

FLCC Board of Directors Meeting Minutes
Monday, 17 December 2018, 7:00 PM

In Attendance: 6 board members – Ron Ball, Deborah McManus, Bob Stumpf, John Statler (by phone), Larry Welford and Michael Woodcock. Also attending -- Steve Gress (Asset Management), Bret Shifflet (FLCC General Manager) plus 2019 new board members Kathy Flanagan and Ron Morris.

Absent: Tim Powers

Deborah called the meeting to order 7 PM.

Finance (Michael Woodcock)

- Mike reviewed the balance sheet, capital reserves and P&L
- F&B revenue achieved over budget
- November golf revenue impacted by weather
- COGs down
- Operating expenses over budget
- Increase in food costs
- Kitchen supplies and cleaning supplies are high
- Repairs and maintenance high
- YTD net ordinary income is \$11,635

Draft of 2019 Operational Budget (Bret Shifflet)

- Bret reviewed COGs and the dashboard overview
- Presented draft of 2019 budget
- Board members to review and provide feedback to Bret
- Bret presented packets of “Club Member for a Day” program.
 - Will go out to all Fawn Lake Community residents who are not FLCC members
 - Mailing packet provides coupons for quarterly use for golf and Harbor Club
 - Enables us to better track usage

Harbor Club Expansion (Larry Welford)

- The permit status is that we have 2 of the 3 permits required
- The last permit we need is the building permit. Our architect has addressed county comments.
- GLMG is on site every day. The construction trailer will be there this week.
- Have first draft of project schedule from GLMG
- Demolition has been started.
- Landscaping in front of building has been removed.
- Challenge is to keep operating the Harbor Club during construction
- We need 3 easements to do project
 - Sewer line. We pay for sewer line and give to Spotsylvania County. It becomes an easement that they maintain.
 - Sewer connection to HOA community building. Asset Management needs to do easement. Document has been prepared.

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- Temporary construction easement. Has been prepared and signed off.
- Current HVAC units to be moved temporarily on January 2
- Construction fencing to be installed this week. Installing screening in selected fencing areas. Important the area looks good for events such as weddings.
- Have coordinated with Rappahannock electric and utilities
- Will have 3 underground propane tanks instead of 2
- Erosion fencing will be up until July or August. Will be installed further down the hill.
- Potential savings of \$12K with lighting
- The Fawn Lake architectural committee wants the heating units on the roof screened for aesthetics.
- Have produced some direction signs for club traffic

Harbor Club Expansion Financial Tracking System (Deborah McManus)

- Deborah reviewed spreadsheet system she has put in place to give us a grasp of the details to keep us on track during the expansion construction.
- With such a major project, Deborah McManus and Larry Welford have volunteered to continue working on the expansion project after they leave the board. The 2019 board would form a special committee that would be in place until the construction is completed.

General Managers Report (Bret Shifflet)

- Bret reviewed the operational plan during construction
- Sarah moving into Bret's office. Bret moving above golf shop.
- Cleaned out attic. Storage unit gone. Have storage bin in parking lot. Dry storage moving into Lake Room.
- Thursday, December 20 from 9 to 10:30 am will be a meeting to give out employee appreciation fund checks to employees. Board members are invited to attend.
- Regarding key manager bonuses, Deborah McManus made a motion to provide the same amount as last year. The motion was seconded and carried 6-0.
- Bret discussed the ADP payroll processing and 401(k) plan.
- Full time employees will have new healthcare plan in 2019. It will be United Healthcare (HMO) and Delta Dental.
- Discussed 2 employee matters that have been resolved.

Website (Deborah McManus)

- Planning to do a members only site launch on Thursday, December 20. Asked board members to test ASAP.
- Will include documents such as minutes, profile editing, bill viewing/payments, and tee time reservations
- Not yet included are tennis court reservations, dining reservations and event sign ups
- Deborah provided suggested website initiatives for 2019

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Lease Revision (Deborah McManus)

- Deborah and Steve Gress have been working together to more clearly define a few provisions of our guiding leasing document with Asset Management. They have drafted what provisions need to change and how. Both the Asset Management board and the FLCC board would need to agree to the changes and then pass resolutions adopting the new lease for it to be executed.
- After reviewing the document, Deborah provided a resolution with the changes and made a motion to affirm, authorize and approve the amended lease. The motion was seconded, and the vote was 6-0 to carry the motion. See the consent of the board consent at the end of the minutes.
- The date of execution for the amended lease would be the date on which whoever signs last – the Asset Management Board or the Fawn lake Country Club board.

This is the final board meeting of 2018.

Meeting adjourned at 10:00 PM

FAWN LAKE COUNTRY CLUB

**CONSENT OF THE BOARD OF DIRECTORS
AT A REGULAR BOARD MEETING ON DECEMBER 17, 2018**

The undersigned, being the Board of Directors (the “Directors”) of Fawn Lake Country Club, a Virginia corporation (the “Corporation”), hereby approve and adopt the following actions at a regular board meeting held on December 17, 2018:

RECITALS:

A. Fawn Lake Country Club (the “Tenant”) and Asset Management (the “Landlord”) entered into a Deed of Lease and Management for Fawn Lake Country Club Agreement dated November 4, 2010, as amended by that First Amendment to a Deed of Lease and Management for Fawn Lake Country Club dated August 5, 2015 (collectively, the “Original Lease”);

B. The Tenant and the Landlord entered into a Memorandum of Understanding Codifying the Ownership Status of Fawn Lake Country Club Real and Personal Property dated October, 2016 (the “MOU”);

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C. With the benefit of the experience learned since the beginning of the Original Lease on November 4, 2010, the Tenant and the Landlord agree that it would be mutually beneficial to amend the Original Lease in certain limited respects and to incorporate the terms of the MOU.

NOW, THEREFORE, BE IT:

RESOLVED, that the Directors hereby affirm and authorize, and approve for the Corporation to amend and restate the Original Lease in its entirety in general conformance with attached hereto as Exhibit A (“Amended and Restated Deed of Lease”); and be it further

RESOLVED, that the Chair of the Corporation is hereby authorized and directed to execute in the name and on behalf of the Corporation, with such changes therein as the Chair of the Corporation may, in her discretion, approve, which approval shall be conclusively evidenced by her execution thereof.

The undersigned, as the Directors of the Corporation, hereby acknowledge having given their written consent to these resolutions. Timothy Powers did not attend the meeting.

No other action is consented to or taken by the Corporation.

Effective as of December 17, 2018.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

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DIRECTORS:

Ron Ball

Deborah L. McManus

John Statler

Robert Stumpf

Larry Welford

Michael Woodcock

Exhibit A – Amended and Restated Deed of Lease