

**GOLF COURSE Q AND A PART II – These questions and comments came from the past few meetings as well as via email. We have done our best to answer to the best of our ability and have shared a few comments from residence as well.**

Q. What if we pay the subsidy and Crown decides to close after the 2 years is up?

**A. The Board intends to negotiate with Crown to insure whatever they do is clear. Things like, less than 10 years, which seems unacceptable, and to build in protections for the community. In other words, what's in it for us? They need to have skin in the game too. We are looking at things like asking to own the front entrance, maybe the clubhouse. If we don't ask, we don't get.**

Q. What about we don't pay if they pull out?

**A. Everything is on the table.**

Q. Couldn't we use the clubhouse as a revenue builder? What about dinners, parties, events?

**A. Yes, good ideas, and we could have a full kitchen and you could eat dinner here several times a month. But, we have to own it first.**

Q. We have reserves; can the board subsidize the monthly charge for the contribution Crown wants?

**A. We could have paid it and increased your fees 10% annually without asking you and without a vote but we are all in this together and that is something we would never do. We didn't want to use your money without giving you all a chance to talk about how we use it. We did offer them a loan, \$300,000 without interest but heavily secured, for immediate use for capital improvements. They said no, they don't need a loan. They don't want to be in the golf course business.**

Q. What makes us think we would get anything from Crown if we haven't gotten anything yet? They still owe us for the front entrance and money from the reserve and we were told at the annual meeting that it was being written off.

**A. No, that's not the current case. We are investigating with our attorney how to trace the money to Crown, through John Brown, who was the one involved at the time. We are going after our money.**

Q. Is there a budget for all of this? What is the budget?

**A. Yes the POA has a budget for the normal day to day operations of the community. It was given to you in your annual meeting package. The budget includes day to day operations and capital improvement expenditures for planned projects. The issues with the Golf Course and Crown Management occurred after the budget was set and distributed. There were not any funds set aside for legal fees, etc., for the Crown Management issues. We have a healthy reserve and we have used some of those funds to fund expenses not anticipated when the budget was formed. Some of the legal fees and course evaluation fees have been absorbed by the reserve funds and there have been no special assessments. Yes, the reserves have been used but that is what a reserve is for. It is the same as if you have an emergency fund in a bank account to handle unanticipated expenses instead of using you day to day living funds. There may be a consideration to have a separate fund for the Crown Golf Management to track expenses but the funds for this will still be taken from reserves as a special project. If there is any consensus made by the Community after its vote to pursue a path, the**

expenses in that path will be reflected in future POA fees and therefore be part of the normal operating expenses in the annual budget. The Board takes its obligations very seriously and all expenditures have to be approved by all the Board members. The Board members are residents, too, and pay their assessments just as you do.

Q. What is the process if we change the deed to parkland?

**A. As long as we are not re-zoning, I don't believe there would be any change at all.**

Q. What are the annual taxes on the golf course?

**A. About \$31,000, we are told. When we get the valuation back it should have all those numbers, financials, and more. We will share all of that with you. Remember, we would still have to own it.**

There is a parkland mowing option which carries an annual fee, we will have those numbers for you as well. The way we are looking at that is to only mow the holes that are visible to homes on and around the golf course, the front entrance and common areas. It would exclude holes 17,16,2,4,5,6, and possibly 7, in our notes at this time.

Q. And who takes care of the lagoons now?

**A. Nobody is. But, they are working like they should right now although some are in rough shape. We are doing our part to keep the lake drainage working properly. Last year we spent over \$150,000 to have the drainage fixed and this year we are dredging to remove sediment that is settling at the bottom of the lake.**

Q. What is the cost to maintain the lake?

**A. It's about \$44,000 annually encompassing all common areas including the lake.**

Q. Hopefully you will explain the voting process to the homeowners and explain their rights?

**A. We are in discussion with our lawyer as to how best to handle the voting and insuring the process selected conforms to our covenants. Once we have this settled, we will communicate the process to the community.**

Q. For public safety isn't Crown obligated to manage and keep taken care of the clubhouse at least? What is the downside of the lagoons not being maintained?

**A. Yes but someone would be in litigation with their LLC, and it's hard to reach through to owners when they have an LLC. If foreclosed we would try to get Beaufort County involved or the EPA. We would have to wait and see.**

Q. I'm concerned about the areas we don't have any control over, what then?

**A. They eventually stop working. The lagoons currently work but if the course is closed we're not sure of the outcome down the road from neglect. We're not trying to instill fear; we are just trying to inform you of all the options and possible outcomes.**

Q. How do you get increased rounds of golf?

**As an observation from a community member: Play more golf. The golden number of rounds is 30,000 rounds per / year. I think last year the play was 26,000. Five more dollars per round on 26,000 is 136,000 dollars. Five more on 30k rounds is 150,000 dollars, exactly what they are asking of us. I think that "play more golf " could be an option.**

**A community member idea: Base on 250 Homes x \$50 per month (current proposal) = \$12,500 (\$600 per household) Annually =\$150,000. If the owners were to give each homeowner a punch card for 15 rounds of golf at the average of \$40 per round it would be a \$600 value.**

**Most homeowners are not golfers. This would give them a chance to recoup part of their costs by selling their punch cards, or gifting or sharing the golf rounds. It could be sold for approx \$500 which means the cost of the subsidy for each homeowner would be \$100 or approx \$8.33 a month. This does not include the income gain from range balls, food, and drinks. Another thought is to get 2 additional foursomes a day. It would generate \$9600 a month or \$115,000 a year. Of course they would have to do this or we can if we buy the course.**

Q. Why don't they market and advertise? Why is there no sign?

**A. They have told us that they are embarrassed to advertise now. They are trying to improve the course in order to start marketing. Crown has been trimming and fixing and working on tree removal etc, but no capital improvements have been done to date.**

**As for the sign, we were initially told that when the sign came down after a car hit it about four years ago, it could not be replaced. We were told this by local management several times. We finally went to the county ourselves and found out this was not the case at all. We immediately told Crown and they sent a note to management, copying us, saying "Get a sign now!"**

Why did Textron sell the golf course, especially if it was making money?

**A. Textron had originally built golf courses as an adjunct to their main business, which was the manufacturing for sale of golf carts and mowing maintenance equipment for golf courses. Overtime Textron decided that owning courses was secondary to their primary business and sold off the courses they owned.**

Q. Can we approach Hilton Head National again and act as a mediator between them and Crown, and maybe add the \$150,000 one time to the cost to see if they will purchase?

**A. They are no longer interested, is what we are told.**

Q. Can we ask?

**A. Yes**

Q. Would it be advantageous to make an offer on the golf course now?

**A. We can't do anything until we know the numbers and the community votes.**

Q. Is triple Crown and Crown are at Traditions one in the same Company?

**A. No.**

Q. Has there been a study on demographics of local population for golfers?

**A. Not officially. We know that many are saying that millennial don't pay much golf or join clubs so how do we make a golf course viable again? Millennial aren't the one's moving to this area. People buying here, for the most part, are retiring or buying second homes and have disposal income and time. Some of them do or will play golf. There are thousands of homes being built in our surrounding areas; Crown is in discussions with some of them now to invite them to be a part of the course. We also know that nobody is building golf courses. It would make sense that the courses around, if they can improve and make it through the next few years, will survive and perhaps even thrive if marketed correctly. This course use to be one of the best around. People came from all over to play golf at Eagles Pointe. With the right plan, it can be again.**

Q. I don't want to put a penny in to Crown. I'm not a golfer. If the home values go down, why should I care? When I pass that's up to my inheritors.

**A. If your home values go down the scenario could be that if some major expense comes up and you need to take out an equity loan or a reverse mortgage, or help a family member with a major expense, your appraisal takes a significant hit. This could affect your ability to get the cash you need. If your spouse survives you and they need funds this could also affect their ability to pay off expenses.**

Q. Do people really come here to buy based on the total package or based on the home and price and go directly to the home?

**A. While selling here from many years people buy for the total package. They drive the community, walk to the lake and lagoons, look at the beauty of the golf course, yards, clubhouse, pool, etc. That is why I bought here, that is a big part of why most people I sell homes buy here. Just like a home when you are staging it, you put your best foot forward; in this case it starts with the entrance and continues throughout the drives to the homes. If we do nothing, it would definitely impact home values. (Answer provided at last night's meeting by a successful local agent in the community)**

**If you asked a question you don't see listed, or have a question, concern or idea to share, please email it to me at:**

**[donafed@gmail.com](mailto:donafed@gmail.com)**

**Thank you.**