

**Minutes**  
**SPICEBUSH AT SEA PINES OWNER'S ASSOCIATION**  
**BOARD OF DIRECTORS MEETING**  
**OCTOBER 19 & 20, 2014**

The Fall 2014 Board Meeting began at the Spicebush pool at 12:00pm. The Board toured the pool area and tennis courts. They felt the courts were in good condition. They also visited the site of the proposed fire pit and felt its location was good. When the Board visited one of the units the observations were very positive but felt the cabinet under the TV that had been mounted on the wall in the living room should be replaced. They asked the Club Group to price an alternative piece. There was a discussion about the courtyard and various solutions for improving the appearance including some landscaping that would withstand bike parking and the possibility of placing a small bike rack in the courtyard along with a heavy mulching.

The Board reconvened at the Harbour Town Yacht Club at 1:45pm. Present were Peter McElroy, Theresa Thomas, David Shay, and Paul Anderson. Also present from The Club Group, Ltd. was Mark King, Bob Long, Andy Sutton, and Talyn Debrecki. Absent was Cherri Disque.

Bob mentioned that the meeting minutes from the previous board meeting and the two conference calls were missing from the board book but presented them to the board during the meeting. The board requested to hold off approving the minutes until the following day to provide sufficient time to review the minutes. Bob then proceeded to discuss the Property Report. Bob pointed out that the one of the areas that was down from the previous report was "Did things work properly?" Bob stressed that the maintenance and housekeeping staff only have a limited amount of time to get everything done and sometimes will attempt to take on too much in order to get take care of special issues. This can leave holes in the overall quality of the inspection. The Club Group has corrected this problem. A large majority of the reports have reflected the responsiveness of the maintenance staff. Bob reminded the Board of the Gold rating Spicebush had received from RCI. Due to the increased expectations a Gold rating gives, the Board elected to waive the Gold rating and to instead receive a Silver rating.

The Board discussed the occupancy and questioned if usage was a reflection on future delinquency. Andy stated that while that is certainly a possibility, there are many owners that have bought in Spicebush for trade purposes only. CGL does however keep notes on if an individual is slow in making their payment and reviews usage to gain a perspective on potential issues.

As part of the property tour and also part of the Property Report, Pete stressed that the Association had to address the screen doors as many of the ones he has used have been difficult to open. Bob mentioned that CGL has been working through the screen doors, focusing on track wheels and lubrication but has avoided any wholesale replacement due to budget constraints.

The Board then discussed some of the specific Reserve items that are up coming. CGL pulled together a couple of different quotes on what could be done at the Fire pit area. While the Board agreed more could certainly be done to the Fire Pit area, they felt that the budget just couldn't afford certain items.

CGL was directed to send out the final drawing plans to the board and cap the Fire Pit expenditure at \$15,000.

The Board discussed at length the Master Bathroom Renovations. Paul pointed out that he felt there was either no communication or miscommunication regarding the various changes and updates to the plans. Pete mentioned that he had pulled the plans aside with an architect friend and had asked him to take a look at the plans and the price and see what could be done to reduce the price. Pete stated that there may have been an opportunity for the price to be reduced; the potentially new plans would have lost the “wow factor” the current plans presented. Those goals were to provide a significant enhancement to the Master Bathrooms at the best price possible. The plans provided by the Association architect accomplished those two goals. Since there was no substantial change to the plans from what the Board originally saw, Pete felt CGL should move forward with the original plans subject to some of the minor changes made by various board members. Mark stated that part of the confusion was the fact that the Board decided to move forward with the project at the Spring Board meeting and had not met in person since that time, thus not affording everyone the scaled models and design boards typically provided. Theresa reminded the board that they had seen the work of the contractor, architect, and CGL’s value engineering efforts in the Swallowtail Master Bathroom. The board did make a few minor additional changes to the designs presented in the board book and was prepared to move forward at the bid price from Cuda Contractors, Inc. of \$19,860 which includes the Guest Bathroom work.

Andy reviewed the September 30, 2014 financials and the 2013 Audit. David and Paul had both been a part of the audit review process earlier in the year and did not see the need for the auditor to physically come to the upcoming spring meeting.

Andy discussed the accounts receivables and HOA units. The board asked Andy to talk with the Association’s attorney and see if he had any insight into how Marriott was handling the foreclosure process. Theresa provided a handout that indicated South Carolina may be a “non-judicial” eligible state which could significantly reduce foreclosure costs. Andy was to look into the possibilities of non-judicial foreclosures. In the mean time however, the Board directed Andy to aggressively collect on the current delinquent owners by offering a DIL or pursuing personal judgments if no response. Andy pointed out that he would have to pursue select units each year due to budget constraints. Andy is to get with Theresa to discuss the units in collection. Andy confirmed to the Board that the Front Desk cancels an owner’s reservations if they are 30 days past due. Andy is to make sure that verbiage is added to the owner confirmation that indicates reservations have in fact been cancelled and unless payment is made at least 30 days in advance of the reservation, the owner will not be allowed to stay at Spicebush. The verbiage will need to be carefully worded.

Andy reviewed the 2015 Budget. Due to a significant variance in the Exterior Painting bid from budget, the Board opted to reduce the dues that had previously been sent out at \$970, to \$950. The break out would be \$675 for Operations, \$145 for Reserves, and \$130 for the Special Assessment. The Board reviewed a summary of the Insurance coverages and expenses with CGL. Paul pointed out a discrepancy in a previous report sent out and the report provided in the board book. Andy was to send out the

correct insurance report to the board. The board directed Andy to change the discount date from 1/15/15 to 12/31/14.

Cherri Disque joined the meeting by phone.

Mark King discussed his proposal regarding a new payment plan for the theft recovery and the related Memorandum of Understanding that had previously been furnished to the Board.

The Board met in Executive Session to discuss the proposal and Memorandum.

Following the Executive Session, the Club Group representatives rejoined the meeting. The Board stated (1) it agreed to an extension of the Management Agreement to March 31, 2020, reserving the right to amend it, (2) it proposes a recalculation of interest on the recovery payments due Spicebush at a rate of 1-1/2% from April 1, 2008, with no credit for payments made, and (3) it proposes that Spicebush retain all rights Spicebush has under the existing Intercreditor Recovery Plan to proceeds due Mark from the sale of assets by Low Country Golf Investors, Inc. (Pintail) until all amounts due Spicebush under the new agreement are repaid. Mark countered with a release of Pintail rights as of December 31, 2015.

Mark said he expected to have the draft amendment to the Management Agreement distributed by the end of November and the draft of the new repayment agreement by December 15, 2014.

There being no further business, the board adjourned for the evening.

The board reconvened at 8am the following morning to discuss some minor matters before the annual meeting.

### **Organizational Meeting**

Following the annual meeting the board set up the next year's budget time frame. Andy would email the 2016 Budget to the board on 8/20/15 and schedule a conference call to discuss the budget on 8/27/15. CGL would then mail out the approved draft budget on 9/15/15 and the board and annual meeting would be 10/18-19/15. The spring board meeting would be 4/26-27/15 starting at 4pm.

The Board determined that Pete would be President, Dave would be Vice President, Paul would be Treasurer, Theresa would be Secretary, and Cherri would be Board Member.