

SPICEBUSH AT SEA PINES OWNERS' ASSOCIATION

SPRING BOARD MEETING MINUTES

May 7th - 8th, 2017

The board met at the Spicebush pool at 1:00pm on May 7, 2017. Present from the board was President Paul Anderson, Vice President Cheryl Disque, Secretary Theresa Thomas, Treasurer Kaleb Froehlich, and new board member Helmut Knipp. Present from The Club Group, Ltd. was Mark King, Andy Sutton and Scott Connal.

The board toured the new pool deck, and Scott Connal gave a full report on all the items that were replaced or upgraded during the construction including, the pool deck (rock salt finish), new fence, new Savannah brick planter, the new drains on the pool deck, new pool lights and new exterior tree lighting.

Scott then reviewed the tennis court and the existing cracks and reiterated from the previous meeting he has three quotes from Talbot Tennis. Next, everyone viewed the fire pit and the grill area before going to unit # 590. At the unit, Scott showed the board the newly reupholstered dining room chairs and bar stools and gave an overview report on the unit. It was also noted that the new master bedroom dressers were installed and completed.

The board then reconvened to the HTYC on the 3rd floor at 2:15pm. Paul Anderson started the meeting and asked that all board members and The Club Group introduce themselves and shared their background.

Paul first reviewed tab # 8 the Club Group Organizational Chart and asked what the duties of Mindy Burroughs and Casey Everett were. Next, a motion was made by Theresa Thomas to approve the meeting minutes from October 16 & 17, 2016. Cheryl Disque seconded the motion and all approved. On administrative matters Andy Sutton explained the election process to Kaleb Froehlich.

Paul Anderson then reviewed the past minutes and said the “three-year” policy that the Board adopted following David Shay’s recommendation on HOA weeks should be added to the Significant Discussion Document. Paul Anderson also noted the comments on adding grab bars in both bathrooms. Club Group said it was not an issue and had no plans to add them.

Scott Connal then reviewed the Customer Comment report and The Interval International, RCI Reports.

Andy Sutton spoke on the board policy. Andy reviewed the new “Significant Discussions Document” included in the board books. This document is intended to be a “living document” and will be updated as new items come up so that the current board and future boards can have the benefit of the significant issues that are discussed without reading through all of the previous minutes. Paul Anderson asked a question on collections and receivables. Andy Sutton explained the collection process. Andy Sutton will

also add right of first refusal to the significant discussions document. Paul Anderson asked Andy Sutton to explain the two-step foreclosure process.

Mark King commented on the existing scams targeting our owners and guests that call and say they are Spicebush's "guest services". Scott Connal shared with all board members that our attorney Russell Patterson has suggested, #1 change all the units with new phone numbers, #2 send a legal letter requesting them to stop immediately, and #3 we get an affidavit from home owners and report them to the SC State. Mark King said that for now we will make sure the welcome packages warn our owners and guests about these marketing calls.

Next Andy Sutton reviewed the Financials. He began with the hurricane update followed by the insurance company recovery update. Andy Sutton then reviewed the March financials. Helmut asked about deferred revenues and Andy explained the monthly allocation of revenues. Paul Anderson asked about the CGL management fee and Andy Sutton replied that the fee is based on a fee schedule and adjusted for CPI and thus will vary from budget due to the CPI variance. Andy Sutton next reviewed tab #4 the 20-year reserve schedule. Helmut Knipp suggested that when we replace the living room carpet we look at a tile floor. It was suggested that since the carpet is in good shape we postpone the replacement for a few years. Andy Sutton moved on to tab #5 and said the association owns 162 weeks but that the current year collections are encouraging and not quite as bad as last year.

Scott Connal reviewed the capital projects for 2017 and 2018. On the schedule for the fourth quarter is the asphalt paving and Tennis court repair. These topics are to be discussed in detail in the Monday morning session. Scott Connal and Andy Sutton together gave an in-depth update of the new exterior doors with the Kaba keyless button door lock being installed in the fourth quarter. Scott next stated that the dining room furniture and bar stools were being reupholstered with 15 units complete to date. The master bedroom dressers have been replaced. It was requested that Scott get a cost on having the TV mounted to the wall in the master bedroom. The board also discussed getting a full-length mirror in the master bedroom. Scott Connal will get a quote and photo and then update the board by email. Next washers and dryers were discussed and it was noted they were being replaced on an as needed basis. Paul Anderson requested that on tomorrow's agenda we add the subject of non-owners using the pool and tennis court. We agreed to start the second half of the board meeting at 8:00am. With no further business, the meeting was adjourned at 5:40pm.

On May 8th, the meeting resumed at 8:05am.

Paul Anderson asked Scott Connal for a review of the current asphalt and tennis court proposals. Scott will get updated bids for the asphalt work and email them to the Board along with a recommendation before the October meeting. For the tennis court, Paul Anderson asked Club Group to get newly updated quotes, to use a consultant or other person knowledgeable in court maintenance who is not associated with a vendor to provide

expert advice, and, if possible, to view completed projects and obtain customer testimonials. This will be the basis of a recommendation from Club Group as to the proper course of action that will be emailed to the Board before the October meeting.

Next Paul Anderson asked Theresa Thomas for an update on the wine and cheese events being held at the pool. Theresa Thomas and Scott Connal spoke together saying that there has been a great response by the owners and guests that has resulted in the sales of five weeks.

Theresa Thomas next reported on the sales of HOA units, delinquent units and owner units.

Mark King outlined a proposed e-communication campaign to promote HOA rentals and potential HOA owned unit sales. The program would be an email campaign to both owners and prospects. The program would use constant contact and would involve approximately 12 times per year to owners and 18 times per year to prospects. The topics covered would be topical and tailored to the season. After discussion the Board was in favor of moving forward with the campaign.

Scott Connal next reported on the non-owners using the pool. Cheryl Disque shared her experience with a non-owner at the pool and had Scott Connal physically come to the pool and ask the non-owner to leave. Scott Connal suggested that during holidays and events we could hire a pool guard for a few hours during the day? Mark King suggested one option is having a door

designed with a pergola and a lock system. The Club Group will do a rough sketch/drawing on what this would look like and email it to the board.

Andy Sutton spoke on the points program and how it works. Theresa Thomas explained we are either a points program or a week's program and that both RCI and Interval International offer both. Andy Sutton further explained the points program is an individual owner's decision to use their unit as a point trading system.

The board discussed VRBO and how it performed for Spicebush. Andy Sutton shared that Bo Millburn with 33 Park Media handles the Facebook page for Swallowtail. Kaleb Froehlich inquired about what his services cost to maintain a Facebook page and to track how many hits are recorded.

Andy Sutton next reviewed the upcoming meeting dates. The budget will be sent to all board members on August 9th. and will have one week to review. On August 16th at 4:00 pm there will be a conference call to review the budget and the board will have until August 30th to finalize the budget. On September 8th, 2017, the package will be ready to be sent out to the owners. The annual meeting will be held on October, 9th 2017 at 10:00am. We will need to have 25% of owners respond in order to hold a meeting. Paul Anderson suggested using a business reply envelope.

With nothing further to discuss the board meeting was adjourned at 9:35am.