

Association of Sea Pines Plantation Property Owners
Meeting Minutes
March 7, 2006

The March meeting of the Association of Sea Pines Plantation Property Owners Board of Directors was called to order by President Williams at 2:00 p.m., in the CSA Community Center. The meeting was being held in the Community Center due to the latter portion of the meeting being conducted as an open meeting and the center offered more seating area.

1. **Roll Call**

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

Absent: Fred Wynn

Guest: Julius Scott

Staff: Cary Kelley Jeanne Pearse David Henderson
 William Leitner

2. **ASPPPO Administrator Report**

A copy of the covenant enforcement report was included in the board package. The board members reviewed the report and discussed the problems. There are eleven (11) problem residences that are currently being monitored. Discussion was held regarding property owners who place lawn chairs or other items on the edge of their driveway to discourage people from turning around in their driveways. Other problem areas were also discussed and these are being handled either by Security or the ARB. Mr. Henderson left the meeting after the report was finished.

3. **Minutes** - Mr. Young made a motion to approve the meeting minutes of the February 14, 2006 meeting as amended. Mrs. King seconded the motion and it was unanimously passed.

4. **Financial Report** - The members reviewed and discussed the February financial statements. Investing funds into Certificates of Deposit were discussed.

ASPPPO membership is currently at 70% of those who are eligible to join and is behind last year's membership at this same time. President Williams will encourage membership at today's open meeting. Also, another mailing will be sent out to property owners asking them to join.

5. **Committee Reports**

a. **Communications Committee** - Mrs. King said the March newsletter had been mailed to property owners and asked for any comments. None were made. She noted that a property owner had complimented the committee on the newsletter and its content and the Committee is continuing to look at ways to make improvements in layout, content and production.

b. **ARB Liaison Report** - Mr. Young noted that the ARC can act only as an advisor to the ARB. He feels more discussion is needed on this issue and would like it placed on the next Board agenda. A short discussion was held and Mr. Young is to obtain a legal opinion on this issue. He also said that today's presentation should be mailed to the residential property owners as soon as possible so that they are aware of the circumstances surrounding the ARB/ARC, and what the covenant revisions propose.

c. **Covenant Enforcement** - A copy of the ASPPPO Administrator's report was included in the Board package and was discussed earlier in the meeting.

d. **Community Outreach** - Mr. Don Carlson said he met with nine of the POA Presidents on February 16, 2006. At the meeting, they reviewed the Covenant Revision presentation and gave their approval of the proposed Policy/Guidelines for Vacant Lots.

e. **Density Unit Count** - A copy of Mr. Aikman's report was included in the Board package. The plantation is at 96.23% build out.

f. **Multi-Family Rental Study** - Mr. Pruett said he is in the process of researching the problems associated with commercial oriented homes. He has met with Mr. Kelley and plans to meet with Jack Docherty, the ARB Chairman, to explore other possible remedies or options with him.

g. **Public Relations Sub-committee** - President Williams reported that Mr. Wynn had requested someone from the public relations firm to attend today's open portion of the meeting to hear the comments made regarding the covenant revisions.

6. Approval of the Vacant Lot Policy

Discussion was held on the proposed Vacant Lot Policy. It was determined that the policy would apply in response to complaints received and not be used in a police type manner where staff would drive through the plantation and look for problem lots. If the property owner did not take corrective action, CSA would do the work and bill the property owner. It was the consensus that this should be published in the Community newsletter before enforcement began. Mr. Carlson made a motion to approve the Vacant Lot Policy. Mrs. Morton seconded the motion and it was unanimously passed.

7. Discussion Topics

a. **Legal Advisory Committee** - Mr. Hagoort, a residential property owner and retired attorney, has suggested that a Legal Advisory Committee comprised of other retired attorneys who are property owners be formed. The Board held a lengthy discussion on what the Committee's role and goal would be. Their purpose was also questioned due to the possibility that they would not even be licensed or aware of the laws in South Carolina. A recommendation was made to direct any issues the Board was focusing on to be directed to their paid legal counsel. President Williams will correspond to Mr. Hagoort to determine the proposed Committee's role and purpose.

b. **Open Board Meetings** - Discussion was held on open ASPPPO Board meetings. While it was the consensus that opening the Board meeting to the public was good for communication and providing a more transparent appearance, it was felt this could be better accomplished through other time-saving means of communication. Articles could be published in the newsletter reporting any actions taken in the meetings and by posting the approved meeting minutes on the website. Also, the currently scheduled open meetings provided a forum for property owners and they could also write or e-mail any comments or suggestions.

c. **Status of the Covenant Revisions** - The Company has been sent a copy of the ASPPPO Board's proposed covenant revisions and today's presentation. They have not responded yet. An informal meeting for all the Class A Directors was scheduled for Thursday, March 16, 2006 at 3:00 p.m., to review and discuss the proposed revisions.

d. **Appointment of the Nominating Committee** - President Williams said he has asked Kay Morton to chair the ASPPPO Nominating Committee. She has agreed to consider the appointment. President Williams will be a member and Sam Pruett and Audrey King volunteered to serve on the Committee. The Board

approved the appointments of Mr. Williams, Mrs. Morton, Mr. Pruett and Mrs. King as required by ASPPPO bylaws.

8. **March 7, 2006 Open Meeting**

The meeting was called to order at 3:00 p.m. President Williams presided and introduced each of the ASPPPO Board members that were in attendance. He encouraged the property owners in attendance to join ASPPPO, if they hadn't already, and to also encourage their neighbors to do so.

a. **Covenant Enforcement** - Mr. Kelley said that he and Mr. Henderson are investigating complaints received from property owners regarding unkempt properties or problems. They work on more of a reactive approach than a proactive approach. He encouraged owners who had complaints or concerns to contact them by phone or through the website.

b. **Guidelines for Vacant Lot Properties** - The ASPPPO Board had just approved a list of guidelines for vacant lots in the community. These guidelines will be published in a future issue of the Sea Pines Community Newsletter. It was noted that input for the guidelines was also received from the various Presidents of the POA in the plantation.

c. **Covenant Revisions** - A slide presentation was given on the proposed covenant revisions. A copy of the presentation will be kept on file with the approved minutes.

d. **Question & Answer Period:** (Divided into specific sections)

Covenant Revision Section

Q. Hasn't the time frame for changing the covenants expired?

A. The time frame for changing the 1970 Covenants has ended, but these changes are for the 1974, 1984 and 1988 Covenants.

Q. Will the proposed covenant changes be voted on as one single issue or separated out and each issue voted on so property owners can pick and choose? He recommends to separate them out.

A. The Sea Pines Resort or Company has the right to define how the referendum will be conducted.

Q. Can the residential property owners veto anything the company wants, since they can veto what residential property owners want?

A. No, the Sea Pines Resort has the right to veto a referendum if they do not agree with the issues. There will be a negotiating period and this is anticipated to be a give and take process on some of the issues.

Q. Property owners pay property taxes each year and why won't the Town of Hilton Head come in and remove the debris or take care of the roadways here in the plantation?

A. Sea Pines Plantation is considered private property, thereby, the property owners are responsible for the upkeep of its roads and removal of storm debris. This is accomplished or paid for through the annual assessments collected from property owners. Some consideration may be given by the Town due to the Fire Station being located within Sea Pines and this is being addressed.

Q. If these covenant revisions are passed, will the 1970 covenants remain in place and when are property owners going to find out what the actual changes are?

A. The 1970 Covenants will remain in place and the actual covenant revisions will be determined after the negotiation period and Sea Pines Resort gives approval to hold a referendum.

Q. Concern was expressed on the lengthy amount of time the covenant revisions were taking and it was asked what a realistic time frame was?

A. With all the new entities that are in place, a new relationship has been established and the old circumstances are not relevant today. It is hoped that an agreement on the revisions can be made quickly.

Q. In the event of a disaster, will extra security be needed, and what percentage of the Pelican Pass revenue contributes towards security?

A. Security procedures should remain about the same. The total amount of revenue received from the Pelican Pass goes into a general fund to offset the amount of the assessments.

Q. Can this presentation be mailed to all the property owners so they are able to benefit and understand the proposed revisions?

A. Yes, it has been discussed to mail a copy of today's presentation to all the property owners.

Q. Didn't the 1970 Covenant revisions need an affirmative vote from 75% of the property owners who returned their votes?

A. The 1970 Covenant revisions required a 50% + 1 vote from all the property owners in favor of the revisions. The new or proposed changes to the 1974, 1984 and 1988 Covenants will need an affirmative vote in the amount of 75% of the returned votes.

Q. The proposed revisions call for the ability of the CSA Board to raise the annual assessment 3% over and above the CPI. Over the past seventeen years, the annual assessment has increased by 63%. Don't we need to control the

amount of spending and live within a budget? Can we separate out this part of the covenant revisions from the disaster recovery portion?

A. A budget is used to control and track spending, but the Reserve Study that was done this year has revealed that the amount of future funds needed will be higher than what the future projected annual assessment can cover. Please review the Reserve Study.

Q. Is there a procedure in place to check the amount of the commercial assessments paid?

A. There is a procedure in place which involves hiring someone to perform an audit, this is costly and sometimes outweighs the amount of any extra revenue that might be generated.

Q. Has there been a thorough study into SC laws regarding homeowner association in regards to their covenants?

A. The number of homeowner associations across the U.S. has greatly increased over the past few years and new laws are being addressed in this area. Unfortunately, South Carolina is behind other States in this regard. The Board is continuing to do research into this.

Q. After a disaster, how will you bill property owners for a special assessment or know how to contact those who have scattered or left the area?

A. The Board is investigating the best way to address this issue.

Comments

Mr. Arnold Windman, as previous Chair of the Disaster Recovery Committee, recommended that property owners should pick up a copy of the Disaster Recovery Informational Brochure at the CSA Building. This brochure outlines the procedures for the recovery process.

Mr. Mel Roy said that the commercial contribution is not equitable to the residential amount and this and the provisions for the disaster recovery should be in the covenant revisions.

ARB

Q. What is the function of the ARC?

A. Yes, the ARC oversees the operation of the ARB who follows the covenants and has the authority to make property owners conform or stay in line with the guidelines, and litigation can be used as a last resort.

Q. Can something be done to control the messy work conditions that contractors create while they are demolishing homes? She has had flat tires and even been blocked in her driveway by construction vehicles.

A. Yes, any problems with construction should be relayed to the ARB and Security Departments. Please note the specific contractor and they will be dealt with.

Q. Are commercial entities such as the Sea Pines Shopping Center subject to the ARB rules? She feels the shopping center's new design is totally out of character for Sea Pines.

A. Any type of renovation or new construction in Sea Pines is subject to the guidelines of the ARB.

Q. Recently, there were several trees cut down at the Lawton Stable area. Can the Sea Pines Resort just do this on their own or do they have to answer to someone?

A. New management has taken over at the stables. They have been contacted and are now aware of the rules in Sea Pines and the Town of Hilton Head. Mitigation will be done to replace the trees that were removed.

Miscellaneous

Q. Who owns the tennis courts?

A. The Sea Pines Resort or Company.

Q. After what happened at Rose Hill with the golf course closing who pays for the drainage improvements?

A. The cost of drainage improvements on the courses would be paid by the Sea Pines Resort who owns them, (except for the Sea Pines Country Club).

Q. How much funding does ASPPPO currently have?

A. About \$390,000. Only approximately 70 % of the eligible property owners have joined ASPPPO.

Q. Can the horses go anywhere they want in the Forest Preserve?

A. No, there are designated paths for the horses and the future carriage rides that are being planned.

Comments

Mrs. Bowler said that the majority of new home construction was for giant homes that are lighter in color and are not keeping in the aesthetic character of Sea Pines. President Williams said he would pass on this information to the ARB.

The open portion of the meeting was adjourned at 4:30 p.m.

The ASPPPO Board meeting reconvened at 4:33 p.m.

9. **Recap of the Open Meeting**

The attendance at today's meeting was estimated at over 221 residents and left standing room only at the Community Center. Discussion was held on the possibility of moving future meetings to a larger facility. The consensus of the Board was that the meeting went well. The questions about the covenant revisions from today's meeting will be used to begin a FAQ sheet that can be posted on the website. Some of the key issues noted by property owners were: ARB issues; the right to vote on the covenant revision issues separately and the structure of the commercial assessments. Mr. Wynn will be asked to make a few minor changes to today's presentation and it will be mailed out to all the residential property owners.

10. **Adjournment**

The next meeting will be held on Tuesday, May 9, 2006, at 3:00 p.m., in the CSA Board Conference room. With no further business the meeting was adjourned at 4:58 p.m.

Respectfully submitted,

Audrey King
Secretary