

Dear Marriott's Sunset Pointe Owner:

It is my pleasure to introduce you a letter from Sunset Pointe Owners' Association, Inc. Board President. In this issue, you'll learn about the latest developments taking place at your home away from home in Hilton Head Island, South Carolina.

Best regards,

Michael Best

General Manager

Marriott's Sunset Pointe

**JULY 2019 PRESIDENT'S NEWSLETTER
SUNSET POINTE OWNERS' ASSOCIATION, INC.**

Dear Marriott's Sunset Pointe Owner:

Your Board of Directors met on May 15 and 16, 2019. Present for the meetings were John Turano, President and Joe Maloney, Treasurer. Mr. Ferrantino, Vice President could not be present as well as Mr. Olsovsky, Secretary due to unforeseen circumstances.

Since our last meeting in the fall of 2018, there have been several new projects that have improved the vacation experience at our resort. New gas grills have been installed, wooden benches have been refurbished, and the entry sign was repainted. The Guest Satisfaction Survey Scores have significantly improved. For example, overall satisfaction went from 90.8 to 100 percent. Resort cleanliness went from 93.6 to 98.1 percent. Marriott's Sunset Pointe now ranks at 5th position in the East Region and 12th of 67 resorts.

On May 15, the Board held its pre-board meeting. We reviewed the financial condition of the resort. We are pleased to inform you that the association is in excellent financial condition. As of December 31, 2018, we had an operating fund balance of \$68,360, an increase of \$25,969.00 from the previous year. As you may recall the Board has undertaken a goal of establishing an operating fund balance of at least one month's expenses. We are well on our way of achieving that goal ahead of schedule.

One of our owners asked a very important question regarding the probability of having a large assessment to cover unexpected capital repairs. Sunset Pointe has never had a special assessment to cover capital repairs. We did have a disaster recovery cost of \$121,125.00 in 2017 to cover the insurance deductible caused by Hurricane Matthew. The Board decided to include that same amount (\$121,125.00) into the 2018 reserve fund in order to address capital improvements and avoid a special assessment. The Board also undertook a goal of establishing an operating fund balance of at least one month's expenses. These decisions have enabled our resort to pay for capital improvements without the necessity of borrowing funds at high interest rates. For example, in the past few months the Board received a request to enter into lease agreements for new equipment and cabling for the Wi-Fi system. The interest rate for this project would have been between 7 and 8 percent. Because we have the funds in the reserve account, we are able to pay for this project without having to pay any interest thus saving \$13,233.00 over the next 5 years.

I answered the owner's question by saying that the Board has taken financial steps to insure as much as possible to avoid any assessment. By increasing the amount of money that is dedicated to the reserve fund and establishing an operating fund surplus we believe that we will not have a situation which would require a special assessment. There is one other example that illustrates what we are accomplishing. Last year the pool deck sustained damage that required a complete rebuild. We were able to pay for our share of the repair without asking for more money from the owners. Lastly, we just completed an extensive refurbishment of the villas without borrowing any money and our reserve fund is in excellent financial condition.

I would also like to take this opportunity to highlight the great job that the Management Team is doing on our behalf. They ensure that your Board is kept informed of any issues or concerns that occur during the fiscal year. We have telephone conferences during the year to keep us informed regarding the financial status of the resort. Michael Best, General Manager and Alex Caballero, Director of Engineering, kept a watchful eye on the property and its needs. I would encourage all owners of Sunset Pointe to visit in order to experience the improvements that have been done to the resort as well as the villas.

The next Board meeting will be on October 9-10, 2019. This is the budget meeting and there is a great deal of preparation and work that goes into this important meeting. Thank you for your continued support.

Sincerely,

John J. Turano

President

Sunset Pointe Owners' Association, Inc.

Board of Directors