

19 May 2011

Dear Spicebush Owners:

The Spicebush Board of Directors met for the annual spring meeting on May 8-9 in Hilton Head. As usual, we toured the property with members of The Club Group management, attended the weekly Owners' breakfast at the Yacht Club, and then convened the board meeting. The first order of business was to welcome our newest board member, David Shay, who was elected at the Annual Meeting last fall.

Refurbishment Program: We hope that you'll be pleased with the results of the first phase of the refurbishment program: the new carpeting, living room furniture, and painting have now been completed. There are also new coffee makers and toasters in all the units, and the fogged windows and doors have been replaced. In addition, the pool and pool deck area have been redone, so things are looking terrific.

Finances: The board reviewed the results of the annual audit with our outside CPA auditing firm, and is happy to report that things are in good shape financially. Total assets are up slightly over last year, we achieved a modest operating surplus, and we continue to keep a close eye on expenses in these difficult financial times. We are pleased that the refurbishment program was accomplished without an increase in the annual assessment, and will begin a long-term planning process to make sure that the reserves are adequately funded for future needs. Please note that currently \$150 from each annual assessment payment is put aside for the Reserve Fund.

Recovery Program: Mark King of The Club Group reported that the expected payments to the recovery program have lagged due to lower than anticipated revenues. He is working on a plan to accelerate the payments for the remainder of the year in order catch up by December. In concert with other affected properties on the Island, Director Theresa Thomas serves on the Recovery Committee, and the board continues to keep a close eye on this situation.

Comment Cards: Spicebush continues to get very good ratings from the weekly comment cards, with most categories earning "good or excellent" ratings that exceed 90%. Due to the refurbishment program, we expect these ratings to be even better for the coming year. In this regard, please remember that your feedback is extremely important to us, so please fill out the comment cards after your stay, as this information is tracked very closely.

Exchange Programs: Spicebush received "Silver Crown" status from RCI, and is close to achieving a Silver rating from Interval International. *Important: For those wishing to use their units to trade weeks, please remember that the annual assessment must be paid up for the year being traded before the trade can be authorized.*

Internal swaps: We want to remind everyone of the special program that has been set up for swapping weeks directly with other Spicebush owners. The registration fee is just \$20 to list the unit and \$30 to process the swap (for each party). For further information, check out the website (www.spicebushatseapines.com) or e-mail Bob Long of The Club Group at spicebush@cglhhi.com.

Special Offers: We are also continuing to offer the special on weeks from November through February for the very low price of only \$395 per week. This is a great deal for those wishing to take advantage of Spicebush during the fall and winter months. For those wishing to buy additional weeks from foreclosed inventory, these can be had at very low prices, with the added incentive that the first year of the annual assessment will be waived. For additional details, contact Director Theresa Thomas at Theresa@villashares.com.

Website and E-mail address: If you have not already done so, visit the Spicebush website at www.spicebushatseapines.com, which contains additional information about the property. Also, please let us have your e-mail address, which makes communications with the owners much simpler and more cost-effective. E-mail yours today to Bob Long of The Club Group at spicebush@cglhhi.com.

Finally, we wish to thank Director John Fowler for his exceptional service as Treasurer over the past few years. John will continue to serve on the board, while our newest director David Shay (who like John has a background as a CPA) will transition into the role of Treasurer over the next three months. We all owe John a debt of gratitude; his wise counsel has been very helpful.

In summary, things are looking good at Spicebush, and the Board members are working closely with The Club Group to make sure that the property is kept in tip-top shape for your enjoyment. As always, we look forward to hearing from you, so please let us know at any time if you have comments, questions or suggestions.

Sincerely,

Scott Simpson, President (ssimpson@klingsstubbins.com)

Peter McElroy, Vice President (kelso373@aol.com)

John Fowler, Treasurer (johnfowler05@comcast.net)

Theresa Thomas, Secretary (Theresa@villashares.com)

David Shay, Director (dashay@carolina.rr.com)