# of Accounts	Outstanding Balance
Lien Action	0	\$
Foreclosure Action	26	\$84,325.51
Other Legal Action	1	\$ 6,855.02
Association Owned Weeks	8	\$33,935.03
Total	35	\$125,115.56

Mr. Belle explained the foreclosure process to the Board members. The process takes approximately 200 days start to finish.

The Board requested that the delinquency letter be out no later than March 1, 2010 and each succeeding March 1st.

John Lopez of Myers, Brettholtz and Company, PA joined the meeting at 9:50 a.m.

He reviewed the draft audit and highlighted certain number of footnotes. The auditors were unaware of certain financial issues that were included in the executive session of the Board of Directors minutes which the auditors had not received. These issues were discussed and HGV will give Myers, Brettholtz and Company, PA the full minutes including the executive sessions in the future.

MOTION was made Mr. Briggs and Mr. MacArthur to recess the meeting at 10:15 a.m. for 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.**

Meeting reconvened at 11:55 a.m.

ELECTION OF OFFICERS

MOTION was made by Mr. MacArthur and seconded by Mr. Briggs to elected Lyman Wood as President. 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. Briggs and seconded by Mr. Huston to elect Mr. MacArthur as Vice President. 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. MacArthur and seconded by Mr. Huston to elect Mr. Konarski as Secretary/Treasurer. Mr. Briggs voted aye, Mr. Huston voted aye, Mr. Konarski voted aye, Mr. MacArthur voted aye and Mr. Wood voted aye. **Motion carried unanimously.**

President – R. Lyman Wood
Vice President – Jim MacArthur
Secretary/Treasurer – John Konarski

The Board was in agreement to look at options to get more owners to vote in the election of Directors. We have mailings, newsletters and a website where we can urge owners to vote. Voting by fax is also permitted.

Mr. Fox will send the current “Directors Expenses Re-imbusement Policy” to the Board members to review for updating.

ADJOURNMENT

MOTION was made by Mr. MacArthur and seconded by Mr. Briggs 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 12:20 p.m.