

**Association of Sea Pines Plantation Property Owners Association, Inc.**  
**Board of Directors Meeting**  
**Tuesday, August 8, 2006**  
**3:00 p.m.**

The meeting was called to order at 3:00 p.m. by Vice President Don Carlson. Mr. Carlson was presiding over the meeting in Mr. William's absence.

**1. Roll Call**

Present:	Don Carlson	Jim Young	Bob Bartlett
	Fred Wynn	Kay Morton	Sam Pruett
	Audrey King	Paul Aikman	

Absent: David Williams

Staff:	Cary Kelley	David Henderson	Jeanne Pearse
	William Leitner		

**2. ASPPPO Administrator's Report**

a. **Bulkhead and Dock** – A property owner who had recently replaced a dock also built a bulkhead. The bulkhead was built without the Town of Hilton Head or ARB building permits and the owner also failed to request an encroachment agreement from CSA. The Town directed the owner to remove the bulkhead and is talking about taking legal action to compel the owner. The ARB and CSA will take appropriate action following the resolution of the Town's legal action.

b. **Time Warner Acquires Adelphia** – The sale of Adelphia Cable to Time Warner has closed. Time Warner will be offering many new services for the Sea Pines' property owners and will also provide CSA with a Sea Pines "Community Channel". These improvements are planned to be in place by the end of the year. Time Warner has offered to come and speak at the October ASPPPO open meeting.

c. **Property Covenant Enforcement Report** - The complaints received on properties being monitored on the Property Report list was reviewed and discussed by the Board members. Mr. Bartlett asked that three additional properties be added to the list.

**3. Approval of the July 11, 2006 Meeting Minutes**

A motion was made by Mr. Pruett to approve the July 11, 2006 meeting minutes as amended. The motion was seconded by Mrs. Morton and was passed unanimously.

#### **4. Financial**

**a. Financial Statement** - A copy of the financial statement was included in the Board package. The percentage of membership is at 76% or 112 memberships lower than last year. At the end of 2006, the Board will place emphasis on the billing for 2007. Mrs. Morton asked about the feasibility of mailing out the CSA and ASPPPO annual dues together. Mr. Leitner will report on this at the next meeting.

**b. ASPPPO D&O Insurance** – Mr. Leitner reported that the insurance carrier for the D&O insurance said ASPPPO should have a separate policy from CSA since the membership of the ASPPPO Board was now comprised of different people that represent the Class A or residential property owners on the CSA Board. The two policies offered are: \$1 million dollar policy for \$4,400 per year with a \$15,000 deductible, or a \$3 million dollar policy for \$8,500 per year with a \$15,000 deductible. Mr. Pruett made a motion to buy the \$1 million dollar policy per year to ensure the ASPPPO Board members are indemnified. The motion was seconded by Mr. Young and was unanimously passed. Mr. Leitner was asked to ensure that ASPPPO was covered under the existing umbrella policy.

#### **5. Discussion Topics**

Possible Open Meeting Agenda Items

- I. Sea Pines Resort Plans for the Sea Marsh Golf Course Renovation
- II. Introduction of Board Candidates
- III. Mini-hotel Update
- IV. Presentation on Time Warner - New Cable/Telephone/Internet Services Offered in Sea Pines
- V. Disaster Recovery Update

The Board discussed the above items as possible agenda items for the open meeting. The Board candidates will be introduced only and not questioned at the meeting. It was suggested to have a reception after the open portion of the meeting to allow an informal gathering with the candidates. The point was made that if the reception was held, there would not be time to reconvene the meeting should this be necessary.

#### **6. Committee Reports**

**a. Communication Committee** - The October newsletter issue will be the first one done in color. Mrs. King had previously shared a copy of what Hilton Head Plantation did with the candidate bios in their newsletter. The Board had liked the idea and decided the newsletter should go out approximately the same time as the ballots with the extra candidate information. The question of “Why are you running for the Board?”, and their response will be included in the ballot envelopes.

Mrs. King also asked for the Board’s opinion on the new masthead for the colorized version of the newsletter. The general consensus of the Board was that they liked the beach scene best.

- b. **Commercial Assessments** – Mr. Aikman said the collection of commercial assessments should be in compliance with the covenants. The Town of Hilton Head is considering a requirement to have property owners who are renting two or more homes to have a Town business license. He has requested the Town to send him a list of all people in Sea Pines that have a Town business license.
- c. **Legal Advisory Committee** - The Committee is recommending the law firm of McKenna, Aldridge and Long to research and make recommendations on how to address concerns relating to commercial assessments and mini-hotels.
- d. **Public Relations Committee** - Mr. Fred Wynn distributed a sample of communication that could be mailed to property owners to increase the image of the ASPPPO Board. He asked for any comments to be e-mailed to him.

**7. ASPPPO Board Resolution to Engage Legal Counsel**

Discussion was held on hiring the law firm of McKenna, Aldridge and Long. The engagement of the law firm would be limited in scope to the necessary research and related work necessary to enforce the Sea Pines Covenants pertaining to the determination and collection of the annual commercial assessments and the operation of a “mini hotel” business in a “Class A” single family residential neighborhood. It was determined that a special ASPPPO Board meeting to meet with representatives from the law firm would be held on Tuesday, August 22, 2006, in the Sea Pines Country Club at 9:00 a.m.

Mr. Pruett made a motion to authorize the expenditure up to \$10,000 as a retainer fee to be billed against by McKenna, Aldridge and Long if they are hired and that ASPPPO Board approval would be required prior to the filing of any litigation. Discussion was held. The motion was deferred until McKenna, Aldridge and Long’s billing rate and fees were determined. Their firm will be asked to submit a representation letter detailing their fees, rates, estimated costs and expenses in the ASPPPO, August 22<sup>nd</sup> Board package. Mr. Kelley will confirm the reservations at the Sea Pines Country Club.

**8. Status of the Covenant Revisions**

Mrs. Morton said the negotiations were continuing. A comprehensive answer on an issue was needed from Mike Lawrence and the next step was to meet with the commercial representatives.

**9. Status of the ARB Actions**

- a. **ARC Designee to Represent ASPPPO in Dave Williams Absence** – In accordance with the by-laws, the ARC attendance has to be 100% in order to have a quorum at a meeting. Mr. Williams, the ARC President, will be out of town and he has asked that Mr. Don Carlson be given proxy to act in his behalf while away and to attend any meetings. This has to be approved by the ASPPPO Board. Mrs. Morton made a motion to approve Mr. Carlson presiding at the ARC meeting in Mr. William’s absence. The motion was seconded by Mr. Bartlett and was approved unanimously.

- b. **ARB Appointments** – Mr. Jack Docherty resigned as the appointed ASPPPO ARB member. Mr. Irwin Gumley, who currently serves as the CSA/ASPPPO Alternate member of the ARB, has expressed interest in filling the vacancy. Mrs. Morton, on behalf of the Nominating Committee, made a motion to appoint Mr. Gumley as the ASPPPO Representative to complete Mr. Docherty’s term which ends in December of 2006. The motion was seconded by Mr. Bartlett and was passed unanimously.

Mrs. Mary Jo Carlson has also resigned her position as the other ASPPPO representative. The Nominating Committee is working to fill this position and the CSA/ASPPPO Alternate position that is now vacant. There are some candidates who have expressed interest, but who want to attend some meetings before making a commitment.

- c. **ARB Liaison Committee** – Mr. Young reported that the Committee had attended a recent ARB meeting in which Mr. James Richardson, the newly elected Chairman, had presided. The Committee was impressed with him as the new Chairman and copies of the ARB minutes were included in the Board package. Discussion in the ARB meetings included: litigation, insurance and the need for better communication with property owners to clarify issues. The ARB has requested additional insurance coverage and this will be discussed at the next ARC meeting.
- d. **ARB Inspector** – Mr. Kelley said that he had hired an inspector for the ARB. Mr. David Risk has gained experience performing this type of work at Palmetto Dunes. He will be given a list of weekly mandatory inspections and will report to Mr. Kelley. The builders will be given notification of the inspections by the ARB when they are applying for their permits. Another inspector is needed and an ad has been placed for the second inspector.
- e. **Time Frame of Construction Work** – The Sea Pines Covenants state that new home construction must be completed within twelve months. Discussion was held on some homes that have exceeded this time limit.

**10. Adjournment**

The next meeting will be held on Tuesday, September 19, 2006, at 3:00, in the CSA main conference room. With no further business the meeting adjourned at 5:10 p.m.

Respectfully submitted,

Audrey King  
Secretary