

THE SALT POND GOLF COURSE OPERATIONS, INC.
BOARD OF DIRECTORS MEETING
August 15, 2008

The meeting was called to order by President W. Kester at 12:37 pm in the Community Center.

Attendees:

Board Members present: W. Kester, C. Gularson and J. Kennedy
Officers present: R. Crawford and M. Headman
Also present: Bruce DeForest, Superintendent and Art Whaley, Golf Pro
Homeowner's present: Fred Chiccone, Pres. Skipjack HA, and Bob & Gerry Buckley

Acceptance of the Prior Minutes: The Minutes of the July 18 Board Meeting were approved.

Superintendent's Report

Bruce reported that the stop sign to improve safety at the exit from the parking lot at Bethany Loop across from the Snack Bar pedestrian crossing was installed.

Brush has been cleared on holes 9, 10, 12 and 13. More work will be done in coming days on hole 18. A request was also made to remove the bushes near the street at the Bethany Loop cart crossing at the snack bar and at the cart crossing between holes 13 and 14 to improve visibility for golfers and drivers. Bruce D. agreed to remove the bushes.

The warning signs discussed last month will be ordered and installed. They will be worded, "For your safety, no walking, jogging, biking, etc... during normal golf playing hours".

Bruce commented that in his view the Marshals/Rangers are doing a good job in general, however, they are not taking sufficient action to keep carts on the cart paths. He asked that they be reminded to keep carts off the course.

As had been reported previously, the Skipjack Homeowner's Assn. expressed concern about the location of the 18th tee box location contributing to the damage from errant golf balls on the units nearest to the tee. Fred Chiccone reported on the efforts being investigated by the Assn. to reduce the incidents. One element was the possibility of moving the tee box forward. Bruce reviewed the matter using the site maps and noted that the box now is nearly at the wetlands line, so there is little that could be done. Fred noted that the Assn. is seeking quotes for poles and netting to be erected between the tee box and the Skip Jack property line. After discussion, Bruce indicated the golf course could provide some surplus netting and two wooden poles no longer being used. Fred, on behalf of the Assn., accepted the offer by the golf course to donate the surplus material. The

Assn. will be responsible for installation. Architectural Review Board approval will be needed.

GOLF PRO's REPORT

Art Whaley summarized the marketing report and efforts being made to keep revenues at the highest levels. One approach being pursued is to encourage more tournament play. Contact with Rotary clubs has been initiated. Consideration of a men's league is being examined. Other organizations will also be contacted. Pursuing club memberships continues.

Financials

Chuck Gularson reviewed the July financials, summarizing as follows:

- . TSPGCO revenues for the month were planned at \$154,000.00 and the actuals came in at \$155,213.13. After expenses, net income was \$85,821.39 for the month. Year-to-date (YTD), profits are \$26,131.72, about \$26,000.00 ahead of plan.

- . Cash flow is positive at approximately \$60,000.00 YTD .

- . YTD green's and cart fees revenue is ahead of last year by approximately \$10,000.00.

- . Expenses, wages were on target for the month and YTD, reflecting the excellent management effort of both Bruce and Art.

- . The note due to SPA in January 2009 has been partially paid down by \$400,000.00 leaving \$291,000.00 to be paid. Likely we will be able to pay that amount before the due date to save interest cost. The next installment due from homeowners who chose to pay in installments will be due in December. Chuck noted that 74% of the homeowners have paid the special assessment in full.

OLD BUSINESS

Liquor License

The application for a multiple activities club liquor license has been filed and the public advertisements are being published. The temporary license good for 90 days issued July 15. All Directors, Officers and employees of TSPGCO have taken the Delaware ABCC proscribed course and have obtained the required server's card, valid for four years. All the application formalities for the permanent license have been complied with and Bill K. expects the license to issue shortly.

Snack Bar Operation

A first draft of a proposed operating contract with Diane Turner of Luna Tuna has been prepared and presented to her for review. Bill K. will continue to follow up with her to try to finalize the contract as soon as possible.

Bruce noted that golf course employees were to get a 50% discount for meals purchased while working. Lately the discount was reduced to 30%. Bill K. will follow-up to find out why.

Ranger Activities

Bill reported that the ranger program for the course seems to be operating smoothly so far. He did note that he will encourage the volunteers to be more aggressive in enforcing course rules keeping carts on paths and making sure players younger than 16 are not driving the carts.

The available times for planned coverage are by and large being met with the existing group of volunteers. Only a few time slots are not covered. There is a need for a couple more people.

NEW BUSINESS

SPOT BONUSES

The spot bonuses approved by the Board in Executive Session last month were paid and the feedback was positive. The minutes of that meeting were released for publication.

ENVIROTECH POND MANAGEMENT PROPOSAL

Envirotech was asked to present a proposal to manage the water quality of the golf course ponds on an on going basis. A two year contract for water quality management was presented for \$23,820.00 along with a one year chemical application contract for \$7,258.75. Before responding the Board agreed to have Bruce D. review the proposal to determine if he could do some or all of the work. Bruce noted that his people already do some phragmites control work.

INCLEMENT WEATHER PROCEDURES

Bill K. commented on the need to have a consistent defined procedure for clearing the golf course in the event of threatening inclement weather, such as thunder storms. He contacted Bear Trap Dunes Golf Course to review their procedures and learned that they warn players that they are playing at their own risk in the event of a storm and should clear the course if one materializes. They do not send out rangers to issue the warning. They do not close the course.

Art W. noted that they watch The Weather Channel alerts and contact other courses to see what conditions they are experiencing. He used an air horn to warn players to come in.

After discussion, the Board approved a procedure which includes monitoring the weather channel for storms, obtaining a speaker system for a car to drive the course to sound a warning to players to come in and closing the course until the storm passes. All players

will be requested to exit immediately. No rangers will be sent out in carts to do the warning. Additionally, the USGA standard weather warning for carts will be obtained and installed on carts.

Bill K. has a surplus color TV he has agreed to donate to the Pro Shop to provide a constant monitor of The Weather Channel in the Pro Shop main room.

WORKER'S LEGAL STATUS

A new employee was hired by the Superintendent for grounds work, subject to his producing valid evidence that he had the legal right to work in the US. He was unable to produce the paperwork and he was terminated.

HOMEOWNER'S FORUM

Fred C. remarked that the yardage sign for the beige tee on the 13th hole is incorrect and should be changed. Bruce agreed and the sign will be changed.

He also noted there are no warnings to golfers that if they damage private property that they are responsible. The Board agreed to have a sign posted in the Pro Shop.

ADJOURN

Meeting adjourned at 1:40 pm for an Executive Session.

Respectfully submitted.

J. J. Kennedy
Secretary