

October 31, 2010

**Dear Spicebush Owners:**

The Spicebush Board of Directors held its fall meeting on October 25th, followed by the annual Home-owners meeting on the 26<sup>th</sup>. As usual, the board toured the property in the morning and then joined the weekly Owners breakfast. Interested Owners were also invited to attend the first part of the board meeting to review the financials and budget, ask any questions and offer suggestions. This is very helpful, as the more feedback we get, the more responsive we can be.

In general, the Board was pleased with the condition of the property, noting a number of items that had been attended to since the spring meeting such as improvements to the tennis court and landscaping and also things that are scheduled for near-term maintenance (the pool will be drained and resurfaced during the coming winter during January, and during that time we will ask our "sister" property, Swallowtail to allow us the use of their pool.)

We are especially pleased to report that during the next few weeks the first phase of the interior refurbishment program will begin. This includes installing new carpeting throughout plus new sofas and chairs in the living room. During the January – March period, the units will be painted and the living room/dining draperies replaced. We have been assisted in this effort by Plantation Interiors, a well-regarded interior design firm on the island, and we hope that you will be pleased with the results. Because the reserve fund has been carefully managed, all of this work will be accomplished without the need for a special assessment. Subsequent phases of work are scheduled to be done the following year, which will include guest room window treatment and furnishings, artwork and accessories. We are enclosing a picture of the projected work by the designer. There will be some changes but it will give you an idea of what's planned.

The board also reviewed the annual budget on a line-by-line basis. We are holding down expenses and have approved expenditures that will require no increase in annual fees. We also got an update from Mark King, president of The Club Group, about the Recovery Plan. While this is proceeding more slowly than anticipated due to a distressed real estate market, more than half the funds have been repaid. The board believes that The Club Group is acting in good faith and will continue to work closely with Mark to make sure that all funds due are repaid 100%, including interest and expenses, with the stated goal of complete recovery within three more years. Fortunately, this situation has had no discernible impact on operations, which we know is of utmost concern to the Owners.

There is other news to report. We will shortly put in place an internal exchange program that will enable Spicebush owners to swap weeks either at Spicebush or Swallowtail with other owners for a nominal fee. Details will be posted on the website on November 15 (go to [www.spicebushatseapines.com](http://www.spicebushatseapines.com)). Also, we are continuing the "Winter Get-Aways." Under this program, any Spicebush owner can rent a week in December, January, or February for the very nominal rate of \$395 per week. If you want to take advantage of this great offer, please contact director Theresa Thomas (800-785-3070).

We hope that this will inspire more owners to consider purchasing additional winter weeks, which can be had at a bargain price of only \$1000, with the additional incentive that the first year's maintenance fee of \$745 will be waived. This is a great way to spend more time on the island, and we encourage you to tell your friends and family

about this unique opportunity. Think about extending your stay by a week or perhaps getting another unit at the same time so friends or family can join you.

On the exchange front, because Spicebush does not have a health club, business center, or clubhouse, we are essentially prevented from achieving the highest possible rating for exchange purposes. However, we are proud to report that Spicebush has achieved a Silver rating (missing a Gold rating by a very narrow margin). More importantly, the property scored extremely high on the owners' comment cards—averaging 90% “good or excellent” ratings across all categories. We realize that Spicebush is a home-away-from-home for all of you, and we work very hard to maintain high standards and keep the property in shape. Here are some things that you can do to help:

1. **Always fill out your comment cards.** The sooner we know that something needs attention, the faster we can respond.
2. **Send us your e-mail address.** This is the best, fastest, cheapest way for us to keep in touch with you. Just go to the website at [www.spicebushatseapines.com](http://www.spicebushatseapines.com).
3. **Pay your annual assessment promptly.** Delayed collections can result in collection and foreclosure proceedings, which are time-consuming and expensive for all concerned.
4. **Encourage others to invest in Spicebush.** We have 73 unit-weeks that are available for sale, many at bargain prices. If you are interested, contact Theresa Thomas for details.

Finally, we are pleased to welcome Mr. David Shay of Charlotte, NC as a newly-elected member of the Spicebush board. He succeeds Mike Davis, who retired after three productive years; we are most grateful for his service. We are also pleased that John Fowler was re-elected to another three-year term. John is a retired CPA and he has done outstanding work overseeing the auditing process and making sure that Spicebush accounting procedures conform with generally accepted accounting (GAAP) standards.

As a long-term Spicebush resident (more than 30 years), I know first-hand what a special place that Spicebush is for all of us. Your board is working hard to make sure that this will continue well into the future.

Sincerely,

Scott Simpson, President ([ssimpson@klingstubbins.com](mailto:ssimpson@klingstubbins.com))

Peter McElroy, Vice President ([kelso373@aol.com](mailto:kelso373@aol.com))

John Fowler, Treasurer ([johnfowler05@comcast.net](mailto:johnfowler05@comcast.net))

Theresa Thomas, Secretary ([Theresa@villashares.com](mailto:Theresa@villashares.com))

Mike Davis, Trustee (retired from the board)