

## DIRECT LINE SUBMISSIONS

Thursday June 16, 2022

Having just viewed the last meeting on zoom and seeing that the Board will be sharing direct line submissions in the Postings, I'm resubmitting this one since it may not be automatically covered in the ones being compiled from the past month. In addition, the Board has repeatedly indicated that I should point out instances where the Board is not/has not been following the bylaws/covenants. Please review my original submission which is included in this email (see below). In addition, please refer again to the bylaws, covenants, and the South Carolina Non Profit Act.

In addition, please refer back to the April 1, 2022 Postings from Paradise which states, " The April 9th Board Meeting and Annual Owners Meeting will be held in person in the upstairs clubhouse. You will recall that in 2020 and 2021 this was not possible because of government Covid mandates. Now that these mandates have been lifted the meetings will once again be held in person, as has been the long-standing practice prior to Covid, and as provided by the bylaws. As with pre-Covid practice, owners who are not present in the resort may listen to (but not participate in) the meeting. Rather than revert to the previous practice of listening via conference call, this year, offsite members will be able to both listen and observe via Zoom."

Please address this in the Postings from Paradise and include the entire thread as I know many owners have expressed an interest in hearing the official Board's response. I would also encourage you to review the November 26, 2021 Postings from Paradise that states, "Adherence to the Rules: A major task that the board and management always faces is enforcing the rules...The rules are all available on the HHIMR website under the 'Owners Login' page. We realize that these documents can be confusing so feel free to send a direct line...we may not like some of the rules but ignoring and trying to sidestep them only makes things worse." as well as the April 8, 2022 Postings from Paradise that states (bold as seen in the original Postings), " Occasionally when talking to an owner about a violation, the owner will share the name of a prior Board of Director or Property Enhancement Committee member who said they could do something in violation with the Property Enhancement Guidelines or the Covenants. Please know and remember – **No one, not a Board Member, not a PEC Committee member, not the Manager, No one, can grant an owner the right to violate the covenants or bylaws or any of the other rules.**" Finally, I would like to hear how the Board reconciles all of the above with the following comment in the April 22, 2022 Postings from Paradise, "There is no conflict resolution process that will take place in the public forum as nothing constructive is gained from doing so. The bylaws provide avenues for owners to become more deeply involved in board actions if they choose to do so. The board will continue to perform the duties it was elected by a majority of owners to do, within the context of the authority given to it via the bylaws."

Prior Response: Thank you for your direct line. Most board meetings are held over zoom as many owners and board members are not always in the resort, giving to the "motorhome" lifestyle. The annual meeting of owners is held in person, which is separate and apart from a board meeting. This is a consistent practice of companies with a wide ownership base, such as public companies.

A change in by-laws to restrict board meetings to in person, is the only way to force that to occur, but again, since we are all highly transient given we use motorhomes, that's fairly inconsistent with the spirit of our lifestyle.

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I would like clarification as to why the Special Board Meeting is only being held via zoom and is not being held at the Resort and by zoom. On the surface this may seem like a small issue and I FULLY ACKNOWLEDGE it is not as important as other things we are dealing with in the Resort. However, this decision is indicative of the APPEARANCE of a Board that does not consistently implement the rules.

The Board is expected to adhere to the by-laws. The by-laws are very clear and unambiguous. "All meetings of the Board of Directors shall be held at Hilton Head Island Motorcoach Resort unless the same shall not be practicable, in which event such meetings may be held at such place as the Board of Directors may designate." (Section 7 - Place - Page 6). According to Cornell Law (the first listing that showed up in my web search), the legal definition of "practicable" is "feasible or capable of being done."

I do not know how many of the Board Members are currently in the Resort, but I do know that the President is here. I do not understand why, at the very least, the President does not set up her zoom feed in the clubhouse so those at the Resort may attend in person. Any of the other Board Members on site may also attend and those not here may participate via zoom.

Please explain why providing owners with two options to view the Special Meeting (in person and via zoom) is not "practicable" and is not being offered.

Answer:

Here are the board's authorized responses to this inquiry.

"the Board has repeatedly indicated that I should point out instances where the Board is not/has not been following the bylaws/covenants. Please review my original submission which is included in this email (see below). In addition, please refer again to the bylaws, covenants, and the South Carolina Non Profit Act."

Thank you. We are comfortable that we are adhering to the by-laws properly. It is not practical to hold an in person board meeting and reimburse the travel expenses for the many board members who are not in the resort. That is not a good use of the resort's funds, and as such the board designates zoom meetings as the most practical solution.

In response to your inquiry about the owners meeting being held in person, I am not exactly sure what you're asking. Owners meetings had historically been held in person, due to COVID they weren't, restrictions were lifted, so we started holding them in person. That said nothing about Board meetings, it was strictly referring to Owners Meetings. The fact that a Board meeting coincides with an Owners Meeting is irrelevant. Further, Board meetings and their logistics clearly fall under the rules you have already quoted and provide for practicality and fall under the board's discretion. Perhaps I have misunderstood your inquiry, but again, the Board is comfortable that our actions reflect our comments and our rules.

I apologize, but I am unable to understand what your point is of the last paragraph. Both statements are consistent with our by-laws and consistent with the practice of this and the prior board. The alleged comments of prior board members or managers suggesting that some "can do something", if occurred, is irrelevant, and many times when owners have made those statements, the PEC committee has explained that there is no authority granted to an individual board member or manager to make an individual decision about what does or does not meet with the PEC guidelines. So from my perspective, no reconciliation is needed, the statements match the rules, and if a board member or manager previously operated outside the regulations, it would be our practice to listen to those concerns but apply the same process and rigor to any PEC inquiry regardless of any individual interaction taking place previously.

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Again, thank you for the Board's response.

I understand that the Board's position is that you are adhering to the bylaws properly. However, I believe that position is not consistent with the bylaws which are unequivocal in terms of legal language. Let me ask the question a different way, has the Board directly asked our legal counsel whether or not it is legally acceptable to hold Board Meetings sola by zoom and not on property now that the state COVID restrictions have been lifted given the wording of our documents? Please provide a "yes" or "no" response to this question. If the answer is "no" then I respectfully ask the Board to do so and share the lawyer's response. Please understand that I am not asking the Board for their opinion and/or justification - I am asserting that the decision to hold Board Meetings in this manner violates the rules and would like an official response based upon the law regarding this matter.

In terms if the second part of the Board's response, given the above and the legal language used in our documents, I am once again asserting that the Board's interpretation/understanding/implementation of the term "not practicable" is not in compliance with the law (despite the Board's position). To be clear, it was not practicable (which loosely means "possible") to hold in person meetings when the state of South Carolina had strict COVID policies for gatherings in place. As a result, the Board appropriately moved to zoom meetings. However, now those restrictions have been lifted. As a result, we should be back to holding all meetings at the resort. We can certainly add a zoom component instead of a call-in component but in order to comply with our documents, the meeting itself must take place on the property. I do not know what the practice was in previous years in terms of reimbursing Board members for travel, however, the bylaws have not changed and the requirement remains intact. Please put this issue to our resort lawyers as well and share the response with owners.

Finally, perhaps now that I have more clearly explained my position, you will understand my last paragraph. I was simply pointing out that nobody is able to tell owners or permit owners to violate the regulations. While the paragraph was directed to the PEC, my more general comment was that if in fact our lawyers indicate that my reading is correct and the Board's position (while it may be well intentioned) is not correct, then the Board may not simply declare the change in venue is appropriate. If the Board insists on following the bylaws in some areas and correctly indicates that the only way to change them is by an official vote, then the same is true for the venue and process for all Board Meetings.

Answer:

Question in first paragraph:

It is within the boards discretion provided by the by-laws to structure meetings as we see fit to provide for practicality. We don't need a legal opinion to do so.

Position on the second paragraph:

We disagree, and the definitions of practical and possible are not remotely the same. Something being impractical is vastly different than it being impossible.

Comment on the last paragraph:

Since we have established that our position is centered around practicality, the position that the board is violating the by-laws here is moot. Remember, the word practical is open to interpretation, not uncommon in by-laws, at this time this board has defined individuals from all over the country traveling to Hilton Head to sit in a room for a 1 hour board meeting as impractical given the tools readily and freely available to them to do otherwise.

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With all due respect, you and the Board have made a series of errors on this call.

- The language of the bylaws (as stated in my direct line submission on April 30th) is clear in Section 7 - Place - Page 6, "All meetings of the Board of Directors shall be held at Hilton Head Island Motorcoach Resort unless the same shall not be practicable, in which event such meetings may be held at such place as the Board of Directors may designate."
- The language does not mean the Board has discretion regarding this matter. I respectfully suggest the Board do their homework regarding the use of "shall" in legal documents.
- The word used in the bylaws is "practicable" and not "practical" as you refer to below. For your reference, I'm including some links to the definition of the term "practicable" so that you and the Board may revisit your decision.
- While you are correct that the definitions of practical and possible are not remotely the same, those definitions are not relevant to this conversation. As such, I again request you consult with our attorney on this subject.
- Furthermore, not only is the Board violating the bylaws, the change in practice is a departure from the documented examples provided in my June 16th direct line submission. I was disappointed the last Board Meeting did not include any reference to my suggestion/comment/question at the April Owner's Meeting when I spoke about the need for Board Members and owners alike to receive training and guidance on the bylaws as well as how to effectively address issues such as this when there are discrepancies about the manner in which the rules were being implemented.

Finally, I am at a loss as to why I consistently get responses that rely on opinions, that share personal experiences from other Boards, and that ignore my requests and specific calls to examine the language and legal definitions of the rules the Board was elected to enforce and follow. I have repeatedly pointed out the inconsistencies of the current and past Boards. Given the reputation of this Board as "the most qualified and most transparent Board in the history of the resort" I would expect that after almost three months of this back and forth that the Board would realize these questions will not simply go away and the Board cannot just claim the conversation is over and it is time to move on to other topics. Please respond appropriately and professionally (without the condescension, sarcasm and irrelevant diversions) using facts (not opinions or beliefs) to this email and publish the results in the next Postings from Paradise as a continuous thread on this topic.

Answer:

The board will continue to meet using the mediums previously shown effective to conducting business. We are comfortable that those meet with the letter and spirit of the by-laws.

This is a follow-up to previous direct line communications (see both of the June 8th emails below) and on behalf of myself and many other owners, we would like to have more information regarding the involvement of lawyers regarding the Preferred Brokerage Agreement. We are very appreciative of the news that the Board will be providing answers and details to some of the questions that have been asked (from the Open Letter and via direct line) and look forward to the transparency discussed on Saturday. Since the Board has clearly indicated that discussions with legal counsel will not be shared due to privilege, we are asking that when you publish the detailed timeline of events from the past two years (as stated in the last Board meeting), you will provide the dates (not the substance) of the executive sessions that took place, as well as the dates that the Board spoke to legal counsel. Included with the dates, please share which of the "wide array of attorney's who specialize in the specific issue at hand" were consulted and the cost the Resort/Owners paid for such meetings.

For the record, the "confusion" that exists is due to the fact that the Board has repeatedly indicated due diligence was done and consults with Resort counsel have been regularly taking place throughout the entire process. However, given the fact that no such communication took place with the Board of Directors' appointed agent of record, many owners have been left wondering who has been consulted

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and at what cost to the Resort/owners. These basic questions can be answered without violating any privilege and nearly every owner with whom I have spoken to feels these questions are reasonable and within our purview to ask. Furthermore, getting these basic answers would alleviate a great deal of our concerns and would go a long way in building a positive, open, working relationship between owners and the Board.

Finally, just to be clear, while I did contact the Shelton Law Firm after the agent of record indicated that may be the correct firm assisting the resort, the office never stated they were our attorney. As a result, until the email below on June 8th, I had not been given the name of a single lawyer that had been working on behalf of the owners, nor had any other owner I had spoken to...we are simply asking for some piece of mind in the form of straight-forward answers to basic questions. Please include this submission and the two emails below in the Postings from Paradise.

### Prior Response from June 8th:

Since our attorney has already notified us that you contacted his office, we assumed you had the information you needed and there was no need for us to respond. Our attorney is Ben Shelton of Shelton Law Firm LLC.

Since the boards discussions with attorney's are covered under privilege, as a matter of common practice, you will need your own representation to engage with our attorney.

Your inquiry related to the boards decision to appoint a different firm as our agent of record related to this matter, is irrelevant, as an agent of record does not denote that firm as the resorts general counsel. Mr. Shelton was previously with the firm which was appointed as the agent of record and continues to be the attorney most used by the resort.

There seems to be some confusion so allow me to clarify; a Board of Directors appoints an agent of record for the sole purpose of receiving formal legal communication, summons, and service. It has nothing to do with who the Board can or should consult on a variety of legal matters. Further, it is traditional and good business practice to consult with a wide array of attorney's who specialize in the specific issue at hand.

I hope this has helped answer your questions.

Prior Submission from June 8<sup>th</sup>: I am again requesting the information for the correct lawyer for me to follow up with regarding a number of issues. I have not received an answer to this question (despite multiple attempts). As a Board, you have indicated that you have answered all of my questions and that I should state specific questions which have not been answered. I am starting with this question and would like an answer. At this point I have not even received an acknowledgement that anyone has gotten this request and certainly have not been provided an individual's name or a firm's name.

>Jun 3, 2022:

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> Please advise me of the correct lawyer for me to follow up with on behalf of myself and other owners. I need the contact information which you have not provided as of yet so we may move forward.

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May 18, 2022:

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>> I respectfully am asking whether or not the Board has contacted an attorney to review the 5.9.2022 Preferred Brokerage Agreement and provide a legal opinion and/or guidance regarding this matter. If so, please provide the firm's/individual's name and the rationale for seeking an opinion from someone other than the Resort's counsel of record (which has not occurred as of earlier today).

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>> Furthermore, I formally request that Finger, Melnick, and Brooks (the firm approved as the registered agent for the POA and the LLC in the November 9, 2019 Directors Business Session) review the Agreement and issue an opinion to the Board regarding whether or not the document is: (1) legally sound and enforceable with all of the included provisions; (2) whether or not it provides adequate protection for the Resort/Owners in terms of liability and risk associated with selling real estate within the Resort; and (3) whether or not it meets all of the conditions within our Bylaws and the Declaration of Covenants and Restrictions, particularly concerning section XIII. Use and Occupancy and item (f) no commercial activity. Given this document has already been executed by at least one Participating Realtor and the Resort has begun exercising Agreement provisions, time is of the essence.

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>> I voluntarily will not share the contents of this request with anyone other than the individuals copied on this email to provide you with an opportunity to discuss this internally and, at the very least, agree to remain silent about this request until I receive a response from the Board and am told whether or not this request will be honored.

**Answer:**

Here are the responses the Board has authorized to your inquiry.

**we would like to have more information regarding the involvement of lawyers regarding the Preferred Brokerage Agreement**

The Board has informed you that Ben Shelton, is the longstanding attorney used by the resort. The other lawyers who participated in coaching the board have requested confidentiality for a number of reasons. The Board will not be violating that confidentiality. What has been provided regarding attorneys and what will be shared in our memo is all that will be provided.

**we are asking that when you publish the detailed timeline of events from the past two years (as stated in the last Board meeting), you will provide the dates (not the substance) of the executive sessions that took place, as well as the dates that the Board spoke to legal counsel**

The general summary of the past two years will be shared, specifics such as dates will not be shared, as we do not believe them to be material to the situation. We will publish a summary and then the board will move on to other concerns and projects, as there are many.

**However, given the fact that no such communication took place with the Board of Directors' appointed agent of record, many owners have been left wondering who has been consulted**

As previously stated, the resort's Agent of Record has nothing to do with who our attorney is. Yes, in some cases people and organizations will appoint an attorney as their agent of record, but not always. They are two completely separate things.

**Please include this submission and the two emails below in the Postings from Paradise.**

Your inquiry will be included in Postings, but not until the following week. Our practice is to include the DL's received from Thursday of the prior week to Wednesday of the current week, simply because we have agreed to a minimum of a 24-48 hour turn around time for DL's.

June 20, 2022:

First of all, thank you for providing a response that includes substance as it enables us to engage in a manner that does forward the conversation and provides insight into Board operations. I do have several points that require clarification.



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Please explain what is meant by “the other lawyers who participated in coaching the board” as that is not clear to me. Does that refer to lawyers that gave “off-the-record” answers to questions in a similar manner to when I call a friend of mine that is a doctor and ask for informal advice in order to determine if I really need to make an appointment with my doctor or to get reassurance from a friend that the doctor’s treatment plan makes sense? If that is the case, I would understand a lawyer/lawyers requesting confidentiality (especially since that type of input is not backed by the same professional guidelines and assurances as legal advice that is paid for outright or part of an official consultation session). If on the other hand, this “coaching the board” refers to legal advice that was provided to a quorum of Board Members (or was shared with less than a quorum and then communicated with the rest of the Board), then we as owners would be in fact paying for the service and again, while we would not be privy to the substance of the conversation, we would certainly be within our rights to ask who provided the information and how much we paid for the lawyer(s)/firm(s) services.

Although the Board has now clearly indicated that Ben Shelton is the longstanding attorney used by the resort, I have not ever been given definitive answers to what many owners consider to be fundamental to the realty situation. The questions require a simple “yes” or “no” response and perhaps a few follow-up questions. Let me ask the questions again in order to receive your yes/no response for each of the following 3 questions.

#1 Was Ben Shelton (either personally or by someone in his firm) asked to provide a legal opinion after reviewing the 5.9.2022 Preferred Brokerage Agreement and prior to submitting the agreement to View Properties and the Alliance Group for signatures?

#2 Did the Board specifically ask Ben Shelton (either personally or by someone in his firm) whether or not the said agreement provides adequate protection for the Resort/Owners in terms of liability and risk associated with selling real estate within the Resort?

#3 Did the Board specifically ask Ben Shelton (either personally or someone in his firm) whether or not the said agreement meets all of the conditions within our Bylaws and the Declaration of Covenants and Restrictions, particularly concerning section XII Use and Occupancy and item (f) no commercial activity?

While I still respectfully disagree that the subject should be closed to discussions, and understand the Board wishes to close the topic and move on to other things, answering the above questions will help owners like myself assess the situation more fully for ourselves. Perhaps if the Board would simply answer these questions and follow the Covenants and ByLaws, we could just move on.

Answer:

I see four questions here, so hopefully I haven't missed any.

The first is contained within the first paragraph, and the answer is the comments refer to an expert attorney's advice in the real estate field that due to their association with the resort, provided input and feedback at no cost.

On your three questions regarding Ben:

1 - Yes

2 - Yes

3 - Not specifically but all of our requests inherently incorporate this step since we are bound by those rules.

As to #3 I understand what your driving at, but you should take note that there are many businesses in the resort conducted by owners. This isn't as binary as you might think.

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Thank you for answering the three specific questions regarding Ben Shelton and clarifying what was meant by “coaching the board.”

As far as the questions regarding legal advice, if I understanding correctly now, there have been TWO lawyers that have provided opinions (one paid and one not). Is that correct?

As for the businesses in the resort conducted by owners, it does not appear as if you do understand my point at all. My husband and I have been honored to do business with several of our fellow owners and even one renter over the years we have been here (4 owners/1 renter). We have also utilized the services of many vendors from the provided lists (4 listed vendors/1 non-listed vendor). **NONE** of these experiences involved going to the lot of the person we were doing business with to conduct that business! In each instance, the owner/vendor/renter came to OUR lot to speak with us. In fact, we were once referred to an owner and told we could go to his site to speak with him. When followed those directions, he respectfully took our name/number and said his son would give us a call and arrange a time to come by OUR lot to do business. The current Preferred Broker Agreement clearly states, “Broker and Broker’s agents may meet clients at the Resort Office, the clubhouse or an owner’s lot for pre-arranged client meetings.” Obviously, if a lot is being sold, the broker/agent would go to the lot for sale to show prospective buyers the lot. That makes sense and is consistent with all of the other businesses in the resort (the lot that is getting the good/service is where the business person goes). **HOWEVER**, this clause indicates that the broker/agent is **PERMITTED BY CONTRACT TO HOLD MEETINGS on their PERSONAL lot**. This clearly is different than any other business in the resort that is conducted by owners. I don’t understand your word choice of “binary” in this instance but putting that aside, I do understand there are a myriad of issues here. I also understand that the real estate industry is inherently different than most of the other businesses in the resort. In fact, there are specific codes of ethics, standards of practice, and unique licensing requirements that further restrict/guide the manner in which business is conducted because it is real estate—some of which also seem contrary to enabling a broker/agent to do business on their personal lot (and as I’ve said before, I call upon the Board to discuss this with owners).

Having said that, I do not understand why the Board is making the issue more complex than it needs to be on this issue. If the clause I am referring to were taken out of the contract, and the broker/agent were only able to do business in the Resort Office and the clubhouse, they would fall in line with every other business in the resort, and our rules would not be compromised. **PLEASE** provide the logical reason why the Board saw fit to include this provision in the agreement and why the situation may not be rectified by the suggestion provided.

**Answer:**

**Two lawyers.**

**The owner referred to in that statement is the selling owner and is implied in the statement as not all realtors will be owners.**

Saturday June 18, 2022

I just finished reading this week's Postings from Paradise. What a pleasant surprise to the Direct Line Comments and responses. Great job! However, I do want to respond to a couple of the Direct Line submissions. First, I am against any additional discounts given to renters as those discounts, as part of a marketing plan, should be totally taking from the resort's portion of the proceeds and not the owner. Currently, that is not the case. Second, I understand that the Hold Harmless Agreement decision has not been made but, as the Resort receives half of the income from the rental lots it isn't fair to force the owners to accept all of the liability for damages. We are required to have an umbrella, table and four chairs to be in the rental program. There are also other restrictions that owners must adhere to as well at their own expense. I do not believe this is a fair and equitable solution to this problem. I understand the



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Resort's liability insurance issue but as the resort receives half of all rental proceeds I believe the Resort should accept all liability of damage done by a renter or valet done to an owner's lot even if that means the Resort must self insure. We will not remain in the rental pool if the Hold Harmless Agreement is required. The question becomes, How much rental proceeds will the resort lose if more owners make the decision to leave the rental pool as well?

Answer:

RENTAL DISCOUNTS: Per our covenants... X. Sale or Rental of Units: "the developer will retain for its service fifty (50%) percent of the gross amount of the rent collected on any lot with the remaining fifty (50%) percent reserved for the benefit of the Owner". Consequently, included in the gross amount, any discount from present or future marketing campaigns, must follow the 50/50 rule.

HOLD HARMLESS WAIVER: As mentioned in a previous direct line response, the HHW under consideration, **HOLDS THE RESORT, ITS EMPLOYEES AND THE OWNERS** HARMLESS, and provide equal protection for all parties. By signing the agreement, the Driver becomes the only responsible party, assumes liability and in the event of an accident, the Driver must file a claim with his/her auto insurance. Since the Resort cannot obtain insurance coverage for that particular risk, the Driver's auto insurance, along with the HHW and the Owner's private insurance provides the maximum protection for the Resort and the Owners. I respectfully disagree with your statement "the Resort should accept all liability of damage done by a renter". That practice is precisely what got the Resort in trouble and made it uninsurable. Liability should be assigned to and assumed by the party responsible for the accident.

I should also mention that along with the HHW, and as an additional layer of liability protection, the Board and the Manager are working on revising and redefining the workcampers' job description and responsibilities, as it relates to escorting and assisting in arrivals and departures.

Wayne, I also participate in the rental program, and from my perspective, it is a 50/50 business partnership that comes with certain risks, expected wear and tear, and limited business expenses. I am not sure how your proposal to assign 100% of the liability, and charge 100% of the rental discount to the Resort, for 50% of the rental income, can be considered as "fair and equitable solution". As the business environment shifts, being a small rental business owner, one should weigh the risks vs rewards, and individually determine if being in the rental program is a viable business option.

Thank you for your kind words regarding last week's various direct line responses from the Board. It is appreciated.

It was mentioned in one of the Direct Line submissions that there are \$70,000 in arrears assessments. First, I don't think I believe the number but I'm sure that there are lots that are in arrears. I would be interested knowing what lots are in arrears and by how much (including penalties). Here are my suggestions on possible ways to address the assessments that are in arrears: Any lots that are in arrears do not have any voting rights until Lot owners that are in arrears will not be allowed to receive any proceeds for renting their lot if their lot is part of the rental pool. If their lot is not part of the rental pool, it will be placed in the rental pool and all proceeds will be kept by the Resort. The owner will be prevented from using their lot as an owner and must reserve the lot as a renter and pay the going rental rate using the same process as any renter would. Their gate badges and vehicle passes would be disabled. All of these would be in effect until all assessments, fines, interest, fees are paid in full.

Answer:

Thank you for conveying your thoughts pertaining to owners who are in arrears on their POA fees. Currently, our bylaws do not prohibit such owners from voting and the board will be discussing this at the next board meeting.

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Tuesday June 21, 2022

Philip, I have been giving YOU the benefit of the doubt. That will no longer be the case. Since I have been copied on this I feel the need to respond. As I am SURE you are aware, the Board does not have the authority to BLATANTLY disregard the By-Laws. The language is clear. You know good full and well that your response is not accurate. Your actions DO NOT meet either the letter of the by-laws or the "spirit of the by-laws." This is just another reason why the majority of owners have become distrustful of the you and the Board!

To the rest of the Board, the more you allow Philip to answer Direct Lines being flippant, condescending and flat out wrong, the more distrustful the Board seems. I would suggest again from a Public Relations perspective, you allow someone who is knowledgeable and who knows how to interact in a positive way with the owners to answer the emails. I have continued to offer my help and suggestions, those have gone unanswered. I am going to offer a different suggestion to help the Board.

I am suggesting that a new position be created. The position will be that is of "Ombudsman." Now I am sure everyone knows what that person does but I will attach a link for you to review (especially since Philip does not understand the word "SHALL" nor does he understand other words/provisions in the By-Laws/Covenants) (<https://www.ombudsassociation.org/what-is-an-ombuds->) most big complex organizations have something similar (Marylis says our resort/organization is big & complex at the April 2022 owners meeting at the 1 hour 53 minute 10 second mark). Essentially an Ombudsman is a mediator between the organization and its members.

I propose the following:

Initially this person is appointed by the Board for the first term and they serve for 2 years (March of 24)

After that the person is elected for a 2 year term

The person cannot serve more than 2 terms

The person cannot serve as Ombudsman and serve on the Board in consecutive terms. So in other words they cannot be an Ombudsman and when their term expires serve on the Board in the election cycle when they are rotating off of being Ombudsman.

The Ombudsman would need to understand the By-Laws/Covenants

This position is INDEPENDENT of the Board

If an owner has a complaint about the Board or something that Board has done the Ombudsman would investigate and apply the By-Laws/Covenants and if there is a discrepancy, this person would work with the Board and Owner to get in compliance.

The Ombudsman would not be eligible to file a complaint

Obviously this is still a work in progress and some other details would need to be fleshed out. I would be willing to serve as the 1st Ombudsman. So I do not want to hear that I am just complaining and not offering solutions. I have offered to help many times.

So please, do not have another anonymous Facebook post (I assume it was from a Board member if I am wrong I apologize) bellyaching about how hard the job is and that people are complaining, not offering solutions.

The board chose to not respond to this.

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Just a small suggestion...could we please use recyclable food trays in the snack shack instead of Styrofoam. Thanks.

Answer:

Thank you for your direct line. When the supply order was placed for the Snack Shack, the recyclable trays were out of stock. I have just double checked and they are still currently out of stock. This was the reason for ordering Styrofoam.

1) Can we have a spot- a- pot put in the maintenance area to keep the workmen from tromping by the pool and using the pool restrooms....

2) Can we put through an effort to stop using those horrible loud blowers that bother everyone that the Greenery uses....maybe we can contract next time with one of own vendor residents for that job? We have been eating breakfast and they come in and blow around you....really???? Electric or not as loud....please.

These are two easy fixes....hope we can make progress...

3) Should we have a suggestion box put in the office for guests and owners?

Answer:

Thank you for your direct line. I will address this with The Greenery and ensure they are not using the facilities at the Pool area. As for the blowers, I am working with Woody to see what our options are. Electric blowers are quieter, but require more manpower to complete the job, they are experiencing staffing shortage, like all other businesses. The direct line serves as a suggestion box for owners. The Long Term Planning Committee is working on surveys for the Guests.

Wednesday June 23, 2022

Recently Jim Wolfe who is the Administrator for the Upscale Resort site on FB stayed at our resort and gave us a poor review, citing that his "rental lot had very old furniture including peeling paint on the chairs and table...lots of gas-powered weed eaters which made it difficult to have a peaceful morning outside...no social events...and the facilities were a bit dated."

Since he mentioned dated facilities I thought it was a good opportunity to get an outsider's perspective so I wrote to him and asked if he could be specific about our dated facilities as we were in the process of deciding what we'd like to upgrade. Here was his response, I think his insight is valuable for us as we decide what we would like to improve:

" From a renter's perspective, I look at the furniture on my site and the shared facilities. In walking around the park I noticed a lot of the furniture was a bit tired,. We looked into the clubhouse and it did not seem to be all that special and the pool furniture was a bit basic. We own at another resort and the management stays on the owners that rent their sites out and expects nice quality furniture in order to charge premium rates. Our chairs and furniture were covered in bird poop that we had to clean off. Ive read many reviews on Facebook and Trip Advisor that complained about the incessant blowers and poor furniture so we concluded that management is not focused on renter satisfaction."

Answer:

I read Jim Wolfe's review and your follow-up to him was a good idea. Thank you for sharing his response.

With regard to some of the older furniture on the lots, it's always a balancing act with those in the rental pool and I will use my lot as an example. We are in the rental pool and while my husband and I want nice quality furniture for us to enjoy, we weigh that against the cost in the event it gets damaged by rental guests. With that said, I agree that renters are looking for aesthetically pleasing furniture and this can be

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accomplished without breaking the bank. Currently, the only requirements is that the rental lot must have a table, chairs and umbrella.

I have to say, I was surprised by his remarks about the clubhouse. As you know, Sharon, Gigi and Donna did a fabulous job on redecorating the clubhouse just a few years ago so I'm not sure what he meant. Thank goodness, he didn't visit here when the old furniture was in there! I agree that the entire clubhouse area, including the pool, the side cement area, the playground area, etc is very dated and tired looking, which has a huge effect on the overall appearance. We need to make changes that will bring our resort into the 21st century and that is the main focus of the Long-Term Planning Committee.

As for the blowers used by The Greenery, this has been an ongoing complaint and we agree that the daily noise becomes very annoying to say the least. Our resort is a double-edged sword in that the foliage and canopy of trees make it a beautiful place but it also requires constant maintenance. Past managers and boards have spoken to The Greenery about changing out their blowers and we will speak to them again.

Thank you again for sharing your thoughts through the direct line.

I had a little different take on some of his comments.

He didn't actually say the pool was dated, he said the pool furniture. While a multi million dollar pool replacement might be difficult to do without first opening an additional pool due to loss of revenue of being without a pool for a year on island time, an easy upgrade that we could do right now is replace all those plastic chairs with nice pool furniture like you see at many upscale resorts. Additionally, replacing all the mismatched umbrellas with high quality sunbrella ones all in one color would help immensely. Those simple improvements could be fine tomorrow. Couple that with more involved mods like resurfacing the pool deck, redoing the outside bathrooms, moving the elevator and adding a bar to an upgraded snack shack and we'd be in really great shape if a new pool is not feasible.

As far as the clubhouse, I wondered if he peeked in the upstairs clubhouse. Replacing the plastic tables and "funeral home" chairs with nice wood tables and club chairs (see Mountain Falls) would really help. Then get rid of those awful couches and put in some nice comfy modern furniture like downstairs. Add decent lighting and and paint the wood a light color and we'd have a world of difference. Plus opening the upstairs to renters would be great.

I agree about renters being hard on nice furniture. We were in the rental program 3 different times and each time had a major issue so when we purchased \$10K in new furniture we decided not to try again. That said, I see some rental lots with horrible furniture that is peeling and shabby with faded or broken umbrellas. There is something in between. Moreover, I see dirty lots or lots with peeling paint on their pads being rented. Don't be afraid to ask them to spruce up or leave the program. Additionally, when the work campers are sitting on their golf carts (and I've heard many owners frustrated over seeing this daily), they could wipe down renter furniture and even power wash the rentable lots if needed. Those that rent their lots deserve some extra TLC.

As far as the blowers, in my neighborhood at home they use blowers with baffle devices that greatly reduce the sound level. Instead of asking the Greenery, we could stipulate it in the contract. It might cost more but it's the number one complaint.

While I applaud having a committee look into long term changes, we need some quick fixes before Hilton Head National eats our lunch. One more though while I'm on a roll, where has our advertising gone? We used to have ads that I received in email as a former renter from years ago and also Facebook ads. I've seen nothing, has something happened to our marketing?

Thanks for listening. After 10 years of owning I've seen a lot of changes, but look forward to more to come.

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Answer:

With regard to the marketing advertising, this was asked recently in another direct line and Janet Kierdorf advised us that those ads were provided by the prior marketing company before we switched to SEPI. This is something that the marketing committee will be looking at

Would it be possible to change the Friday Meet and Greet to Paradise Friday at the Pool ? Meet and Greet sounds like a real estate motto.

Thanks!

Answer:

Thank you for your direct line. As of this past Monday, I have made the decision to change things up a little with the Friday night gatherings. We have a 4<sup>th</sup> of July celebration we are working on and once that is over we will start implementing other social events. The name you have suggested is a wonderful suggestion.