

# Spicebush

## Board Meeting Minutes

### May 19<sup>th</sup> and 20<sup>th</sup>, 2019

The Board met at the Spicebush pool at 1:00pm on Sunday May 19<sup>th</sup>, 2019. Present from the Board of Directors were Paul Anderson, Peter McElroy, Kaleb Froehlich, Helmut Knipp and Ron Bennett. Attending from The Club Group Ltd. were Mark King, Scott Connal and Andy Sutton.

Scott started the property tour at the pool and commented that the refurbished chairs and lounges have held up well and receive positive comments from both owners and guests. The men's and women's restrooms are having new lighting installed and paint touch up were needed. Scott said that he did not want to fully paint both bathrooms due to the unexpected cost with the new fire pit relocation project. Scott then showed the new sod that was installed behind units # 571 - #574. Scott explained that the sewer line had failed and he was able to negotiate with South Island Public Service District to cover the \$5,000 cost of the new sod. Scott then moved onto the new proposed fire pit location on the south side of the pool. Scott had marked the boundaries of the fire pit, new fence and the existing sewer line with different color markers. Scott explained that the fire pit entrance will be accessed from inside of the pool area. Scott explained there will be a new fence built around the new fire pit and it will match the existing pool fence near the canal. Scott then showed the Board the new alligator signage installed in front of the lagoon and said that he has installed it at all necessary points throughout the property. Scott then transitioned to the old fire pit location and showed the new proposed location for the game area. Pete liked the location and commented that the outer dimensions may have to be increased.

The Board then transitioned to unit #579. Scott showed the newly painted interior and pointed out that the new light interior colors with the removal of the popcorn ceiling has really given the units an upgraded appearance and received many positive comments. Scott then moved into the master bedroom and pointed out

that all hardware in the entire unit including the hinges and door latches have been replaced with a brushed nickel finish. In the master bedroom Scott said the new light blue wall color has received positive comments. The new bed spread compliments the wall color. Scott next pointed out the new wall mounted fan control looks high end and this eliminates losing any more remotes. Scott showed the Board the new wall hooks that were installed above the toilet. With nothing further to report on the property walk the Board then ended the property tour and headed over to the Harbour Town Yacht Club board room located on the 3<sup>rd</sup> floor.

At 2:30pm Paul called the board meeting to order.

Paul Anderson asked all Board members and The Club Group to introduce themselves. Next Paul made a motion to approve the October 14-15, 2018 Fall Board meeting minutes. There was a second and the meeting minutes were approved unanimously. Before Scott began to review the comment cards, Pete suggested that we email comment cards to owners and guests after their stay. Andy said he would look into the feasibility of doing so. Scott said the overall score was positive but our biggest challenge is “Did Things work Properly?”. Scott reviewed the summary of the comment cards included in the board book. Next Scott reviewed the RCI comment card Report and said that we are a Silver Crown and are one point away from Gold Crown. Scott mentioned that we did receive some negative comments due to the fire pit being removed. Scott then moved to the Interval International comment card report. He said that overall, we did well. Several people gave a low score for the “In-Room Technology”. Owners and guests also noted that the furniture was dated. Ron asked if CGL kept track of issues per unit. Andy said that we did but did not necessarily do so by comment card. Ron asked if the comment cards could be sorted by unit and Andy said that they could do so to see if there are repeat problems in a unit. As the board reviewed the II comments, Scott was tasked to identify the actions taken on a couple of comments.

Next Andy Sutton reviewed the Financials. Andy started with the collections, billings and delinquencies. Kaleb asked about renters and the reimbursement with the Hurricane. Andy referred to the Significant Discussions document included in the board book. Andy was to update the document. Helmut inquired

about the insurance deductible. Andy reviewed the insurance renewal and the board asked Andy to get a quote to buy down the deductible from 2% to 1%.

Andy then reviewed the Operating and Reserve statements. Rental income is up 10% even with the closing units for the capital improvement projects. Kaleb pointed out the weeks that are considered “sellable”. Andy said for budgetary reasons we don’t foreclose on all of those weeks. Andy also stated that there might be an opportunity to use a non-local attorney who advertised a lower rate to perform a non-judicial foreclosure (NJF). Andy was to look into a way to reduce the NJF cost as a way of accelerating taking back units.

Paul then reviewed the completed projects from 2018 and asked Scott for an update. Scott said we have fully completed 12 painted units and we will start the other 12 for this fall. Scott also said that all 24 court yards have had the large pine bark nuggets installed.

Paul then asked all other Board members to review page 3-5 of the meeting minutes regarding the model unit. Due to the timing of the renovation, we would not have a large time frame to show the unit. Mark said that CGL’s recommendation is not to proceed forward with the model unit.

Paul then made a motion not to move forward with a model unit. There was a motion and the motion passed 4-1.

Andy explained how the survey for the owners on the floor selection would be done. The board discussed adding in the cost differential between flooring options, changing the picture for the survey and whether to include language excluding the potential for a special assessment. Paul asked Andy for a survey sample to be sent to all Board members for their review and approval. Ron asked Scott to make sure the LPV flooring option was safe for stairs.

Next on the agenda was the new fire pit area. Mark reviewed the site plan and the proposed cost. Mark said we will use the existing bricks and Adirondack chairs. The board discussed a number of items to include adding a gate between the fire pit and pool area, potential for noise issues in the nearby units and adding the coded access doors to the pool area to secure the pool, tennis courts and fire pit.

Andy described the proposed game area. Andy stated the game area would be very similar to a number of very popular areas around local restaurants as a social gathering area for adults and children alike. The area would be mulched and provide enough space to play several games. A storage box would hold the games when not in use so as to keep the area clear. The board discussed the possibility of constant replacement due to games getting lost or stolen, what types of mulch to keep kids safe and where to keep the storage box. The board approved an expenditure of \$22,500 for the fire pit, perimeter fencing, two pool entrance gates and the game area as identified in the handout provided to the board. The Board asked that a gate be installed between the pool and the fire pit area. Mark said CGL would incorporate this change within the \$22,500 budgeted expenditure for the project.

The meeting was adjourned at 5:30pm.

On 5/20/2019 the meeting reconvened at 8:30am and Paul started the meeting with a moment of silence in honor of Theresa Thomas. Paul made a motion to give a \$2,000 donation to Hospice in Theresa's honor. Pete seconded the motion and the motion passed unanimously. Kaleb suggested we also have a plaque made and installed in the new fire pit. Mark was directed to draft the verbiage for the plaque.

Next Paul made a motion to elect Pete to secretary. All Board members approved. Paul reviewed several items from the previous minutes such as the towel hooks, blind replacement program and washing machine instructions.

Next on the agenda was the sale of HOA & rentals. Mark discussed the rentals and that Theresa had transitioned all rentals to include Get-a-ways to Mindy in late 2018. Mark then updated the board on CGL's conversations with Judy Saul, Theresa's surviving business partner, and will several other local timeshare sales companies. Mark was not successful in finding any other reputable companies interested in taking over the sales program for Spicebush. Mark reminded the board that CGL owns Lighthouse Realty and that he had explored the possibility of Lighthouse Realty getting back into the timeshare resale program. Mark expressed that the agents were excited about the opportunity as they often get questions about timeshares or rentals and their involvement in a timeshare resale program could be beneficial to a current client base.

The board discussed a commission rate of 50% for HOA units which was the same commission rate with Theresa. The board made a motion to approve moving forward with Lighthouse Realty. The motion was seconded and approved unanimously.

Mark King then reviewed the Beach Parking Shuttle. Mark responded to a couple of board questions regarding ADA compliance and how to deal with families with little children. Mark reminded the board this is a pilot program and that CSA would be working through a number of issues and would make whatever tweaks possible should the program continue.

Mark updated the board on the Sea Pines Referendum and provided a handout. The referendum was focused on increasing the Sea Pines annual assessment to address the longterm capital needs. In order to do so, CSA was proposing an increase of \$150 per unit for the next three year and then adjusted by CPI annually thereafter. The impact for Spicebush would be a \$3,600 annual increase for each of the next three years for a total of \$10,800. Helmut made a motion to vote in favor of the referendum. Paul seconded the motion and all Board members approved.

Paul asked for the board to discuss the Annual Meeting. The board directed CGL to look into changing the Master Deed to allow for electronic notification of the annual meeting and ways to secure digital signatures.

The board asked Andy and Scott to step out of the meeting while they discussed the management renewal with Mark. A motion was made, seconded and approved unanimously to renew the management agreement with The Club Group, Ltd. for a term of 5 years commencing on April 1, 2020.

After Andy and Scott returned to the conference room Andy reviewed the fall time line of events and set the Fall Board meeting dates for October 20<sup>th</sup> and 21<sup>st</sup>. There will be a conference call to review the budget on August 26<sup>th</sup> at 4:00pm. Kaleb requested completion dates for the fire pit and new children's game area. With no further business the meeting was adjourned at 11:00am.