

Approved May 6, 2010

**THE SURF CLUB OF MARCO ISLAND
BOARD OF DIRECTORS TELECONFERENCE MEETING
March 3, 2010**

The meeting was called to order at 3:00 p.m. by President Bill Chandler at the Hilton Grand Vacations Regional office, Marco Island, Florida. Board members in attendance via telephone were: Bill Chandler and Jim McCanna. Mr. McCluskey was in attendance at Regional office. Attending from Hilton Grand Vacations (HGV) were: Sharry Luneke – Resort Manager, Chris Schmadtke – Assistant to the Resort Manager, Neil Hutchinson – Senior Director Association Management Services (via telephone), Lael Kilpatrick – Regional Director Resort Operations and Riki Martin – Administrative Assistant and Acting Recording Secretary for this meeting.

Ms. Kilpatrick has been promoted to Regional Director Resort Operations SW Florida. Sharon Glenn Resort Manager at Plantation Beach Club at Indian River Plantation will now report to Lael. Congratulations to Ms. Kilpatrick.

APPOINTMENT OF RECORDING SECRETARY

MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to appoint Riki Martin as recording secretary for this meeting. Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. Motion carried unanimously.

APPROVAL OF AGENDA & CERTIFICATION OF MEETING NOTICE

MOTION was made by Mr. McCluskey and seconded by Mr. McCanna to approve the agenda and certification of meeting notice. Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. Motion carried unanimously.

APPROVAL OF PREVIOUS MINUTES

MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to approve the minutes of the February 16, 2010 teleconference meeting minutes as amended. Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. Motion carried unanimously.

MANAGEMENT CONTRACT

MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to reconsider the Resolution of 2-16-2010 meeting approving the Timeshare Management Agreement. Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. Motion carried unanimously.

MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to rescind the Resolution of 2/16/2010 meeting approving the Timeshare Management Agreement for the purpose of revising and restating the Motion in its entirety at this meeting. Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. Motion carried unanimously.

MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to approve the Timeshare Condominium Management Agreement between The Surf Club of Marco Condominium Association, Inc., and Hilton Grand Vacations Company, LLC, as submitted by Hilton, to be effective 1/1/10; to authorize any Board member of the Association to execute the Agreement for and on behalf of the Association; for that Board member to submit the Agreement to Hilton for its execution; and to attach a copy of the yet unexecuted Agreement to the minutes of this meeting as Exhibit A. Mr. Chandler voted no, Mr. McCanna voted aye and Mr. McCluskey voted aye. Motion carried.

CABLE TV CONTRACT

Mr. Chandler suggested having a disinterested person do an analysis on the cable companies. He feels The Surf Club is in a position to negotiate a lower rate. **MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to have Attorney Kramer review both Comcast and Marco Island Cable full contracts by March 15, 2010. Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. Motion carried unanimously.**

ANNUAL MEETING MAILING – NORDIS DIRECT MAILING

Ms. Kilpatrick discussed on-line voting and electronic mailings. The process would be to send by paper, a link to a personal URL (Uniform Resource Locator), also call a PURL, which would allow the owners to vote on-line. In addition to capturing voting details, owners would be asked to verify their email address and if they want to receive future communications electronically, annual meeting minutes, newsletters, welcome letters, etc. Email capture will decrease mailing/printing costs for future mailings and newsletters. If the email is not opened after 10 days, a hard copy will automatically be sent.

MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to approve the annual mailing being sent by Nordis Direct at the increased cost. Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. Motion carried unanimously.

CLOSED BID OF ASSOCIATION OWNED WEEKS MAILING ASAP

Management suggested \$3,000 as the minimum bid on the closed bid sale of the Association owned weeks. All bids must be received by April 15, 2010 at 5:00 p.m. Successful bidders will be announced on April 26, 2010.

- Price includes closing costs.
- Price includes complimentary HGV Club membership.
- If available, Owner must take 2010 occupancy and pay 2010 maintenance fees plus the applicable real estate tax on the unit at closing.

MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to adopt managements recommendations for closed bid sale of Association owned weeks.

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Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. **Motion carried unanimously.**

Mrs. Luneke has an offer from an owner at Seawatch on the Beach, Ft. Myers Beach for the purchase of four Association owned weeks for \$16,000. **MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to approve the sale of the four Association owned weeks at \$4,000 per week. If available, owner must take occupancy in 2010 and pay 2010 maintenance fees plus the applicable real estate tax on the units at closing.** Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. **Motion carried unanimously.**

FLEX PROGRAM

The Board was in agreement to make no changes to the current flex program and wait for the results of the closed bid sale before considering any changes to the flex program.

SALES/RENTAL PROGRAM UPDATE

Ms. Kilpatrick advised the Board that Hilton Grand Vacations has gone forward with marketing efforts since her discussion with the Board in January. Hilton Grand Vacations has hired a consultant to access the current sales/rental program and make recommendations.

APPROVAL OF INTEGRATED TIME LINE

MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to approve the integrated time line as updated through this meeting. Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. **Motion carried unanimously.**

BOILER REPLACEMENT

Ms. Luneke advised the Board that she would like to move forward with replacing the second boiler. She recommended option 1 – removal of the valve. The total for the boiler, electrical work, mixing valve removal is \$13,210 plus permitting fees. **MOTION was made by Mr. McCanna and seconded by Mr. McCluskey to waive the bid requirements and approve the proposal from Water Works Plumbing to include the boiler and option one.** Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey voted aye. **Motion carried unanimously.**

ADJOURNMENT

MOTION was made by Mr. McCluskey and seconded by Mr. McCanna to adjourn the meeting. Mr. Chandler voted aye, Mr. McCanna voted aye and Mr. McCluskey vote aye. **Motion carried unanimously.**

Meeting adjourned at 3:35 p.m.