

DRAFT

MINUTES SPICEBUSH AT SEA PINES OWNER'S ASSOCIATION BOARD OF DIRECTORS MEETING October 20 and 21, 2013

The Board met at the pool on the property at noon on October 20. The directors observed that the landscaping was in good condition and that the fall planting was in and looking good. Especially noticeable was the area between the property and the lagoon. This area along with continuing to open up the views to the golf course is a good thing and we should continue to enhance it. It became apparent that the painting and roofing that are a part of the 20 year plan for next year are needed. After walking the property including the pool, tennis and grill area, the directors inspected unit 590 where an alternative living area TV had been set up. The directors liked the new set up and requested that all units be arranged in a similar fashion. The Unit 590 inspection also gave the directors an opportunity to further evaluate the need for remodeling and replacing furniture in the future.

The 2013 Fall Board Meeting was called to order by President Peter McElroy at 1:00 pm, October 20, at the Harbour Town Yacht Club. Directors present were Ms. Thomas and Messrs. McElroy and Shay. Messrs. King, Long and Sutton represented the Club Group.

The Minutes of the Spring 2013 Board Meeting were reviewed. A motion was made, seconded and passed unanimously to approve the Minutes as submitted and amended.

Andy Sutton and Bob Long distributed and presented the Financial Reports for Operations and Reserves as of September 30. The reports included the Balance Sheet, and Income Statement and several reports relating to the Collections and Receivables process. Bob noted, on a line by line basis, the significant variances from budget. The major issues were related to the HOA units that were already owned or expected to be owned by the end of 2013.

Andy and his staff have been devoting a great deal of time in the collection effort since the Board has adopted the position of not funding legal activity by an outside firm. David Shay has been working with Andy to find ways to lower the cost of the collection process and Andy's work with Continental Central Credit is proving to be a valuable tool as they are producing results with no out of pocket costs to the Association.

Bob reviewed the status of the reserve budget as of September 30. He led the directors through this report on a line by line basis, noting both positive and negative variances.

The board discussed the proposed 2014 Operating and Reserve Budgets on a line-by-line basis. This confirmed an earlier discussion during a telephonic board meeting. Following this discussion, a motion was made, seconded and passed to adopt the Budgets.

President McElroy introduced the discussion of the "2040" scenario when the Association as it is presently constituted comes to an end. There was an active discussion of the various possibilities which the board will continue to consider over the next year. As a part of the discussion, David Shay and Mark King reviewed all that was transpiring in the near term in the Resort Corridor that would have an effect on the situation.

Mark King discussed the progress of the Recovery Program. All payments are being made as scheduled.

Andy and Bob reported that the Right of First Refusal program continued to be beneficial and is being accomplished at a relatively low cost. Activity has slowed but will pick up again in the spring as the collection activity increases for the 2014 fees.

Theresa and Bob reported that the rental and sales of HOA unit seemed to be improving. There has been little improvement in the sales prices but the ability to sell seems better. A strong emphasis is on the increase in rentals and the Get A Way program continues to expand. The strategy is increase occupancy to offset expenses and give people a rental exposure in hopes that they will buy. There is a three pronged approach of sales, rentals and retention.

The results of the Owner/Guest Survey continue to be strong with a continued effort to improve. These results are confirmed by the fact that Spicebush remains an RCI Silver Crown resort.

The survey that has been completed via the internet was discussed and the Club Group was asked to respond to the major items with suggested programs. The board felt a survey on some sort of on-going basis could be valuable.

The action items as included in the board book were reviewed and dates adjusted where appropriate.

The meeting was recessed until 8:00 am, Monday morning.

David Shay led a discussion of the Marketing matters including the website, auctions and Get a Ways.

President McElroy reviewed the Annual Meeting Agenda.

The 2014 Spring Board Meeting will be April 27 and 28. The 2014 Fall Board Meeting will be October 19 and 20 with the Annual Meeting at 10:00 am on October 20.

There being no further business, the meeting was adjourned at 9:30.