

Community Service Associates, Inc.
Minutes of January 8, 2009 Luncheon Meeting

On January 8, 2009, a luncheon meeting was held of the combined Boards of CSA and ASPPPO in the Stewart Room of the Harbour Town Conference Center. Those attending included incoming and outgoing Board members of both organizations and invited guests. Pat Jinkins presided.

Mrs. Jinkins took note of the changes in Board membership that took effect on January 1, 2009. She thanked CSA Board members Paul Aikman and Bob Hattersley who had completed their terms. She noted that Mike Lawrence, a Company-appointed Board member, had also completed his Board service. She expressed appreciation for Mr. Lawrence's contributions, mentioning the value of his long experience and knowledge of Sea Pines.

Mrs. Jinkins then welcomed the new members of the CSA and ASPPPO Boards. Fred Wynn who completed his term on the ASPPPO Board will now serve on the CSA Board. George Minot, a current CSA Board member was elected to serve also on the ASPPPO Board. Nikki McNamee and Blaine Lotz were newly elected to serve on both the CSA and ASPPPO Boards. All will serve as Class A members of the CSA Board.

Mrs. Jinkins then introduced members of the CSA staff and invited guests who were present: George Breed, Director of Security; Cindy Gray, Director of Human Resources; William Leitner, Controller; David Henderson, who is responsible for CSA Community Projects and ASPPPO Covenant Administration; and Jeanne Pearse, Executive Administrative Assistant. Walt Nester from the McNair law firm was also introduced. Mr. Nester serves as legal counsel for CSA and ASPPPO.

The retiring Board members and most of the invited guests left the room at this point and Mrs. Jinkins convened the formal CSA Board meeting at 1:25 p.m. Mr. Wynn attended by teleconference call.

1. Roll Call

Present:	Pat Jinkins	John McLauchlin	Don Carlson
	Cary Corbitt	Mike Hellman	Norman Harberger
	Fred Wynn	Bob Sowers	Blaine Lotz
	Kathy Carter	Audrey King	Steve Birdwell
	George Minot	Mark King	Nikki McNamee
Absent:	Bob Gossett	Don Sigmon	
Staff:	Cary Kelley	William Leitner	Jeanne Pearse
Guest:	Bob Hattersley		

2. Approval of the Meeting Minutes

Board members reviewed the November 25, 2008 meeting minutes. A motion was made by Mrs. Carter to approve the minutes as submitted. Mr. Harberger seconded the motion and it was passed unanimously.

Board members reviewed the December 10, 2008 special meeting minutes. A motion was made by Mr. Hellman to approve the minutes as amended. Mr. Minot seconded the motion and it was passed unanimously.

3. **Board Resolution for Legal Representation**

Mr. Minot made a motion that The Board of Directors approve the payment by the Corporation of the costs and fees of legal counsel retained by Mr. Breed, Director of Security and Community Affairs, in connection with the litigation entitled “Maureen T. Coffee v. Community Services Associates, et al., Case Number 2008-CP-07-04540” including any amounts to be paid for a judgment or agreed settlement amount. The motion was seconded by Mr. Hellman and was unanimously passed.

Mr. Harberger reported that the Executive Committee had met on January 2, 2009 to discuss issues concerning the special arrangement approved by the Board in December to temporarily defer changes in the CSA officer team in view of current settlement discussions in the Sea Pines Country Club suit.

The Executive Committee concluded that:

- The interim arrangement should only continue as long as there is reasonable likelihood that the Country Club litigation will be settled promptly. It should not continue if a prolonged court fight is likely. With that in mind, the special arrangement should terminate by March 31, 2009 or sooner.
- To avoid confusion about presidential authority, the successor officer slate should not be formally elected until the termination date of the interim arrangement has been firmly established.
- In that same connection, it is understood that once the officer change takes place, the new President will have the full authority of CSA Presidents to appoint committee chairpersons. In view of that, Mrs. Jinkins plans to make no changes in committee chairmanships at this time. Mr. Hattersley, who has chaired the Maintenance committee, has agreed to continue in that post during the interim period, although – as of today – Mr. Hattersley is no longer a Board member.

The Executive Committee had also determined that no By-law amendments are necessary to accommodate these special arrangements, since the By-laws specify no rigid requirements concerning the timing of elections of officers.

Mr. Harberger then made a motion for Board approval of the following resolution to clarify the actions taken by the Board in December and to provide the necessary Board authority to move ahead with these special arrangements.

RESOLVED:

- That the Board extends the terms of the current CSA officers until March 31, 2009 or such earlier date as the Board may choose to terminate this special arrangement;
- That the Board waives Mrs. Jinkins' term limit as a Board member until March 31, 2009 or such earlier date as the Board may determine, with the proviso that Mrs. Jinkins will not be a voting member of the Board during this extension of her normal Board service; and
- That an election of officers to serve for the remainder of 2009 is to take place between fifteen (15) and thirty (30) days before the special arrangement ends.

The resolution was seconded by Mr. McLauchlin and was approved unanimously.

4. **Executive Session/Review of Decisions Made Regarding Litigation**

The Board went into Executive Session in regards to the Sea Pines Country Club litigation and an extended discussion was held on the settlement efforts in the suit. After reconvening Mr. Harberger made the following motion:

- That the Board authorizes CSA counsel to ask the court to vacate the existing restraining order pertaining to gate fees and to seek a summary judgment in this suit; and
- That CSA counsel be instructed to inform opposing counsel immediately that these Board-approved actions will be deferred only if opposing counsel believes a favorable response to CSA's December 18, 2008 settlement proposal is imminent.

The motion was seconded by Mr. Minot and was unanimously approved.

5. **Adjournment** - With no further business, the meeting adjourned at 1:55 p.m. The regular monthly meeting of the Board is scheduled for January 27, 2009, at 3:00 p.m. in the CSA Board Conference Room.

Respectfully submitted,

Norman Harberger
Secretary