

Association of Sea Pines Plantation Property Owners
Meeting Minutes
August 9, 2007

The August meeting of the Board of Directors of the Association of Sea Pines Plantation Property Owners was called to order at 3:00 p.m. in the CSA Main Conference Room. The Board members met earlier to take a special tour of the Hilton Head Prep's new gymnasium. Mr. Carlson noted that Sea Pines property owners would have free usage of the gym's fitness center beginning August 15th between the hours of 7:30 - 9:00 a.m.

1. Roll Call

Present: Jim Young Don Carlson Kathy Carter
 Audrey King Sam Pruett John McLauchlin
 Fred Wynn

Absent: Paul Aikman Mike Hellman

Staff: Cary Kelley William Leitner David Henderson
 Jeanne Pearse

Guest: Karl Becker

2. ASPPPO Administrator's Report

a. TV Channel - Mr. Kelley said that Time Warner has ordered the equipment for the Sea Pines new informational channel. Time Warner is providing this service at no cost to the property owners. Mr. Kelley plans to broadcast newsworthy information such as free usage of the Prep's fitness center and library and other discounts offered to the Sea Pines property owners. He said eventually it may be possible for the annual and open meetings to be video taped and then aired on this channel as well as broadcasting any emergency information.

b. Covenant Enforcement Report List- Mr. Henderson updated the board members on his progress made with the six homes on the list. Some of the problems had been solved and some of them were making submissions to the ARB in order to be corrected.

Another property in violation of the covenants was also mentioned and Mr. Carlson will provide the address to Mr. Henderson.

c. New ASPPPO Sign for the CSA Building - The status of the sign was discussed and it was the consensus that Messieurs Wynn and Pruett will work on the layout and design of the sign and meet with Mr. Kelley before submitting it to the ARB and CSA Boards. The ASPPPO Board had approved an expenditure up to \$4,550 for this project at their June 2007 meeting.

3. Minutes - Mrs. Carter made a motion to approve the July 12, 2007 meeting minutes as amended. Mr. Wynn seconded the motion and it was passed unanimously.

4. Financial

a. July 2007 Financials - The July financial statements were reviewed. ASPPPO is in good financial position. Mr. Leitner has transferred \$50,000 from matured Beach Trust CD's to two local bank CD's at \$25,000 each and will continue to invest funds in a laddering effect.

b. D&O Insurance - Mr. Leitner had been asked to research the cost of increasing the insurance coverage from \$1 million to either \$3 or \$5 million. An application has been submitted to the underwriter, but a response has not been received. Mr. Leitner contacted CNA and they had requested more financial information and are still studying the issue. Mr. Leitner hopes to hear back from them this week. He also noted that Carswell of Carolina, our insurance provider, recently merged with BB&T.

c. Membership - The third mailing for membership dues was deemed successful since there are now an additional 263 new members. Mr. Leitner noted that another six or seven property owners have joined ASPPPO since the beginning of August. The membership counts on June's print out had been corrected.

5. Open Meeting Agenda Items - Mr. Carlson asked the Board members to think about the format of the October open meeting. One of the past October meeting agenda items was to meet the candidates running for the CSA and ASPPPO boards. He felt this should be more of an introduction and not a debate session. He asked the other members for suggestions and to bring them to the next meeting.

6. Committee Reports

a. ARB Liaison Committee - Mrs. Carter said the ARB is in the process of revising their guidelines. The portion that they are struggling with is the bulk/mass ratio.

On September 18th the ARB will take a bus tour to determine the best remodel and newly constructed home. This is done on an annual basis.

b. Beach Club - Mrs. Carter said she and Mr. Carlson had discussed the storage lockers at Shipyard Plantation with Mr. Birdwell since the Resort was considering

upgrading the Sea Pines Beach Club. They relayed the revenue generated was substantial and the demand for this type of storage area was so high that there was a waiting list. Mr. Birdwell said he would contact Sally Warren, Shipyard Plantation's General Manager for more details.

It was thought the Tower Beach area would be another location for storage lockers, but the pavilion would have to be raised. Mr. Kelley said an area near the restrooms where the ground slopes down might be more conducive. This will be turned over to the Beautification Committee to review and determine its feasibility.

c. Communications Committee

Community Center - Mrs. King said she has not been able to find a coordinator for the community center's lecture series. She contacted the Women's Club of Sea Pines and there isn't anyone interested in leadership roles. Most people have come to Sea Pines to retire, relax and not take on more responsibility.

She and Mr. Hellman are currently looking for volunteers to assist with the Red Cross Blood Drive and asked the board members to contact them if they had any suggestions for either of the volunteer openings.

Community Newsletter - Mrs. King said that President Carlson had contacted her regarding a comment made at the July CSA Board meeting. One of the CSA Board members had said that CSA is not recognized anywhere for their contributions towards publishing the newsletter. A comment had been made that if CSA was not going to be recognized then it should no longer pay for 60% of the publication costs. At the CSA Board meeting, it had also been discussed to provide information regarding Sea Pines commercial businesses that offer discounts to property owners. One example presented was of Plantation Station who offers a .05 cent per gallon discount on gasoline sold to property owners. It was thought this was a benefit to property owners and this information should be provided to them.

A lengthy discussion was held on the possibility of selling advertising or possibly the ASPPPO Board absorbing the entire cost of the newsletter.

It was decided to give the decision for the wording of CSA's recognition to the Communications Committee. Mrs. King said her committee would be sent a copy of the guidelines before the next meeting and ask them to be ready to review them and discuss what changes should be made regarding the Sea Pines commercial businesses without crossing the line of advertising and bring back a recommendation to the ASPPPO Board.

d. Reserve Task Force - Mr. McLaughlin distributed a summary of the Capital Asset

Inventory. The report showed the current replacement cost and what the current required reserves are. The drainage network portion still needs to be determined.

An "Improvement Category" defining what is to be improved will be added and once completed will be placed back into a "Regular Category". Mr. McLaughlin said it was important to maintain the quality of Sea Pines.

Mr. Carlson also commented that Sea Pines' infrastructure was getting tired looking and needed to be upgraded in order to keep up with the competition. Some other plantations also offer more amenities for their property owners.

e. Density Unit Count - A copy of the report was included in the board package.

f. Legal Affairs Committee - Mr. Becker said that an attorney Finger had been contacted to pursue the issue of homes used "exclusively for residential purposes". He was asked to provide a recommendation of how to proceed, the chance of success and estimated cost.

g. Town and Gated Community Relations - The group has not met recently, but Mrs. Carter spoke on the Town's Disaster Recovery work and the *50% Rule For Homes*. This rule states that any house built before 1987 cannot be rebuilt to the original plans, but instead must follow all the new Town codes, but the meeting minutes imply that the Town will give the property owner some flexibility. Mrs. Carter and Mr. Kelley questioned the use of the word "flexibility" in the minutes and will follow up on this.

h. Survey of Residents - Mr. Wynn distributed an eight page bulleted list reflecting his thoughts about the purpose and results of the 2001 Property Owner Survey as being based more on the infrastructure and operations of the plantation. He recommended that the new proposed survey focus more on trend changes such as important issues the board had been discussing over the past few years. Some of these issues were: larger homes, more rentals, club/corporate owners, contributions to the CSA operating budget, the ARB and ARC, the Sea Pines Resort as new owners, questions on the Sea Pines Beach Club and the Community Center. The report reflected that a joint survey between the Resort, CSA and Residential owners should be done.

The other item in the report focused on the question of how to do the survey, through a mailed questionnaire or a web-based questionnaire and the estimated cost of each. Mr. Kelley said the website was not being used that much and suggested to do a mail out version and supplement it with the website version. Mr. Young thought the answers should be cross-referenced to delineate the absentee property owners from the ones who live here and property owners who rent their property vs. those who don't. The survey sub-committee will continue working on this project.

7. President's Comments

a. Property Owner Tee Times - President Carlson said he was continuing to work with the Sea Pines Resort regarding property owner tee times. He wants to obtain more information from residents and then meet with the Resort's representatives to find a solution that both can be happy with. Any agreement will protect the property owners covenant rights to tee times.

b. ASPPPO Workshop - President Carlson said he wanted to hold another workshop and would contact the board members to attain the most convenient date and time.

8. Board Member Comments

a. Sandwich Boards - Mrs. King said she thought the white sandwich boards used for open meeting announcements were unattractive . She suggested to see what other types are available or what the other plantations are using as community message boards. Mr. Kelley and Mrs. Pearse will follow up on this.

b. Greenwood Gate Access - Mr. Pruett complained that the Greenwood Gate signs that define the property owner and guest lanes are too low to be seen. He said that once you reached the point that they could be seen, it was too late, and vehicles then tried to switch lanes at the last minute.

c. North Sea Pines Drive Curbing - Mrs. King said the curbing along the side of the roadway actually comes slightly into the roadway and even though it is marked with reflectors, vehicles were running into it. Mr. Kelley said the Maintenance Committee had placed the curbing there for safety reasons, the main one being to keep vehicles off the bike path in that area. The Maintenance Committee felt if cars actually ran into the curbing, then they were way too close to the bike path and needed to be back in the center of the roadway.

d. Bicycle Crossings - Mrs. King said Mr. Breed had installed an additional "vehicles have right of way" sign on the bicycle stop signs located on the major roads with crosswalks. This should make bicyclists aware of the South Carolina laws.

e. Tower Beach Club - The Tower Beach area was discussed and it was the consensus that this area is a great amenity for property owners. It is a great place for property owners to picnic, swim and even watch the space shuttles take off. The dangerous under currents on this end of the island were discussed and it was determined that the Town is responsible for beach and lifeguard protection.

f. Mr. Kelley said he was interested in developing a new orientation welcome program for all new property owners and asked for any suggestions. He will also ask for input

from the CSA Board. New owners would receive a written invitation in the mail and the program could be held at the Community Center on a quarterly basis. The program would introduce key staff, cover covenant restrictions and rules, services available to our owners and allow for questions. He suggested that a CD with all the information could be produced and included in the package. He said more information would be forthcoming.

g. Mr. Young said that Sea Pines does not have a rules and regulations book like other plantations do. Mr. Kelley said that since there was no way to fine property owners or a punitive way to correct problems that ASPPO would be left open for litigation. He suggested to focus more on rentals who are the biggest offender of the rules. The one major type of complaint in the plantation is neglected landscaping (the recipients are usually long term renters) and he suggested to make it mandatory that homes on the rental market have a landscaping contractor.

9. Adjournment

The meeting adjourned at 4:50 p.m. The next meeting will be held on Thursday, September 13, 2007 at 3:00 p.m. in the main CSA conference room.

Respectfully submitted,

Audrey King
Secretary