

Community Service Associates, Inc.
Minutes of July 25, 2006 Board Meeting

President Carbiener called the meeting of the CSA Board of Directors to order at 3:00 p.m., in the CSA Conference Room.

1. Roll Call

Present:	Wayne Carbiener	Pat Jenkins	Bob Hattersley
	Bob Bartlett	Jim Young	Joseph Fraser
	Norman Harberger	Julius Scott	Don Carlson
	Mike Lawrence	Kathleen Speer	Paul Aikman
Absent:	Bob Sowers	Kay Morton	John Trunck
	Gary Martin	Bob Gossett	
Staff:	Cary Kelley	Jeanne Pearse	
Guest:	Dave Williams		

2. Approval of the Meeting Minutes

Board members reviewed the June 27, 2006, meeting minutes. Several changes were suggested. A motion was made by Mr. Scott and seconded by Mr. Bartlett to approve the meeting minutes with the suggested amendments. The motion was passed unanimously.

3. Report of the Executive Vice President - Cary Kelley

a. Review of the Beach Club Covenants and the 1992 Sea Pines Golf Course Property Tree Removal and Trimming Policy – Copies of the pertinent covenants and agreements were included in the CSA Board package so Board members would be familiar with the restrictions on tree removal that apply to the Sea Pines Beach Club and the Golf Course areas. The Sea Pines Resort was planning renovations for both of these areas.

Mr. Lawrence noted that the parking area of the Sea Pines Beach Club has 177 pine trees. They propose to remove 53 of them to improve parking. This is well within the covenant requirements. The covenants allow up to 50% of the pine trees at this site to be removed.

A question was raised about the applicability of the 1992 tree protection agreement to the Sea Pines Country Club, since the Club is no longer owned by the Sea Pines Resort. Mr. Kelley will check on this.

b. Community Center Costs and Past Building Proposal – Mr. Kelley referred to an analysis of the operating costs and estimated future costs of the Community Center that

was included in the Board package. Details concerning the usage of the facility are still being prepared.

Mr. Carbiener will create a task force to evaluate a range of alternatives to the current lease arrangement. The current lease expires on August 31, 2009.

c. **Greenwood Drive Traffic Enforcement** – The Board discussed Mr. Breed’s memorandum concerning difficulties in enforcing the 20 MPH speed limit exiting the Greenwood Gate. If a speeder is stopped on Greenwood Drive, it blocks one lane of traffic which further aggravates traffic congestion. If a speeder is pulled off into the adjacent commercial parking area, Sea Pines Security no longer has jurisdiction. A request has been made to the Beaufort County Sheriffs Department to patrol this location on a regular basis. Mr. Kelley said the addition of rumble strips is planned and other measures are being considered, including a possible test of closing off the crossover at Wachovia Bank.

4. **Finances**

a. **June Financial Statements** - Mr. Young reviewed the June Financial Statements with the Board members. The financial picture remains favorable compared to the prior year and compared to budget.

b. **Approval of the Maintenance Three Year Plan** – Mr. Young said the Finance Committee recommends approval of the Three Year Plan Maintenance Project Plan submitted by the Capital Improvements and Maintenance Committee at the June Board meeting. He noted, however, that the actual costs of the projects may be considerably higher than shown in the Plan because the price of road resurfacing is directly related to the price of oil. Mr. Hattersley agreed with that assessment. In the discussion that followed, it was suggested increased attention be made to replacing missing road reflectors and re-painting the road striping. It was also recommended that the Club Course POA and Governors Road residents be consulted concerning bike trail plans in that area.

Mr. Harberger made a motion to approve the Three Year Plan Maintenance Project Plan, while recognizing the uncertainty of the costs shown for the second and third years. Mr. Young seconded the motion and it was passed unanimously.

c. **Tower Beach Mat for Handicapped Access** – Mr. Kelley reported that he had met with the Town of Hilton Head and OCRM representatives at Tower Beach. A plan was agreed upon which includes extending the boardwalk and adding a short 30 foot mat. This project was not included as part of the 2006 budget and would cost approximately \$20,000. Permits have not yet been obtained. The Finance Committee recommended doing this work in the early 2007. Mr. Bartlett suggested that the Resort consider similar improvements at the Beach Club

d. **Six Oaks Cemetery** –Mr. Kelley reported that the Cemetery had \$75,000 in sales so far in July.

5. Discussion Topics

a. **Update on the 1974 and 1988 Covenant Revisions** – Counsel has completed an initial draft of covenant amendments relating to storm recovery, which has been reviewed by the negotiating team. Mr. Carbiener will keep the Board informed as negotiations proceed.

b. **ARC Resolution** -- Mr. Carbiener asked that Mrs. Pat Jinkins be authorized to serve in Mr. Carbiener's place as a CSA representative to the ARC Board during Mr. Carbiener's absence. Mr. Carlson made a motion to that effect. The motion was seconded by Mr. Bartlett and was approved unanimously.

c. **Decal and Gate Pass Policy** – It was noted that the Board has approved several changes in Decal and Gate Pass policies over the last few years. Those changes have been appended to the earlier policy statements but have not yet been incorporated into a “clean” text of current policies. Mr. Kelley distributed summaries of the pertinent changes and a clean draft of the full policy statements incorporating the changes. Mr. Carbiener asked the Board members to review these documents and to be ready to discuss and vote on their approval at the August meeting.

Mr. Bartlett raised a question about lack of enforcement action on some violations brought to CSA's attention by ASPPPO. The infraction in question involved ASPPPO's position that commercial vehicles with commercial type roof racks parking overnight in the plantation constitute an “unsightly condition”, which is a covenant violation. Discussion revealed some differences of opinion about what constitutes “a commercial type rack”. Board members also observed that some complaints are frivolous, brought about by bad blood between neighbors rather than violations themselves. It was agreed that clearer guidelines are needed. Mr. Carbiener will ask the Security Committee to develop a clearer definition of what constitutes a commercial type rack violation and clearer instructions for the security staff.

6. Standing Committees

a. **Capital Improvement and Maintenance Committee** – A copy of the meeting minutes was included in the Board package. Mr. Hattersley commended Mr. Campbell and Mr. Laman for their work on the road portion of the Three Year Plan. He will pass the Board's suggestions to his committee.

b. **Beautification Committee** – A copy of the June meeting minutes was included in the Board package.

c. **Finance Committee** – A copy of the June's meeting minutes was included in the Board package.

7. President's Comments

a. **Mr. Gary Martin's Request** – Mr. Carbiener summarized the legal opinion obtained from counsel concerning Mr. Martin's request that he be allowed to

designate Mr. Mark King as his substitute at CSA Board meetings. Counsel dealt with two questions:

- 1) May Mr. Martin, as a duly-elected Class B director, designate a substitute for individual meetings or a replacement to serve out his term?

Counsel advises that there is no provision for a director to designate a substitute for absences or to designate a person to serve out his term if he resigns. If a Class B director resigns before his term expires the CSA Board would elect another Class B member to serve out the term.

- 2) May a person who is not a commercial property owner, such as Mr. King, serve as a Class B director?

Counsel advises that the Class B nominating committee may nominate only commercial property owners for Board seats, but the ballot may include nominees other than those put forward by the nominating committee. Specifically, any Class B Member may designate a nominee, and a nominee designated in this manner need not be a commercial property owner. It follows that Mr. King could serve as a Class B director if he became a designated nominee of Mr. Martin and received enough votes to be elected.

Counsel's response is being shared with Mr. Martin.

8. **Board Member Comments**

a. **Oak Court Petition** - Mr. Bartlett asked if someone had responded to a petition against the proposal for Tournament parking in the land adjacent to the Six Oaks Cemetery. Mr. Carbiener said he plans to acknowledge receipt of the petition. Mr. Kelley pointed out that The Heritage Classic Foundation has not yet submitted a specific plan in this connection. Mr. Fraser said additional parking capacity is important to the future financial success of the Tournament and to the charitable purposes of the Foundation.

9. **Adjournment**

With no further business, the meeting adjourned at 4:20 p.m. The next scheduled meeting date is Tuesday, August 22, 2006, at 3:00 p.m., in the CSA Conference Room.

Respectfully submitted,

Norman Harberger
Secretary