

# SWALLOWTAIL AT SEA PINES OWNERS ASSOCIATION

C/O THE CLUB GROUP

PO BOX 6889

HILTON HEAD ISLAND, SC 29938

FALL 2015 NEWSLETTER

Your Board of Directors met for the regular fall board meeting and annual owners budget meeting on October 14 and 15, 2015. The primary purpose of the meeting is to adopt a budget for 2016 and within that budget to select and prioritize capital refurbishment projects for the next several years.

## **2016 Budget**

The Board has adopted an operating budget of \$1,232,936 and a capital reserve budget of \$293,350. This total results in a per week assessment of \$855.00 which represents a \$15.00 per week increase from 2015. **However, if you pay your 2016 assessment prior to December 31, 2015, you will receive a \$15.00 per week credit which eliminates the assessment increase.** Please refer to the billing information included in this mailing.

Unfortunately, both the operating and capital reserve budgets must take into account the lost annual assessments as a result of both delinquencies and weeks owned by the Association as a result of foreclosures. For 2016, we are anticipating lost revenue of \$170,000 in the operating budget from these factors and lost revenue of \$41,000 in the capital reserves budget. We believe that there are only two strategies to deal with this continuing issue: (1) to generate income from the rental and sales of weeks owned by the Association and (2) to continue to maintain and upgrade Swallowtail to the standards we as owners expect.

For 2016, we are investing \$21,000 in marketing through our website, through the use of Google marketing tools, through listing Swallowtail rentals on VRBO (Vacation Rentals By Owner) and through marketing Swallowtail on Facebook. This work is being administered by a local Hilton Head marketing company and we are seeing an uptick in the number of responses to this program.

We are also aggressively pursuing foreclosures on delinquent owners using the non-judicial foreclosure process recently inaugurated in South Carolina as approved by your vote following last spring's annual meeting. It is our interest to have title to delinquent weeks rather than have them remain in the ownership of a non-paying owner so that we can rent or sell that delinquent week.

As you know, your Association also has a right of first refusal on all resale transactions of Swallowtail weeks. This means that the Association can take title to a unit by matching the terms presented in any of these transactions, primarily the transactions whereby some corporate entity offers an owner the opportunity to transfer the unit to them with the owner paying the entity to "take the week off his hands." Sometimes these transactions are in response to advertising built around the theme of "stop paying maintenance fees." To preserve the Association's rights the Association is now in litigation with a corporation known as Timeshare Closing Services TCS and others. In this instance, a Swallowtail owner paid TCS in excess of \$3,500 to take title to his unit. The waiver for repurchase request form presented to the Association indicated the Owner received a sales price of \$3995. At our Board meeting, we authorized our attorney to continue to proceed with this lawsuit as we believe that the Swallowtail Association must take a hard stand against these practices. If you are approached by one of these corporations, we strongly urge you to contact either Bob Long or Andy Sutton at the Club Group for advice before taking any action.

## Upcoming Improvement Projects

The following major projects are slated to start in 2016. Some of them will be multi-year projects because of budgetary and time constraints to completing them in one year.

1. A major project to repaint the exterior of our buildings as we believe this is needed to preserve the wood. It will also be an opportunity to give Swallowtail a fresh look by lightening the color of the buildings while remaining within the Sea Pines color regulations which add so much to preserving the Sea Pines character.
2. Work to replace the dated floral print wallpaper in the kitchens with either a solid color wallpaper or with new paint. The color will match the green that is in the niche behind the living room sofa.
3. A recoating of the bottom of the pool as it is starting to delaminate.
4. A project to take down a number of trees on the property which are either in poor condition or whose roots are starting to get too close to the buildings' foundations and causing damage.
5. A project to either re-cover or replace the cushions on the living room chair and ottoman.
6. A replacement of all the counter top kitchen appliances and start moving towards a uniform look to the kitchens as we routinely replace appliances.
7. A project to make sure that all of the villas are uniform as to art work on the walls.

As noted above, all of these projects as well others are funded by the \$293,350 budget for reserves and capital replacements.

## Other News Items

1. Apparently there is confusion as to the password to access the Owner's Section of the Swallowtail website. That password is **Swallowtail1980**.

2. Here is a re-cap of Sea Pines benefits available to Swallowtail owners:

- a. One hour of free tennis daily on the Sea Pines courts,
- b. A discount coupon worth \$10 off golf rounds on the Sea Pines courses,
- c. Free access the Beach Club and beach.
- d. Access to Tower Beach (the beach at the south end of the Island). As Sea Pines property owners, we are entitled to access that private beach and its new facilities. In the past that access was granted through the BCH code on our gate passes. However, Sea Pines has changed the system and has eliminated the guard who used to be at that beach. To access the beach now, you will need to pick up a key card when you check in and use it to open a mechanical gate. You can leave the card in your villa when you leave Swallowtail.
- e. As you may remember, we voted to amend our Master Deed last spring in order to enable the use of the non-judicial foreclosure process. A copy of the Amendment to the Master Deed is enclosed with this mailing.

3. In planning our targeted marketing efforts we took a look at where Swallowtail owners have their primary residence and found that the top ten states of residence are

1. Ohio, 2. Florida, 3. Pennsylvania, 4. North Carolina, 5. South Carolina, 6. Georgia, 7. Virginia, 8. New York, 9. New Jersey, 10. Michigan. These ten states are home to 66% of our owners, and we guess that many of the Florida residents are owners who have retired there from other states.

4. Rental and Re-sale opportunities are listed on the last page of this newsletter. When it gets cold up north this winter, what could be better than several weeks at Swallowtail at very affordable rates!

5. As always, we remind you to fill out the comment cards found in the villa; they are very helpful in assessing our performance, and as has previously been reported, comment cards filled out by RCI exchange guests has allowed Swallowtail to gain Silver Crown status within the RCI system.

### **Spring Meeting and Annual Meeting**

Your Board of Directors will meet again on May 3 and May 4, 2016 with the Annual Meeting of the Swallowtail owners taking place on May 4. Formal notices and proxy cards will be mailed at a later date.

There will be one vacancy on the Board of Directors to be filled at the Annual Meeting. If you are interested in running in the election, a volunteer form is available on the Swallowtail website in the Owners' section.

Best wishes for a safe and happy holiday season and a Happy 2016.

### **SWALLOWTAIL BOARD OF DIRECTORS**

Charles Heinz, President

Theresa Adams Thomas, Vice-President and Secretary

William McKernan, Treasurer

Jimmy Jackson, Member

Wes Rogers, Member

# Swallowtail Owners Association

## Getaway Program

As of October 15, 2015

The Getaway program initiated in 2010 continues to be very popular with a significant number of the weeks available in the program being rented resulting in income for the Association. Getaway weeks are available from \$550/week. Below is a convenient listing of available Getaway weeks which will also be put on the Owners side of the website [swallowtailatseapines.com](http://swallowtailatseapines.com) and updated periodically. For further information, please call Mindy Burroughs at 843-671-0409.

**Owners in good standing may use the weeks currently owned or controlled by Swallowtail Owners Association in addition to their week(s).**

Available weeks are listed below and will be updated periodically.

There is no limit to the number of weeks you can rent.


The Get-a-Way program is on a first come first serve basis.

Maintenance fees must be paid BEFORE you book a Get-a-Way week.

There is no guarantee of the unit you will be staying until check-in.

Week	Check-in Dates	# of Weeks Available	Week	Check-in Dates	# of Weeks Available
42	10/23/2015	5	16	4/24/2016	2
43	10/30/2015	5	17	5/1/2016	3
44	11/6/2015	8	18	5/8/2016	2
45	11/13/2015	10	19	5/15/2016	2
46	11/20/2015	8	20	5/22/2016	1
47	11/27/2015	12	21	5/29/2016	0
48	12/4/2015	10	22	6/5/2016	0
49	12/11/2015	15	23	6/12/2016	0
50	12/18/2015	12	24	6/19/2016	0
51	12/25/2015	12	25	6/26/2016	0
52	1/1/2016	10	26	7/3/2016	0
1	1/9/2016	10	27	7/10/2016	1
2	1/16/2016	11	28	7/17/2016	2
3	1/23/2016	17	29	7/24/2016	2
4	1/30/2016	17	30	7/31/2016	0
5	2/6/2016	7	31	8/7/2016	0
6	2/13/2016	2	32	8/14/2016	0
7	2/20/2016	4	33	8/21/2016	4
8	2/27/2016	5	34	8/28/2016	5
9	3/6/2016	2	35	9/4/2016	3
10	3/13/2016	5	36	9/11/2016	5
11	3/20/2016	5	37	9/18/2016	1
12	3/27/2016	2	38	9/25/2016	2
13	4/3/2016	1	39	10/2/2016	0
14	4/10/2016	2	40	10/9/2016	5
15	4/17/2016	0	41	10/16/2016	5

After Recording Return To:  
 Russell P. Patterson, Esquire  
 Russell P. Patterson, P.A.  
 P.O. Drawer 8047  
 Hilton Head Island, SC 29938



BEAUFORT COUNTY SC - ROD  
 BK 3428 Pgs 1359-1361  
 FILE NUM 2015047585  
 09/11/2015 02:25:44 PM  
 REC'D BY shirleys RCPT# 787513  
 RECORDING FEES \$10.00

*Section  
 Patterson  
 5/11*

STATE OF SOUTH CAROLINA )  
 )  
 COUNTY OF BEAUFORT )

**AMENDMENT TO MASTER DEED  
 AND BY-LAWS OF SWALLOWTAIL AT  
 SEA PINES HORIZONTAL PROPERTY  
 REGIME LXXVII AND SWALLOWTAIL AT  
 SEA PINES OWNERS ASSOCIATION, INC.**

This Amendment to Master Deed and Bylaws is made by Swallowtail at Sea Pines Owners Association, Inc. ("Regime").

WHEREAS, on the 1<sup>st</sup> day of April, 1984, American Resort Swallowtail, Inc. executed and recorded that certain Master Deed establishing the Swallowtail at Sea Pines Horizontal Property Regime LXXVII, as recorded in Book 319 at Page 739; and

WHEREAS, there have been one or more amendments to the Master Deed, including but not limited to the following:

	<u>Date</u>	<u>Beaufort County ROD Information</u>
(1)	4/1/81	319/852
(2)	5/15/81	322/926
(3)	5/15/81	322/970
(4)	11/25/81	337/191
(5)	12/31/81	339/271
(6)	10/19/82	357/221
(7)	11/28/86	488/283
(8)	12/9/88	572/283
(9)	5/14/92	599/337

The Original Master Deed, as amended, is referred to as "Master Deed".

WHEREAS, under § 27-32-320(B)(3) of the S.C. Code of Laws (1976), the provisions of the Timeshare Lien Foreclosure Act (§ 27-32-300 et. seq.) can be adopted by a timeshare upon the vote of fifteen (15%) percent of the Obligors or Owners;

WHEREAS, under Article X of the By-Laws contained in the Master Deed, the By-Laws can be amended by a unanimous vote of the Board of Directors and a majority of the total votes of the Association;

WHEREAS, at a duly noticed meeting of the Board and Members on June 24, 2015, the requisite approvals were obtained to adopt the Timeshare Lien Foreclosure Act and amend the Master Deed and By-Laws as set forth below:

1. **Master Deed Amendment** – New § 9 to Article VII – The following new § 9 to Article VII is added:

“Each obligor understands that, if the obligations owed for assessments of the association and for ad valorem taxes and special assessments are not satisfied and the obligor does not timely cure the default, the assessment lien may be foreclosed through a nonjudicial procedure in accordance with Article 3 of Chapter 32 of Title 27 of the Code of Laws of South Carolina. The obligor understands that he or she will not be subject to a deficiency judgment or personal liability for the assessment lien resulting from a nonjudicial foreclosure procedure, even if the sale of his or her timeshare estate resulting from the foreclosure for the assessment lien is insufficient to offset the amount of the assessment lien. The obligor acknowledges the trustee will send the notice required by this procedure to the obligor's notice address, and the obligor agrees to inform the managing entity of any change in the obligor's address. The obligor consents to notification by certified or registered mail and agrees that any person at the obligor's notice address may acknowledge receipt of any correspondence received in connection with this procedure. The obligor understands that the trustee may notify the obligor of the commencement of the procedure by publication if delivery of the notice is not accepted at the notice address. If the obligor sends the trustee a written objection to the nonjudicial procedure stating the reasons for the objection, the matter will be transferred to a judicial foreclosure procedure, but the obligor understands and agrees that in the judicial foreclosure procedure, the obligor may be subject to a deficiency judgment or personal liability for the assessment lien if the sale of his or her timeshare estate resulting from the foreclosure of the assessment lien is insufficient to offset the amount of the assessment lien. The obligor further understands and agrees that in the judicial foreclosure procedure for the assessment lien, if the court finds that there is a complete absence of a justifiable issue of either law or fact raised by the obligor's objection or defense,

the obligor may be personally liable for the costs and attorney's fees incurred by the assessment lienholder in the judicial foreclosure."

The managing entity is The Club Group, Ltd., P.O. Box 6989, Hilton Head Island, SC 29938. The trustee shall be Russell P. Patterson, Esquire, Russell P. Patterson, P.A., P.O. Box 8047, Hilton Head Island, SC 29938.

- 2. **By-Law Amendment** – Article IX, Section 1 of the By-Laws is amended by the **deletion** of the following sentence at the end of said Section: "Directors may not serve continuously for more than two (2) consecutive three year terms."

This amendment to the Master Deed shall affect all owners, past and future, their successors and assigns.

(2) [Signature]  
(3) [Signature]

SWALLOWTAIL AT SEA PINES OWNERS ASSOCIATION, INC.

By: [Signature]  
Its: Secretary

STATE OF (5) South Carolina )  
COUNTY OF (4) Beaufort )

ACKNOWLEDGMENT

I, the undersigned Notary Public, do hereby certify that the within (6) Theresa Thomas personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS MY HAND AND SEAL this the 18 day of August, 2015.

(3) [Signature]  
Notary Public for: ANDREW T. SUTTON  
My Commission Expires: 7/27/17  
PUBLIC  
SOUTH CAROLINA

## Swallowtail Board of Directors

**Charles Heinz**

**2015 - 2018**

**President**

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wk. 14

wk. 15

E-mail: [Ch57@roadrunner.com](mailto:Ch57@roadrunner.com)

**Theresa Adams Thomas**

**2014-2017**

**Vice President/Secretary**

E-mail: [Theresa@villashares.com](mailto:Theresa@villashares.com)

**Jimmy S. Jackson**

**2014-2017**

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E-mail: [Jimmy@JSJackson.com](mailto:Jimmy@JSJackson.com)

**William McKernan**

**2014 – 2016**

**Treasurer**

wk. 33

wk. 33

wk. 34

E-mail: [wmckernansr@wlmckernan.com](mailto:wmckernansr@wlmckernan.com)

**Wes Rogers**

**2015 - 2018**

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wk. 49

Email: [wrogers4@neo.rr.com](mailto:wrogers4@neo.rr.com)