

Association of Sea Pines Plantation Property Owners Association, Inc.
Board of Directors Meeting
Tuesday, October 10, 2006
1:30 p.m.

The meeting was called to order at 1:30 a.m. in the library of the Providence Presbyterian Church. President Williams presided.

1. Roll Call

Present:	David Williams	Don Carlson	Fred Wynn
	Paul Aikman	Kay Morton	Sam Pruett
	Audrey King		
Absent:	Bob Bartlett	Jim Young	
Staff:	Cary Kelley	David Henderson	Jeanne Pearse
	William Leitner		
Guest:	Felice LaMarca		

2. ASPPPO Administrator's Report

a. **Property Covenant Enforcement Report** - The properties being monitored on the Property Report list were reviewed and discussed by the board members. The number of complaints received this year are down one-third from last year at this same time.

b. **Pending Covenant Enforcement Litigation** – The board members were updated on the status of the current litigation cases.

c. **CSA Community Center Update** – Mr. Kelley relayed that the CSA Board had formed a task force to investigate the usage and cost of the community center and make a recommendation on whether to continue the lease that was expiring at the Sea Pines Shopping Center; offer other options for a different location for the community center or discontinue the community center altogether.

3. Approval of the Meeting Minutes

A motion was made by Mrs. Morton to approve the September 19, 2006 meeting minutes as amended. The motion was seconded by Mr. Pruett and was passed unanimously.

4. **Financial**

a. **Financial Statement** - A copy of the September financial statement was included in the board package and reviewed by the directors. Legal fees and litigation cases were discussed. It was an earlier consensus to use McKenna, Long and Aldrich as legal representation for ASPPPO and a contract had been signed with McNair Law firm to handle one of the litigation cases. It was determined that a communication process should be established so all the board members would be kept up to date.

b. **ASPPPO Membership Dues**- The membership dues billing for 2007 is scheduled to be mailed out on November 10, 2006. A sample will be included in the November board package. The next follow up bill will be mailed at the end of January 2007. Discussion was held on the membership amount for 2007 and legal fees being higher. The current amount for improved properties is \$25. Mr. Pruett made a motion to increase the amount for improved properties to \$30; the unimproved amount will remain at \$15. Mrs. King seconded the motion and it was passed unanimously.

5. **Committee Reports**

a. **Commercial Assessments** - The Town of Hilton Head has not yet provided a list of commercial entities that have a business license due to being short staffed. Once the list is received he would forward it to the Legal Advisory Committee.

b. **Legal Advisory Committee** – Mr. Pruett distributed a sample of what the McKenna, Long and Aldrich law firm was working on. Mr. Wynn noted and commended all the support work done by the Legal Advisory Committee.

c. **Communications Committee** – Mrs. King said the new colorized version of the newsletter was mailed out and she has received many compliments. She also noted that she interviewed Jim Carroll who has offered to replace Bill Mergler, (lecture series coordinator at the Community Center) as a volunteer. He has a terrific background and she feels he would be a good candidate for that position. Mr. Carroll will meet with Mr. Kelley for an interview also.

d. **Covenant Enforcement** – The Administrators Report was reviewed earlier in the meeting.

e. **Density Units** – A copy of the report was included in the board package.

f. **ARB Liaison** – It was recorded that Mrs. Jinkins, who had been attending the ARB meetings, was impressed with the changes and improvements made in their meetings.

g. **Community Outreach** – Mr. Carlson said the POA Presidents had recently held a meeting and ten presidents had attended. Many comments were made and concerns were discussed and overall, he felt that it was a good meeting.

6. **Amendments to the 1974 Covenant Negotiations** – The Covenant negotiating team was scheduled to meet on Wednesday, October 11th and the ASPPPO representatives, Kay Morton and Dave Williams, asked what stance the ASPPPO Board members wanted them to take. A lengthy discussion was held. The ASPPPO Board members did not agree with the proposed amendment that stated the commercial entities only paid a special assessment that would be equal to that year's assessment amount paid. They felt this proposal was unfair would only provide about 4% of the monies collected and the property owner's portion would be contributing about 96%.

As part of the Transfer Fee proposal, the ASPPPO Board wanted the commercial entities to also reassign the \$65,000 budgeted for marketing and the ½ % improvement reimbursement. Both of these items are outlined in the \$5 Gate Fee Agreement. All of these funds would go into the reserve fund.

If this is not agreed to, then the ASPPPO Board would oppose the 0.25% transfer fee on the purchase of property that was being proposed to build a reserve fund. The Board concluded it would mail to property owners all the documentation and reports that had been gathered and advise them not to vote for the amendments.

Mrs. Morton asked for a poll to be taken of all those not in favor of the proposed amendments where the special assessment would be 96% property owner contribution and the 4% commercial contribution without the \$65,000 marketing funds and the ½% going into the reserve fund. She further stated that whatever way the ASPPPO Board voted today, she would vote that way at both the negotiations and at the CSA Board level regardless of how she felt. The poll revealed that the majority of the ASPPPO Board members were against the amendments presented without the extra contribution of funds out of the \$5 Gate Fee Agreement. Mrs. Morton and Mr. Williams will relay this information to the negotiating team.

The board members left for the open portion of the meeting being held in the Sanctuary at 2:50 p.m.

7. **Open Meeting**

I. **Presentation on Time Warner** - Mary Ann Jacobs, Director of Public Affairs for Time Warner, gave the next presentation. She also introduced Kevin Barrik, General Manager and Kelly Allen, Marketing Manager for Time Warner on Hilton Head. Mary Ann said that the TV program line up would remain the same for Hilton Head, but would probably be changed in the future. On October 31, the billing will switch to Time Warner and prices will remain the same. In the next few weeks property owners will be switched to the Time Warner cable system which is presently being put in place. After the switch, they will be contacted by Time Warner and arrangements made to swap out all the old Adelphia boxes and remotes for new Time Warner equipment. Time Warner plans a complete renovation with new features such as digital cable, high definition and DVR's. They also plan to offer "Road Runner" a high speed internet service and in six to eight months, phone service.

II. ARB Presentation -. Mr. Williams explained the ARB recently had two resignations, one of which, was the previous Chairman. Mr. Richardson, who is a representative appointed by The Sea Pines Resort, was elected as the new Chairman. It was noted that this position automatically holds a membership seat on the ARC.

The two ARB members that had resigned were appointed by ASPPPO and the Nominating Committee is in the selection process and will make a recommendation to the Board to fill these positions. Also, the ARB is reviewing the ARB Guidelines. Once the review is finished and proposed changes, if any, are identified, a draft of the revision will be provided to the ASPPPO Board for their review and input. He then introduced Mr. James N. Richardson, the ARB Chairman

Mr. Richardson gave a slide show depicting the history and evolution of architecture on the Island. He noted that “Architecture by Nature is Evolutionary”. The first home in Sea Pines was built for Charles Fraser. It was a “beach type house” that had a flat roof and was made of tabby. Its appearance was much different than what you see in the plantation today.

In 1978, FEMA started requiring houses to be built at a minimum of a 15 foot elevation. This is one cause of making homes seem larger in appearance. He also spoke on the usage of wood shake shingles. These had been used in earlier home construction, but are no longer used due to their being a fire hazard. New wood shake shingles are fire retardant, but are three times the cost of asphalt shingles and seldom used today. The ARB is also trying to limit and approve more of the Charleston, square type columns rather than the round ones. Mr. Richardson, on behalf of the ARB, expressed concern about the evolution of housing in the plantation over the next fifty years.

III. Legal Affairs Report - Mini-hotel and Commercial Assessment Update - Dave introduced Sam Pruett who described the work of the Legal Affairs Committee (LAC) which is new this year. The LAC provides legal counsel on matters of interest to the ASPPPO Board, but takes no action on their own in ASPPPO’s name. Three lawyers now serve on this committee which is co-chaired by Sam and Fred Wynn.. The three lawyers are Karl Becker, Tom Hagoordt and Dan Westerbeck. One of the LAC’s key projects was recommending an outside firm to represent ASPPPO if that becomes necessary. The firm recommended McKenna, Long and Aldrich, from Atlanta, who is now working with ASPPPO.

Sam then described some work that ASPPPO has done in connection with the very large structures that have been built in several Sea Pines neighborhoods. These have been dubbed “mini-hotels” as most all are used for short term rentals. ASPPPO has heard from a large number of residents who are concerned about these very large structures. Sam advised that the LAC and McKenna, Long and Aldrich were studying this matter.

IV. Disaster Recovery Update – President Williams spoke on Disaster Storm Recovery and the negotiating process to amend the 1974 Covenants. He stated that ASPPPO representative have met with Sea Pines Resort representative to discuss the

need for a fund to replace equipment or make capital improvements (either planned or unplanned).

Sea Pines Resort agreed on a covenant change requiring new property owners to pay a transfer fee of ¼ of 1% of the purchase price. They also agreed that if it became necessary to ask for a special assessment, property owners would pay an amount equal to the amount of their assessment of the previous year.

The Sea Pines Resort representatives would only agree that the commercial entities would pay a special assessment equal to the amount of their annual contribution from the previous year.

ASPPPO feels that the commercial entities are not paying their fair share. President Williams said property owners would be receiving more information on this from ASPPPO.

V. Introduction of ASPPPO and CSA Board Candidates - Kay Morton, Chairman of the Nominating Committee for CSA and ASPPPO, introduced the candidates and gave a short biography on them. The candidates for CSA are: Kathy Carter, John McLaughlin, George Minot and Dan Westerbeck. The candidates for ASPPPO are: Mike Hellman, Kathy Carter, John McLaughlin, George Minot and Dan Westerbeck. Each one was present and stood when introduced.

VI. Question and Answer Period - The majority of questions and comments were regarding the ARB.

8. **Recap of the Open Meeting** – The closed portion of the meeting reconvened in the main conference room of the CSA building at 5:00 p.m. All the directors thought President Williams did an excellent job at the meeting. The sense of the board on the presentation of the board candidates was that it was well received and this should be continued in the future.

Discussion was held on the comments made at the open portion of the meeting regarding the ARB. It was felt the ARB and the ASPPPO Board needed to be in agreement and share the same viewpoints and concepts for the community. The ARB is in the process of revising their guidelines and it was suggested the ASPPPO Board receive a copy and be able to provide input and discuss some of the issues with Mr. Richardson.

9. **Plans for a Strategic Planning Workshop** – The Board held a lengthy discussion on a strategic plan. It was decided a full day was needed to define and establish the objectives and goals for the ASPPPO Board. A workshop will be held on Monday, October 23, 2006, at 9:00 am in the CSA Community Center meeting room. The Legal Advisory Committee would also be invited to join the workshop. Vice President Carlson will be the moderator and provide an agenda for the day's program. It was also determined to hold a meeting in December and invite the newly elected board members to attend.

10. **Adjournment**

The next meeting will be held on Tuesday, November 14, 2006, at 3:00, in the CSA main conference room. With no further business the meeting adjourned at 5:30 p.m.

Respectively submitted,

Audrey King
Secretary