

Swallowtail at Sea Pines Owners Association
c/o The Club Group
PO Box 6989
Hilton Head Island, SC 29938

The Board of Directors of the Swallowtail at Sea Pines Owners Association met for the regular Spring Board Meeting and Annual Owners Meeting on Hilton Head Island on May 3 and May 4, 2016. The following summarizes the discussions and decisions resulting from the meetings.

2016 Capital Projects Report

The following major projects were scheduled for 2016 and their status is as follows:

1. Convert the floral wallpaper in the kitchen to paint to match the green color in the living room niche: **Underway**
2. Repaint the exterior of all of the villas along with wood rot repair where needed: **Scheduled for fall 2016/winter 2017.**
3. Complete installation of art work in all master bathrooms: **Complete**
4. Undertake comprehensive tree pruning/removal where trees are creating safety issues or compromising the villas: **Ongoing**
5. Replace counter top appliances: **Complete**
6. Re-plaster the bottom of the pool and spa and repair the coping of the pool deck: **Complete**
7. Replace or recover the living room chair and ottoman cushions: **Underway**
8. Ensure that artwork is uniform among all of the villas. **Underway**

Future Capital Projects:

The Board discussed three significant future projects: (1) the creation of a grilling area located midway along the development so that owners at the Harbour Town end of the complex will not have so far to go to prepare their food, (2) a complete renovation of the kitchen including replacement of the countertops, making sure that the stove, refrigerator, washer, and dryer are of the same style and color, and perhaps replacing the cabinets and tile, and (3) the construction of a deck, sitting area, and fire pit extending from the pool towards the adjacent lagoon. As yet none of these projects have been completely designed nor have costs been developed and would not start until 2017 at the earliest. At our Owners Meeting, we asked for an informal prioritization of these projects and they prioritized the grilling area, kitchen renovation, and fire pit in that order.

In addition, we are exploring a project to replace the current keyed entry system with a lock that would be opened by a key pad. Prior to arrival, owners

would be furnished with a code that would open the villa, and thus the trip to Harbour Town to check in could be optional. The same system might also be installed at the pool to prevent unauthorized entry by non-Swallowtail owners and guests. Again, costs and timetable have not yet been determined.

Marketing and Financial Issues

We are very pleased to report that full repayment of the funds embezzled from Swallowtail and other associations in 2008, plus interest, has been accomplished as of January 1, 2016. Mark King and the Club Group have been outstanding in accomplishing the repayment and we are grateful that this sad chapter in our history is over.

With regard to the continuing problem of the lost annual assessment income as a result of delinquencies and foreclosures, we continue to believe that focusing on income generated from the rental of weeks owned by the Association and by continuing to maintain and upgrade the Swallowtail experience will help offset that lost income and add to owner retention. As mentioned in the last newsletter, we have retained a local marketing firm to create awareness of Swallowtail through our website www.swallowtailatseapines.com and through the use of Google and Facebook advertising. That effort is paying off as the income from the rental of winter weeks has increased from \$8,000 in 2015 to our current projection of close to \$50,000 for 2016. Our presence on the VRBO (Vacation Rentals by Owner) site has been a major factor in this increase as has the diligence of the Club Group reservations staff in securing those rentals. We are seeing an uptick in the number of rentals for multiple weeks in the winter as visitors are finding Swallowtail to be an affordable escape from the cold and snow. We continue to encourage Owners to take advantage of our Special Getaway Program. Simply call Mindy at 843-671-0409 for more information.

Exchange Programs

Swallowtail participates in both the Interval International and RCI exchange programs. Guests exchanging into Swallowtail fill out report forms to the exchange organizations and those reports help to determine our status within those programs. For the most recent reporting periods, RCI guests continue to rate Swallowtail at the Silver Crown level and Interval guests continue to rate Swallowtail higher than the national average of all participating resorts. Swallowtail is also a participant in the RCI points program which is the current method by which RCI assigns trading power to Swallowtail weeks.

Owner Events

As you know, we currently provide for a weekly Owner Breakfast where owners can meet each other and chat with Club Group staff. These events are shared with Spicebush owners and attendance is often disappointing. It has been suggested that these once a week breakfast meetings be replaced with a wine and cheese party at the pool for Swallowtail owners only where a greater opportunity would exist for owners to get to know the other owners in residence during their week. These would take place during the late spring, summer, and early fall with some other alternative provided during the winter. We will experiment with this idea during the upcoming summer season and we encourage your feedback.

Club Group Personnel Changes

We are sad to let you know that after 11 years as our Regime Manager, Bob Long is retiring as of May 31, 2016. Bob has been involved with every aspect of the management of our Hilton Head homes: from the most routine maintenance request, check-in difficulty, housekeeping problem, or grounds maintenance issue to the incredible feat of reconstructing all 37 master and guest bathrooms while keeping Swallowtail occupied by owners during that construction time period. Bob leaves with the highest degree of respect from your Board of Directors and, as importantly, as a good friend. We wish him the very best in the future.

Our new Regime Manager is Scott Connal. Scott has an educational background in architecture and interior design and is a licensed Community Manager in Florida. He has most recently worked for a large national community management company with responsibility for 2 community associations in Savannah and 10 on Hilton Head Island. He has been coming to Hilton Head Island for many years and we welcome him to Swallowtail.

Annual Meeting

The Annual Meeting of the Swallowtail at Sea Pines Owners Association was held on May 4th at the Harbour Town Yacht Club with approximately 30 owners in attendance and a quorum achieved by submitted proxies. Financial and operational reports were provided by Board Members and by the Club Group staff. William McKernan was re-elected to a three year term 2016-2019.

Charles Heinz
President

Theresa Adams Thomas
Vice President/Secretary

William McKernan
Treasurer

Jimmy S. Jackson
Member

Wes Rogers
Treasurer
Member



Proposed Site for New Grilling Area



Possible Pool Deck Expansion towards Lagoon