
Big Canoe POA Administrative Report

November 17, 2010

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ADMINISTRATIVE REPORT

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Administrative

As stated in the Summary of Operations, net income for October was \$96,630 better than Budget which brings the year to date variance to a positive \$282,633. Food and Beverage and Golf were notable contributors with Golf at \$22,488 better than Budget. Food and Beverage was not only better than Budget, but delivered a \$24,180 profit. Operating Departments were collectively better than Budget in October and each is better than Budget year to date.

With Amenity Net Income of \$273,727 year to date, the Board expectation of collective Amenity profitability before depreciation is being met. That number compares to \$57,097 through October in 2009. An updated feedback/comment card is ready to roll out in F&B and a method of soliciting regular feedback for all Amenities is being explored.

It appears probable that owners in the Wildcat Neighborhood will take advantage of the Board Resolution provision for individuals to fund increased levels of landscape maintenance on common property. A contract is being drafted to allow owners to individually contribute for specified work to be done by or through the POA, per the provisions of the Resolution.

Capital Project Notes include:

- Golf Maintenance Building – In 2011 Capital Budget, but spending approval is being requested this month to allow construction to be done in the off season. Bid results and the Staff recommendations will be available in time for the November Board Meeting.
- Cherokee Golf Course Pumping Station – In the 2011 Capital Budget. Information will be presented in the November Board Meeting to pave the way for approval by majority consent in December. Specifications are nearly complete and the bid deadline will be in early December. Presuming acceptable bid results, the bid information and recommendation will be presented to the Board with a request for approval by majority consent since there is no Board meeting in December. Given the long lead time for construction and the need to install the system in the winter, waiting until the January Board Meeting for approval is inadvisable.
- Tennis Court Clay Tech Conversions – As previously confirmed, the funds for the conversion of the second set of outdoor hard courts were deleted from the 2010 plan and moved to 2011. A survey is under way to collect information to aid in the final decision on whether or not to convert the last two outdoor hard courts.
- Main Gate Replacement – A layout has been created whereby there would be no changes required to the Gates or the roads at the Gatehouse. The result should be favorable construction cost and good preservation of the visual impression upon entry. Renderings of the Building and Gates as seen upon entry and exit are being prepared. The project is in the 2012 Budget Plan.

Safety

There were no recordable injuries in October, holding the total for the year to six compared to four, sixteen and nine in the three previous years.

The Liberty Mutual safety resource was on site for two days of training and consultation. All departments participated in the training which included Hazardous Communication, one of the required annual topics.

S.T.A.R. Recipient

Congratulations to the September 2010 S.T.A.R. Performer, Trish McCarthy, Merchandiser for the Golf Department. Trish was recognized for attention to detail in her assigned responsibilities.

Public Safety

Big Canoe Department of Public Safety would like to thank all residents and guests who attended the first Big Canoe Public Safety Day. The Department of Public Safety organized the event to display the equipment that Big Canoe owns and manages to ensure the Department provides the highest level of service to residents and guests of Big Canoe. Public Safety held several demonstrations such as a building fire that shows the difference between a home with and one without a sprinkler system installed. Public Safety also thanks the many outside responders that came out to assist with the Public Safety Day.

Public Safety is diligently working to complete all the tasks required by the State and ISO. The Public Safety personnel and volunteer firefighters have completed the annual test of all fire hoses owned by Big Canoe POA. All of the fire hydrants in Big Canoe receive two annual visits for maintenance; one is done by Big Canoe Utilities and the second done by Public Safety. This inspection is to ensure water is available at the hydrant, the hydrant is clear from any obstructions, and the hydrant is greased and painted if needed. Hydrants will be completed by December 1, 2010. All of the fire engine pumps have been tested for their annual certification. Credit goes to the Department of Public Safety Supervisors who have managed these tasks to ensure all tasks are completed on time.

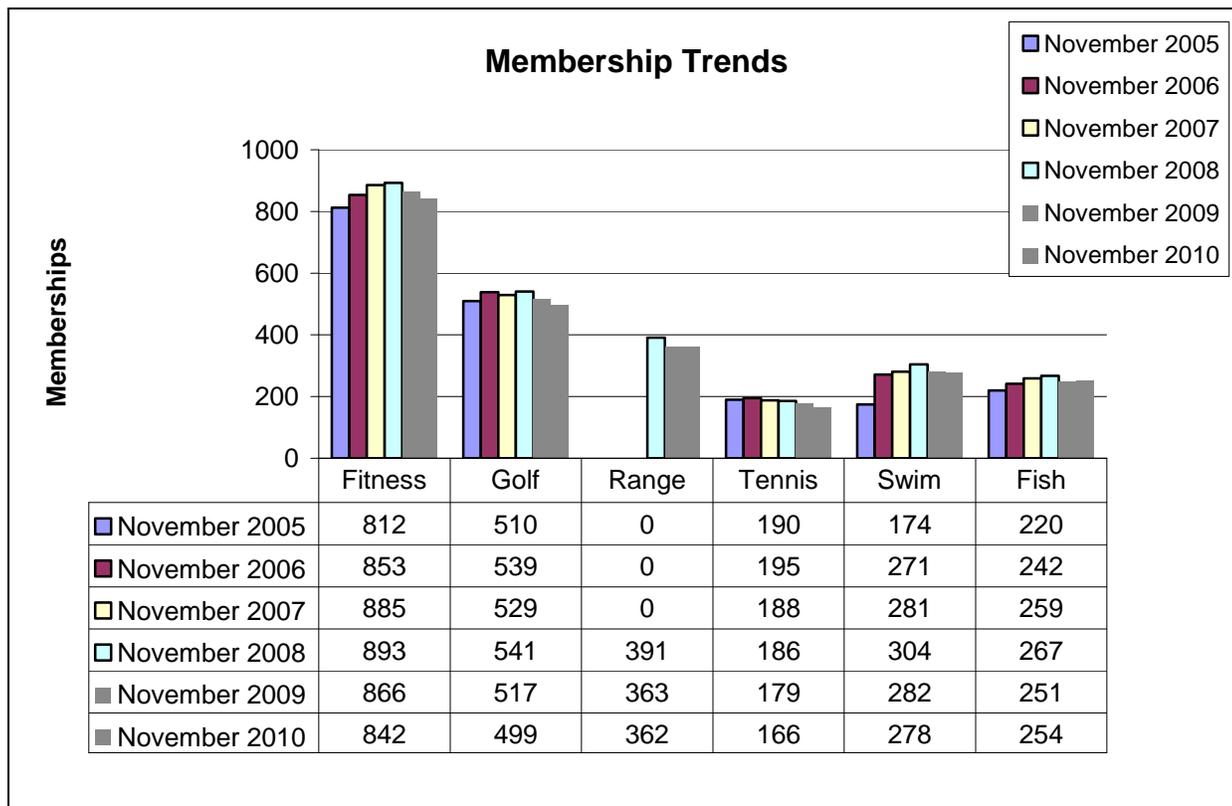
Golf

- Rounds Update:
 - October 18-Hole Equivalent – 4012.5 (1061.5 ahead of budget and 1006.5 ahead of October 2009)
 - YTD 18-Hole Equivalent – 29,552 (94 ahead of budget and 1,646.5 behind 2009). Strong improvements have been attained since the poor weather in the first quarter - 1,611.5 behind prior year at end of 1st quarter, essentially on pace with 2009 in April – October.
- EZ-GO cart problems continue:
 - Still having 10-15 cart failures per busy day.
 - 11 carts had new batteries installed (44 batteries) on October 6 and 7 - to date there have been no failures on the carts with these new Trojan 1275 batteries. These are a heavier duty battery than was originally installed in the carts at the factory.
 - 33 more carts will have new batteries installed in November (four batteries per cart totals 132 new batteries) under warranty – no cost to Big Canoe POA.
 - Currently EZ-GO will not extend battery warranty, but two/three of the carts have or will have new batteries installed in 2010. Still working on solution for remaining one-third of fleet (fleet is comprised of 100 golf carts) – carts with original batteries will be tested by an EZ-GO technician after the 33 carts (132 batteries) are updated in November. If any more of the original batteries are out of specification at that time, they will be scheduled to be replaced, as well.
 - According to EZ-GO engineers the solenoid problem has been a result of the dying batteries and will go away when the new batteries are installed – Golf Staff will continue to monitor that situation.

- Merchandising
 - Preparing for Annual Holiday sale – changing from one-day Friday sale to Friday – Sunday to give more of the weekenders an opportunity to participate in sale.
 - Finalized Spring/Early Summer 2011 orders for apparel, finalizing club orders with new product launches in November.
- Outside Events – fall has been busy with events and participation has been fair:
 - 9/29/10 Jasper Rotary 67 players
 - 10/7/10 1st Cherokee/KSU Event 60 players
 - 10/11/10 Fannin County Chamber 80 players
 - 10/14/10 Parker Hudson 100 players
 - 10/29/10 Odyssey Group 16 players

Memberships

Memberships continue to decline. Members recently making cancellations continue to cite the economy as the reason. They are analyzing the advantages of either being a member or by paying on an “as you go basis.” The Amenity Management Staff will continue to promote the advantages of membership.



Fitness

Programming – October Events

Cardiac Health Seminar

Over 50 residents turned out for the Cardiac Health Seminar held Tuesday, October 12th. The seminar was facilitated by Dr. Master, Dr. Serrao and the Chief Cardiologist at Piedmont Hospital, Dr. Perriera. They discussed cardiac care, as well as providing free blood pressure screenings, body-fat indexing, waist-to-hip ratio calculations and cardiac and stroke risk assessments.

Pilates – On the Ball

Guest instructor Sherry Lyons-Resh, Owner and Pilates Instructor of Dynamic Fitness in Sarasota, Florida, conducted two free Pilate's classes utilizing the exercise ball, with 25 Fitness members attending these complimentary sessions. These classes were held Tuesday, October 14th and Thursday, October 19th.

Upcoming Events

Habits of Optimal Health

Health Coach Glo Winters will be hosting a seminar featuring the philosophy of Dr. Wayne Anderson and his Habits of Optimal Health. This free seminar will not only address ailments such as high cholesterol, high blood pressure and diabetes, but will also discuss how balanced meals and healthy eating along with a healthy lifestyle are beneficial to physical and mental health. This seminar is scheduled for Thursday, November 18th from 7:00 p.m. to 8:00 p.m.

Nordic Walking Session

Health Coach and Certified Nordic Walking Instructor, Glo Winters, will be leading a Nordic Walk from the Playfield on Saturday, November 20th from 9:30 a.m. to 11:00 a.m.

The benefits of Nordic poles will be discussed:

- Usage of 90% of body's muscles
- Increase cardio by 15%
- Burn up to 50% more calories versus walking without poles
- Cost: \$10 per person and will be applied to the purchase of poles.

Monthly Health Seminars

Jack Dunn, Pharmacist and Owner of Jasper Drugs and Gifts, will be hosting monthly seminars in the Fitness Center beginning in late November. There will be 12 seminars on Diabetes Care, one per month, with the first session being: "Carbohydrate Intake", scheduled for Monday, November 29th. The second Diabetes session is scheduled for Tuesday, December 14th and the topic will be "Diabetes Care". In addition to the monthly Diabetes seminars, Jack will also conduct monthly seminars on other health related topics; the first of these sessions is "Blood Pressure", scheduled for Wednesday, December 8th. Other dates and topics will be announced.

Equipment

Cardiovascular Equipment refurbish/remanufacture

It has been determined to have Consolidated Electronics, the company that Nautilus has contracted with for years, repair the Fitness Center equipment under warranty. This company has the most knowledge of our equipment and will come to the Fitness Center to refurbish or remanufacture the equipment. The average cost per piece will be approximately \$300 - \$600 and will extend the life of the equipment two to three years. There are 13 pieces in need of part replacement, broken plastic components replaced, cleaning, painting and all six treadmills need to have the treads replaced, the decks flipped or the deck kits replaced. This work should push the capital back two to three years, at which time the cardio equipment will need to be replaced.

Swim Club/Wildcat

Pool Management for 2011

Bids have been received from four separate pool management companies for the 2011 season. A change in management companies may be implemented for the 2011 season based on the following criteria: the cost of a new management company will save over \$9,000 in budgeted management costs for 2011. One of the new management companies vying for the contract, Aquatic Management Inc., will supply all of the necessary paper, cleaning and trash bag supplies. There is an anticipated savings of an additional \$3,500. Aquatic Management also

uses pre-hire drug-testing for all lifeguards and personnel. Other companies submitting proposals did not offer this prerequisite.

Food and Beverage

October was a busy month in F&B. There were almost 13,000 individuals using the club for dining services. The chart below breaks out covers and revenue for each venue.

	Covers	Revenue	Revenue Per Cover
Mountains Grille	2360	\$ 35,452	\$15.02
Black Bear Pub	4176	\$ 52,056	\$12.46
Duffer's	3334	\$ 14,546	\$ 4.36
Total Member Dining	9870	\$102,054	\$10.33
Banquets	2925	\$77,898	\$26.63

October was the busiest month yet for banquets and catering. While the \$26.30 revenue per cover looks very good, it should be known that most of the clubs and Big Canoe groups that meet at The Clubhouse, average \$12 to \$15 per person. Weddings and outside golf tournaments are responsible for driving up the average. In October, F&B conducted:

- 104 Special Events
 - 8 Weddings
 - 8 Rehearsal Dinners
 - 17 Golf Events
 - 29 Clubs, Bridge/Mahjong groups
 - 42 Miscellaneous Meetings

In October, F&B exceeded the revenue budget and with continued cost control efforts, a Net Profit of \$24,108 was achieved. F&B was \$36,000 ahead of budget for the month and \$55,252 ahead of budget YTD. The financial highlights for October:

- \$195,000 in revenue vs. budget of \$171,000
- \$1,200 under budget in Cost of Sales
- \$8,200 under budget in Labor Cost
- \$2,800 under budget in Operating Expenses

Congratulations to Yolanda, Chef Tulio and Becca for a tremendous job well done!

Looking ahead to November, the team is focused on building on our recent successes. Here are the key projects:

- Staffing
 - Getting the right people "On The Bus"

- Training
- Efficiencies with regard to scheduling

- Menu Development
 - November - Seasonal Changes
 - April – Complete Revisions
 - Currently revising
 - Beverage programs for Beer and Wine
 - Coffee program
- Customer Satisfaction
 - New comment card is ready for the printer
 - Looking at Survey Monkey as alternate

Highlights for Upcoming Events

November

14th Sunday Brunch Buffet Entire Clubhouse
 15th Community Dinner Hosted by the Dosen's – Italian theme
 18th Fireside Dining in Sconti Point (Tentative)
 19th Fall Dinner & Entertainment with Bill Pound in Dogwood
 21st Sunday Brunch Menu available in Pub
 24th Community Coffee in Dogwood
 25th Thanksgiving Buffet
 28th Sunday Brunch Buffet Menu available in Pub

December

1st Chicks at the Flicks in Dogwood
 3rd Squires & Stags in Dogwood
 5th Sunday Brunch Menu available in Pub
 5th Candlelight Dinner Buffet
 11th Community Coffee in Dogwood
 12th Sunday Brunch with Santa
 16th Fireside Dining in Sconti Point
 29th Community Coffee in Dogwood (Tentative)

Golf Maintenance/Landscaping

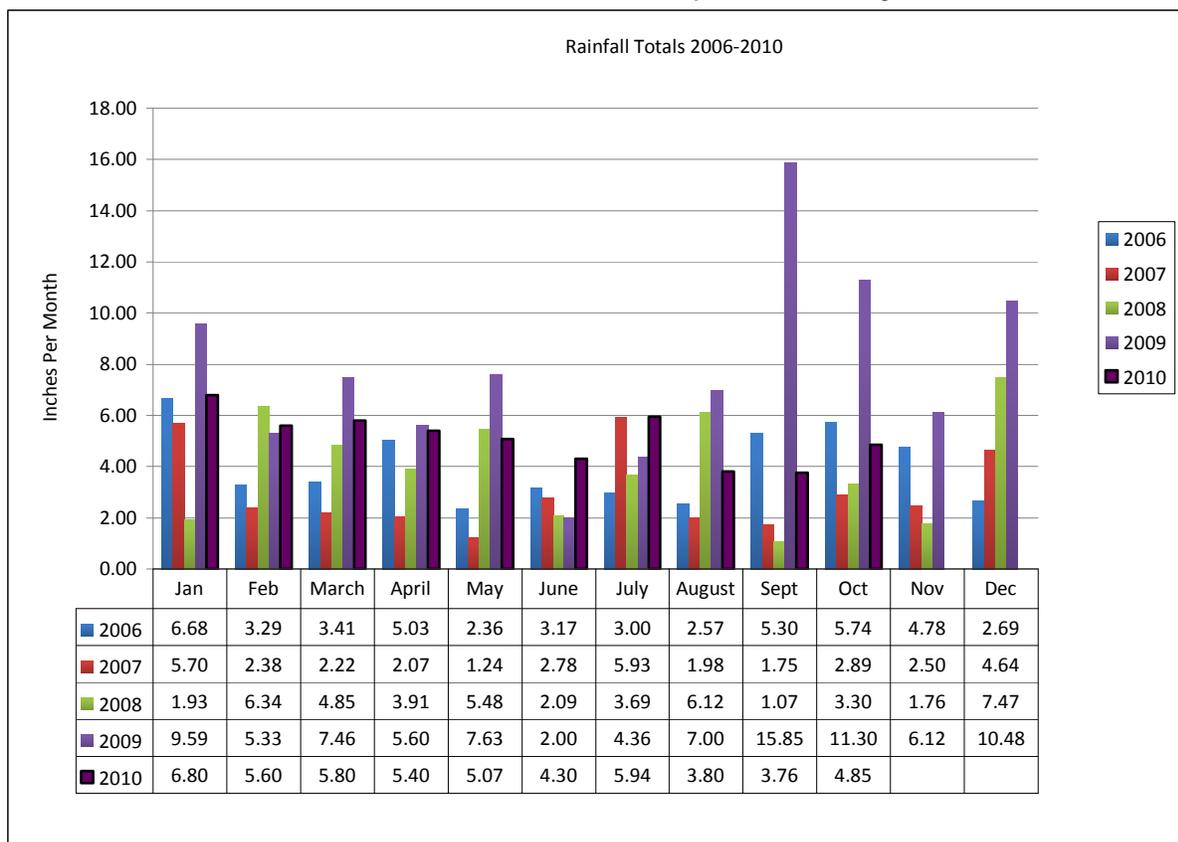
The greens on the golf course are responding very well to the additional fertilizer that is being applied. The density of the turf is improving along with the root system. The Maintenance Staff has completed approximately 90-95% of the plugging on the greens with the remaining plugs being installed on the greens of Choctaw 3, 4, and 9.

The Golf Maintenance Staff has removed the old handrail and built a new handrail on the walk bridge adjacent to Choctaw 3 green. The old rail was becoming very loose along with a portion of the beams that comprise the flooring of the bridge, and the safety of the bridge was becoming a concern. The Maintenance Staff secured the beams with additional lag screws and rebuilt the handrail to mimic the pattern of the covered bridge on Choctaw 3. After the new flooring was installed, a new rubberized mat was added to provide extra grip and traction for golf shoes and to reduce the possibility of slipping when the bridge is wet or frosted over.

The Landscaping Staff has been working to improve line of sight issue at various locations on the property. One of the areas is the intersection on the north end of the playfield when exiting onto Wilderness Parkway. The shrubs were pruned back and the trees were limbed up to provide better line of sight. Another area that has been limbed up to improve line of sight issues is along Wildcat Parkway. The cedar trees that were planted along the shoulder of the road were encroaching upon the roadway and creating dangerous traffic situations. The staff limbed up the trees and greatly improved the visibility of traffic in both directions.

Both Maintenance Departments are very busy with leaf blowing and removal throughout the golf course and the common areas on the property. This will be an ongoing venture until all of the leaves have fallen and can be removed.

The rainfall total for the month of October was 4.85". On October 1st the golf course received .3" of rain and the remaining 4.55" of rain fell in three days from October 24th – 26th. The attached rain chart illustrates rainfall amount from the previous five years.



Tennis

Membership

Membership has fluctuated over the course of this month. The difficult economic situation and personal situations have been factors. Some playing infrequently have converted to daily fees rather than pay the monthly rate. New residents have become new tennis members. Tennis continues to have increased revenue with fewer members.

Programming

The addition of the Clay Tech courts will ease the winter time crunch for indoor court times during good weather. Changing indoor times to one and one-half hours may be required in the future to accommodate more play time until additional indoor courts are justified.

Operations

Shop Sales: Sales of hard and soft goods continue to be strong. The exclusive contract with Head/Penn has been renewed. This provides lower wholesale costs for racquets, string and shoes. Industry wide, sales of tennis balls and racquets remain soft.

Court Usage: Court usage has remained very high. The rain and winds have forced additional maintenance time to be spent on the courts. This has also forced some additional indoor play.

Indoor Facility: Work is progressing on the Indoor Tennis Pro Shop. The phone and computer lines are being installed by our Maintenance Staff. The POS terminal from the Swim Club will be used for the Indoor Tennis Pro Shop. Leftover shelving from the Golf Shop and fixtures from the Tennis Shop are being used. Sales are expected to increase compared to previous indoor seasons.

New light bulbs have been purchased and are being installed by our staff. 44- 400 watt and 18- 1000 bulbs are being replaced at a cost of \$3000.00. Light meter readings showed the levels to be ½ of the USTA guidelines for safe indoor play. These are the last bulbs of this type available and conversion to pulse start ballasts or replacement of the current fixtures will need to be done as these bulbs age out.

Lakes and Marina

October 2010 – Inclement weather, unexpected boat repairs and lower than budgeted boat rack fees had a negative impact on revenues.

Financially:

- October revenue is unfavorable by \$1,331 as compared to budget with YTD revenue ahead of budget by 1%
- YTD Revenue is ahead of same period last year by 12%
- YTD Expenses are 11% under budget
- YTD Net Profit is \$127,127 exceeding budget by 8%

Customer Satisfaction – Developing a mail-in card for customers to rate the level of service and products they received while at the Marina. The end result will be a system for measuring and reporting Customer Satisfaction.

Safety Program – Developing a formal safety checklist to be submitted to the Safety Committee on a monthly basis.

Retail Planogram for 2011 – Working with Kennesaw Bait Company to develop a retail plan and layout that will provide an expanded product line and increased revenues for the Marina. To be in place late February or early March.

Solar Power – Continuing to research with Charlie Pollard and an assistant of his from Georgia Tech on the use of solar power to augment the use of batteries on the electric boats. There are now three boats with good motors and heavy-duty batteries. Testing with these batteries so far show that these boats can be turned around two times for two hours immediately before needing to be charged.

Public Works

2010 Ditch Project: The Ditch Line/Drainage Project is nearly complete.

Roads & Trails: The recent winds and rains have blown many leaves off the trees and onto the roadways of Big Canoe, prompting numerous calls requesting the roads be cleared. In response, there are two vehicles equipped with blowers out on the roads each day. The leaf vacuum truck is being used in conjunction with the blowers to remove as many leaves as possible and as quickly as possible. This equipment is scheduled to be out on the roads each day for at least a month.

Sign Maintenance: Numerous street and directional signs are being replaced throughout the property.

Garage: The garage mechanic is continuing with the preparation of the vehicles and road maintenance equipment for any winter weather events.