

The Ocean Club on Smuggler's Beach Resort Condominium Trust
Annual Timeshare Interval Owners' Meeting
The Resort & Conference Center at Hyannis, Hyannis, MA
January 8, 2008

CALL TO ORDER

Board Chairman Mark Fishbon called the meeting to order at 7:05 p.m.

ATTENDANCE

Board members present: Mark Fishbon, Robert Kayer and Doug Manning.

Absent from the Board: Paul Bogosian due to health issues and David Chvatal due to other commitments.

Present from SPM Resorts, Inc: Bill Young, Fred Eberman, Paul Goodrich, Steve Buckley, Linda MacDonald and Ellen Piasecki.

Present from Palmetto Marketing: Paul Goodrich.

Owners present: Jack and Barbara Fishbon, Herman and Helen Dahl, Vivian Roe, Kathleen Kittredge and Bruce Pollock, Carine Kayer, Theresa Manning, Robert and Donna Brown, David and Linda Deacon, Wayne and Diane Cleversey, Donald and Corinne Stark, George and Theresa LaBombard, James and Joan Smith, and John and Barbara Kocer.

PROOF OF NOTICE AND QUORUM VERIFICATION

Ms. Piasecki read the Proof of Notice of Annual Meeting into the record, certifying that the Notice of Annual Meeting was sent to owners of record on December 7, 2007.

Mr. Young presented the Quorum Verification, stating that 17 intervals were represented by owners in attendance and 604 intervals were represented by proxy for a total attendance of 621 intervals. He reported that 131 intervals were required for a quorum. Therefore, a quorum was present and the Association could conduct business.

PRESIDENT'S OPENING REMARKS

Chairman Fishbon opened the meeting and introduced Board members and the management team of SPM Resorts, Inc. He noted that Board member Dave Chvatal was absent due to other commitments and Paul Bogosian was absent due to health issues. He thanked Steve Buckley and his staff for doing an outstanding job at the Ocean Club.

APPROVAL OF MINUTES

Chairman Fishbon asked for a motion to waive the reading of the January 9, 2007 Annual Owner's Meeting minutes and approve the same.

<p>A motion was made by Donald Stark and seconded by Barbara Fishbon to waive reading and approve the January 9, 2007 Annual Owners' Meeting minutes. All were in favor and the motion carried unanimously.</p>

REPORTS

General Manager's Report

Steve Buckley presented the General Manager's Report, which highlighted 2007 accomplishments.

Exterior Capital Projects - Repaired and water sealed decks of eleven units, replaced masonry/vinyl siding phase 1, and eight sections of fencing on eastern boundary; completed damage/cleanups from two storms; and purchased storage shed for gasoline/lawn equipment.

Unit Interior Projects - Replaced ten refrigerators, one dishwasher, one full size refrigerator, eleven microwaves, nine TV sets, six radios, ten sofa mattresses, nine queen mattresses, five bedroom wall lamps twenty dining area chairs, and two gas fireplaces; and purchased fifty VCR/DVD players.

Common Area Projects - Purchased one HVAC – AC/Heat unit, one heater for the Fitness Room sauna, five pool area umbrellas, three pool area picnic tables, two Defibrillators, and Fitness Room Equipment; Replaced filter for pool; Resurfaced and painted swimming pool; and Repaired additional sections of pool roof.

Mr. Buckley reported on the 2008 Reserve Projects totaling \$235,402:

Exterior Capital Projects - Replace five hallway glass sliders, ten hallway windows, all exterior lighting and fixtures, masonry/vinyl siding, Activities deck and railings, some plexi-glass windbreakers and exterior decking by the beach, and forty sections of wood fence on the eastern boundary; seal coated and striped the parking lot; painted Front Signage; repaired Gazebo Roof; and Installed handicap ramp to the pool deck and gazebo area

Interior Furnishings & Appliances - Replace twelve queen mattresses, ten sofa mattresses, twenty unit area rugs, seventeen dining area chairs, five bedroom wall lamps, thirty queen comforters, eleven microwaves, eleven refrigerators, and nine TV Sets; reupholstered torn settees; and purchased unit Ironing Boards.

Common Area Projects - Replace pool furniture, sofa in the Activities Room, carpeting in the Activities Room, and countertop in lobby bathroom; wallpaper lobby area; repair additional sections of pool roof; retile unit bathrooms; resurface and paint pool area spa; purchased spa filter, HVAC's for units 36, 69 or 70, HVAC for Fitness Room, and two HVAC's for one bedroom units.

Director's Reports

Palmetto Marketing Sales Report

Mr. Goodrich presented the Palmetto Marketing Sales Report for 2008, which showed total sales of 44 intervals, which included 13 HOA sales (which represent new maintenance fees) and 31 Private Owner Re-sales. The resort average sale price was \$5,818.12, which increased by \$1,100.00 from 2007. Mr. Goodrich noted that fewer Getaways sold last year.

Financial Report

Mr. Eberman presented the 2007 Operating Statement. He reported an Operating Fund Balance at January 1, 2007 of \$46,540, noting Maintenance Fees Current Year forecasted as of November 30, 2007 of \$1,309,149, which is below budget by \$11,660 and represents a collection rate of 89.7%. Mr. Eberman reported that Total Revenue at \$1,619,922 and Net Operating Revenue at \$1,348,886 were both very close to Budget. Mr. Eberman reported that Total Operating Expense was forecasted at \$1,315,004, which is \$49,937 below budget. An Operating Surplus of \$33,882 was forecasted for 2007.

Mr. Eberman reported forecasted Reserve Contributions of \$237,349 and additional proceeds of \$278,897 resulting from the sale of Ocean Club land. Mr. Eberman reported that Reserve Expenses were over above budget, as \$80,000 had been expended in 2007 on Board approved 2008 reserve projects. He reported that the Reserve Fund Balance at January 1, 2007 was \$13,019 and the Fund Balance at December 31, 2007 was forecasted to be \$208,841.

Owners applauded the Board for the land sale. They also questioned whether insurance premiums had increased. Mr. Eberman stated that the insurance premiums had increased, but the wind and hail deductible had been raised. Management was presently investigating other insurance companies to improve coverage. Mr. Eberman informed the owners that the Board had deferred refurbishment until 2009, so exterior renovations could be completed in 2008.

Legal Committee Report

Chairman Fishbon reported there were no legal issues to discuss.

REPORT OF ELECTION OF TRUSTEES

Election of Members to the Board of Directors

Number and term to be elected

Chairman Fishbon informed the homeowners that the Board was made up of five homeowners elected for three-year staggered terms. He noted that this year, he and Robert Kayer were up for re-election to the Board. He announced that Paul Bogosian was not seeking re-election due to health issues, but that the Board had awarded Mr. Bogosian the title of Director Emeritus, which would retain him as a non-voting member of the Board of Trustees.

Appointment of Inspectors of Voting by the Chairman

Chairman Fishbon asked for two owners from the floor to assist Management in the counting of the ballots. Herman Dahl and David Deacon volunteered as election inspectors.

Election of Members to the Board of Directors

Owner, Herman Dahl announced to the owners the three nominees elected to the Board of Trustees for a three-year term were Mark Fishbon, Robert Kayer and Kathleen Kittredge. All Nominees thanked the owners for their votes.

OLD BUSINESS

Chairman Fishbon asked owners if they had any old business issues. There were no old business issues to discuss.

NEW BUSINESS

Chairman Fishbon asked the owners if they had any new business to discuss. Owners commented on the discolored sand coming from water draining from the pipes near the pool, as well as standing water by the pool. Owners also asked more about the refurbishment process.

Mr. Manning applauded SPM Resorts for a job well done.

Mr. Eberman informed the owners of Mr. Buckley's nomination for "General Manager of the Year" at the December 2007 General Manager's Conference.

Door Prizes

SPM Resorts and Palmetto Marketing presented prizes to the owners in attendance.

Mr. Goodrich from Palmetto Marketing presented the following:

One Week Paid Maintenance Fee or One Getaway Week to two lucky owners: Owners Robert Brown and Kathleen Kittredge won and chose one week paid maintenance fee.

Mr. Young from SPM Resorts gave away the following to the owners:

One Week in Orlando plus Two Roundtrip Tickets (valid for one year): Won by owner George LaBombard.

One Week Maintenance Fee Reimbursement or One 2008 Week Paid Maintenance Fee: Won by owner James Smith and chose One Week Paid Maintenance Fee.

One Week in St. Thomas plus Two Roundtrip Tickets won by owner, Herman Dahl.

\$1,000 Cash Prize to owner Vivian Roe.

ADJOURNMENT

Chairman Fishbon thanked the management company, Mr. Young, Fred Eberman and Steve Buckley for their attention to detail and hard work. Chairman Fishbon thanked the Board members as well.

Finally, he thanked the owners for attending and asked for a motion to adjourn the Annual Meeting.

A motion was made by Herman Dahl and seconded by James Smith to adjourn the Annual Meeting at 8:28 p.m. All were in favor and the motion carried unanimously.
