

SWALLOWTAIL AT SEA PINES OWNERS ASSOCIATION

c/o The Club Group
PO Drawer 6989
Hilton Head Island, SC 29938

2018 Operating and Reserve Budgets

The Board of Directors reviewed and approved the Operating and Reserve Budgets for 2018. That review included an open meeting with Swallowtail owners to discuss the budget issues.

We are very pleased to report that there will be no increase in the 2018 Annual Maintenance Fee assessment; it will remain at \$880.00 per unit week owned.

Major projects included in the Reserve budget for 2018 include:

- Complete re-roofing of all of the villas,
- Completion of the installation of new doors and the keyless entry system,
- Replacement of the carpeting in the master bedroom where necessary,
- Repair/Replacement as necessary on the rear patio decks.

Total budgeted expenses for 2018 are set at \$449,000 for the Operating Budget and \$444,000 for the Reserve and Replacement Budget.

Kitchen Renovation Project

As reported in past newsletters, the next major undertaking at Swallowtail will be a complete renovation of the kitchen. This project will be undertaken in phases as was the new bathrooms project of several years ago and we believe will have a similar transformational effect on our Swallowtail villas. Specifically, project will include:

Replacement of all of the tile flooring in the kitchen continuing out into the entryway. We are considering the use of a composite flooring material that will be easier to maintain and will not chip or crack.

Continuation of the replacement of appliances so that at the end of the project there will be no mis-matches of the stove, refrigerator, washer and dryer.

New countertops and a tile backsplash throughout the kitchen.

Renovation of the existing wall cabinets where necessary.

Opening up the “window” between the kitchen and the living room while retaining the barstool eating area.

Further detailed information will be available after the Board meets in May 2018. We will then be able to share detailed conceptual drawings of the project at some point in

early 2018 we hope to install the new kitchen in one of units that could serve as a model unit for the new kitchen.

At our budget session with owners, it was suggested by an owner that this project be financed through a special assessment, so that all of the other needed maintenance work can be continued. Your Board of Directors firmly believes that continuous improvement of the Swallowtail villas is important to maintain resale value for owners, trading power with the exchange companies, and a consistent vacation experience for our owner, rental guests, and exchange guests. At this point we are thus considering a special assessment of \$75.00 per unit/week to be paid by 7/31/2018 and a second special assessment of \$75.00 per unit week to be paid by 7/31/2019. These billings will be timed to be separate from the regular maintenance fee billing.

Getaways/Resales/Rentals

Remember to take the opportunity to enjoy even more time at Swallowtail through the Getaway and resale programs handled by Theresa Thomas (800-785-3070). We also have the rental program for yourselves, friends or family that is handled by Mindy Burroughs (866-324-2213).

Timeshare Bandits

As always, we strongly urge you to not respond to any solicitations from unknown companies offering to buy your Swallowtail week. These are inevitably scams where the existing owner pays the soliciting agency to purchase the unit and ultimately receives no proceeds from the "sale." The Sea Pines organization has a right of first refusal on all Swallowtail sales and once the timeshare bandit finds this out any such transactions will collapse. Do not deal with these solicitations.

Spring Meeting and Annual Meeting

Your Board of Directors will meet again on May 16th and May 17, 2018 with the Annual Meeting of the Swallowtail owners taking place on May 17th. Formal notices and proxy cards will be mailed at a later date.

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

Best wishes for a safe and happy holiday season and a Happy 2018!

SWALLOWTAIL BOARD OF DIRECTORS

Charles Heinz, President; Theresa Adams Thomas, Vice President and Secretary; Bill McKernan, Treasurer; Wes Rogers and Jimmy Jackson, Members