



Captain's Log

Special Edition – April 2019

Sea Club IV Members Work Together to Extend the Sea Club IV Timeshare Program After 2020!

Congratulations to the Owners of Sea Club IV for meeting the statutory requirements to extend the timeshare program at Sea Club IV beyond its “sunset” date in the year 2020! A majority of owners have provided their proxy for the Special Meeting to be held in conjunction with the 2020 Annual Meeting, and have cast their votes to amend the Declaration of Sea Club IV as follows:

- The resort will continue as a timeshare until a majority of owners vote to terminate the plan and sell the property, rather than having the timeshare program automatically expire in 2020 and every ten years thereafter. The control of the resort’s future is now in the hands of the owners;
- The quorum for meetings of the Sea Club IV owners has been reduced to 20% of the eligible votes, ensuring that annual and special meetings of the owners will not require a majority of owners to be valid. This brings the resort in line with current Florida statutes; and
- Eliminating a provision that would give holder of mortgages on Sea Club IV weeks the ability to take back intervals and be relieved of the payment of back fees to the Association.

Captain's Log

Publication of the Sea Club IV Owners Association
3229 S. Atlantic Avenue, Daytona Beach Shores, FL
32118, (386) 767-2700, www.seaclubiv.com
Gil Lesko, Board President
Michael DiPaola, Resort Manager
ARC Resorts, LLC, Managing Agent

Tackling the 2020 termination issue was an early and important step in the Board’s long-term strategic plan for Sea Club IV. The Board’s responsibility is to ensure that Sea Club IV remains a safe, economically viable and enjoyable timeshare property, operated in the best interests of a majority of the Association’s Members. Maintaining the property’s value and attractiveness in increasingly competitive and changing environments requires a strong partnership among the Board, Management and the Sea Club IV owners – and working together is making that progress happen.

A Message from Your Board President:

Gil Lesko

Sea Club IV, our home away from home is, unfortunately, beginning to show its age. At this juncture major renovations are necessary. The board has deliberated on benefits vs. costs to preserve the integrity and attractiveness of Sea Club IV.

Now we must pay the piper. Sliding glass doors in many cases are inoperable and must be replaced. New doors and windows have to be replaced in toto. Complying with new higher wind loads, turtle compliance restrictions and reducing solar and heat transference drives the cost to approximately \$8,000 per unit. Since the entire envelope of the building must be coherently renovated, the lobby glass and smaller windows must be replaced also. The pool deck, with its undulating and cracking surface needs serious rehabilitation.

Interior electrical wiring will shortly become a major issue just as the plumbing was a few years ago. Reaching interior wiring will require tearing into existing walls, hence, we have determined that whole unit renovation is much less expensive in the long run. With completion of the bathroom renovation, kitchens will be updated also.

All these necessary improvements will require approximately \$2 million in new investment. Spread over the entire spectrum of unit weeks, it’s an average of nearly \$1,000 per unit week. Since we fully intend to remain operational throughout this process with minimal disruption, we will spread the work over three or more years and, hence, we can spread the costs over a longer period as well. The Board is reviewing all options, including a Special Assessment over a 3 or 4-year period. Based on current projections, if paid monthly that’s less than \$21 per month per unit week!

We are committed to reduce the economic burden to a minimum while meeting the long-term needs of the building, our owners and guests. Insurance, safety, compliance and competitiveness are all being considered.

When the work is completed, SCIV will be, essentially, a brand-new facility! This new and improved resort will make it far more attractive to existing and new owners.

Michael DiPaola, Scott MacGregor and their respective teams have worked diligently to control costs and plan for the future of Sea Club IV.

NOW it's up to us, the owners, to get involved, reach quorum, attend meetings, ensure all units are correctly deeded, vote to eliminate the 2020 drop dead clause and support the furtherance of our resort!

The good news is, we are almost done with the Sunset Clause and we will be continuing! The votes have come in and all of us want to make Sea Club IV the best resort on the beach to pass on to our next generations! The resort will be new - new units, new sliders, new kitchens - truly a place we will all be so proud of. Preserving our past for our future! There is a lot of work to be done and we need all of your support and patience. Three years goes by very quickly and we will be so proud at the end of this journey. Proud of our Sea Club IV! We indeed will leave a legacy to our children and grandchildren!

Owners Reinvest to Keep Sea Club IV Up to Date

As Sea Club IV approaches its 40th anniversary as a timeshare, the Sea Club IV Association members have much to celebrate – and much to do to prepare the resort for the next forty years.

It's important to remember that although the timeshare plan started in 1980, the building was built more than 15 years before that in the mid-1960's. Over the past several years, despite active and effective efforts to maintain and upgrade the building and grounds and their many components, the age of the facility has begun to show. In 2014, it was determined that the internal plumbing needed significant repairs and updates, and your Association borrowed \$449,477 for that project resulting in an increase to the annual maintenance fees of nearly 18% to cover the costs of repaying that loan. Those loan payments are \$6,474 per month, at 4.25% interest, and will be paid off in August 2023. It was a first sign of other projects to come, which naturally occur as buildings and structural systems – roofs, doors & windows, pools, parking lots, electrical, mechanical and plumbing systems start to reach and outlive their useful lives.

For more information on current and future Sea Club IV renovation projects, including pictures, renderings and costs, please visit www.seaclubiv.com and click on "Owners."

Capital Projects Update – Model Unit and First Sliding Door Replacement Completed; It's Time to Complete These Projects!

Many of you have already realized that the sliding glass doors are in need of replacement. Ric, Jeff and the Sea Club IV maintenance team attend to them constantly, cleaning the channels and lubricating, repairing and replacing the sliding mechanisms, but many are now leaking and barely operable. Your Board of Directors obtained bids from several qualified vendors and Atlantic Windows & Doors of Port Orange was selected to replace the 56 sliding glass doors and bathroom windows in the end units. Unit 104 was selected to be the test model, and the new sliders look great – and the views are even better with the old hurricane shutters removed.

As with all major projects, permits for the removal, repair and reinstallation of the sliders were required from the City of South Daytona Beach, and the new windows must meet current building codes for hurricane resistance and "turtle" compliance. (The coastal states from Virginia to Florida require that seaside buildings limit the amount of light emitted on the each from May to November so as not to disturb the nesting habits of endangered Sea Turtles.) Meeting all such requirements adds cost to the sliding doors, and the cost of each door system installed ranges from \$5,400 to \$6,000 – more than \$460,000 total for Sea Club IV!

Important Dates & Notices

Sea Club IV Board of Directors Meetings

- 5/16/19 at 10:00 AM
- 7/25/19 at 10:00 AM

(Combined with Budget Workshop)

- 10/5/19 at 10:00 AM
(Annual Meeting)

*Please mail all payments and correspondence to:

**Sea Club IV Association
3229 S. Atlantic Avenue
Daytona Beach Shores, FL 32118
Front Desk: (386) 767-2700
Website: www.seaclubiv.com**

Unit 104 was also fully remodeled to give the Sea Club IV owners a view of the next generation of Sea Club IV comfort. The model also gave the Association's designers and building professionals a look behind the walls to see what is required to prepare the building to receive the next generations of Sea Club IV owners and guests. The building's in great shape but work on the electrical systems to bring them up to current codes and expectations is needed. After reviewing the completed model, getting feedback from owners and guests, and evaluating the required scope of work, Cherry Hill Interiors has been selected to complete the project, bringing all forty Sea Club IV units up to current standards – and making your home away from home beautiful and accessible. Wall to wall and floor to ceiling, the long-awaited upgrades will delight owners when they visit, meet the expectations of renters and exchangers who also contribute to Sea Club IV's economic base, and ensure that the value of Sea Club IV is maintained for years to come.

Everything in the model unit is new, bringing the unit interiors up to date after more than a decade since the last updates. The appliances, furniture, flooring and décor are all designed to make the Sea Club IV suites feel like home but stand up to the wear and tear of commercial use.

Dollars & Sense. Of course, maintaining and upgrading a 45-year-old building comes at a cost. In an effort to keep assessments low, not enough "reserves" have been accumulated over the years to meet the demands of upkeep and renovations. Your association was able to borrow money from an Orlando bank to address the plumbing project in 2015, but these next projects require new investment from all of us – the owners of Sea Club IV.

After considering many options, including additional borrowing, increased annual assessments and per-diem occupancy charges, and talking to many owners, your Board of Directors has determined that a Special Assessment of all Sea Club IV interval owners may be required to meet our obligations. The Board is considering all options, including altering the scope and timing of the remodel projects and options to pay for them. **YOUR THOUGHTS MATTER!** The Board will be deliberating the projects and financing options at the Board of Directors meeting scheduled at Sea Club at 10:00 AM on Thursday, May 16, 2019. Come and listen and give your input – ample time will be made for owner comments. Or, send your comments to Directors@SeaClubIV.com. To help us plan for the meeting, let us know if you plan to attend by sending an email to Directors@SeaClubIV.com.

MEETING NOTICE

718.112.(2) (c), F.S.: The statute requires that notice of the board meeting be mailed, delivered or electronically transmitted to all unit owners and posted on the condominium property at least fourteen (14) days before the meeting. The notice must state that an assessment will be considered and state the nature, estimated cost, and description of the purpose of such assessments.

Notice of Meeting of the Sea Club IV Owners Association

To be held Thursday, May 16, 2019 10:00 AM
3229 S. Atlantic Avenue, Daytona Beach Shores, FL 32118

Agenda:

1. Call Meeting to Order & Introductions
2. Discussion of Special Assessment for Capital Projects
 - a. Sliding Glass Doors: \$470,000
 - b. Interior Remodel: \$ 1,600,000
3. Management Reports
4. Other Business and Owner Comments

Sea Club IV Board of Directors

Gil Lesko, President
June Lesko, Vice President
Bill Craig, Secretary
John Swogger, Treasurer
Mary Spangler, Director
Danny Abboud, Non-Voting Special Consultant

How to contact your Board:

Email: Directors@SeaClubIV.com
Write to: Sea Club IV Board,
3229 S. Atlantic Ave.,
Daytona Beach Shores, FL 32118

A Message from Your Resort Manager

As always, "It's a Beautiful Day" at Sea Club IV. The Team and I continue keep busy at the resort. With lots of maintenance project going on, we have completely painted all the interiors to the cabins, continuing to keep the outside / insides with a fresh clean look. We will be starting to install new sliding glass doors, April 15th, so please bear with us. I would ask that as an owner, please attend the Town Hall Meeting that is conducted each Monday, starting at 9 AM. We have lots to discuss in order to keep you informed. We are currently working through our Facebook Page, to get our owners who have questions to go to SeaClubIV Open Forum Page and have a conversation. Remember an Informed Owner is a Happy Owner. Looking forward to your next visit to your home away from home.

Sea Club IV Owners Association, Inc. Five-Year Sources & Uses of Capital Funds Forecast

<u>Sources of Funds</u>		<u>Uses of Funds</u>	
Reserves, Beginning Balance 1/1/2019	\$ 51,742	Balance of Bathroom Remodel	\$ 27,000
Reserve Contributions, 2019	\$ 264,440	2016 Pipe Loan Principal	\$ 322,576
Reserve Contributions, 2020	\$ 264,440	Sliding Doors & End Windows	\$ 466,422
Reserve Contributions, 2021	\$ 264,440	Model 104 Construction & FF&E	\$ 11,194
Reserve Contributions, 2022	\$ 264,440	5 Pocket Door Replacement	\$ 8,296
Reserve Contributions, 2023	\$ 264,440	Unit interior remodel*	\$ 1,591,156
		Pool Deck*	\$ 39,000
		Operating Deficit Reduction	\$ 222,811
		Capital Repairs & Maintenance*	\$ 225,000
		Exterior Doors & Locks*	\$ 25,000
TOTAL SOURCS OF FUNDS	\$ 1,373,942	TOTAL USES OF FUNDS	\$ 2,938,455
Capital Funds Required	\$ 1,564,513	* Denotes Estimate	



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or even the weather and events in Daytona Beach Shores?

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Go Paperless! Get your Newsletters and Sea Club Notices and Invoices by email – visit www.arcpaperless.com and help the Sea Club Association save paper, postage and time!

NOTICE OF SALE OF ASSOCIATION INTERVALS

This summer, the Association will be offering for sale to the Sea Club owners intervals that have been recovered by the Association from prior owners who were unable to meet their ongoing commitment for the payment of assessments. The intervals will be offered by auction, with a minimum bid for each interval established and bids accepted by email or regular mail. Please watch the Facebook page and Seaclubiv.com for additional information. If you're looking for a specific week, please send an email to directors@seaclubiv.com so that we can be certain you are notified if that unit and week become available.