

Sea Pines Homeowners Association

Dear Neighbor,

The FMB meeting of January 31st was attended by over twenty homeowners. The regular business moved quickly. There is one rental, the Sav-a-Tree contract for this year was approved and the end of year financial report was just about as expected.

There were several letters from homeowners regarding the new maintenance fees and the special assessment. Many of those homeowners were present; those that were not will receive written responses to their questions.

The FMB voted a budget of 702,006 for 2004. This **does** represent a 12% increase over the actual operating budget of 2003. When we compared it with the \$659,528 budget for 2003 and did the quick math it looked like 6.5%. The special assessment for last year was improperly included in the operating budget instead of being separated as we are doing this year. No one noticed until it was brought to our attention by several homeowners. Ken's second letter did attempt to address the discrepancies. In any event the 5% increase from insurance and the 6% increase in capital needs deposit, accounts for almost the entire increase.

I would like to say something about your current board. We are all homeowners. We pay our maintenance fees just like everyone else. We are **not** happy about the increase or the special assessment. We **do not** try to cover up and we **do not** intentionally attempt to place spin on what we do. This board works hard and spends a great deal of time attempting to make Sea Pines a wonderful place to live. We are **not** professionals and we **do** make mistakes. The biggest mistake we made this past year was in not communicating with all of you on a regular basis. This allowed rumors and innuendos to flourish.

This is what we are doing to try to make amends.

Saturday, we attempted to answer as many questions asked in letters and asked by homeowners present as we possibly could.

Beginning this month I will compose a letter to the homeowners summarizing the activities of each meeting. If there is anything you would like to see in the newsletter that doesn't appear let me know and I will attempt to include it the following month.

Frank Pease gave a history of the adverse possession case that has been concluded. Almost all of the money expensed was furnished by the individual homeowners who filed that case and the Association spent about \$2000.00 in total.

Milt Powers then gave a history of the abutter issue. Even though we thought we had a settlement, the other side was unable to sign and we are proceeding with our case in land court. We are always open to any reasonable settlement offer.

Terry Milligan then presented a breakdown of the financials (a copy is enclosed in this mailing along with a breakdown of the capital reserve accounts). He explained that the reason for the increase in the capital needs accounts is necessitated by the addition of a reserve account for chimneys as well as items that will need to be dealt with over the next ten years. We will be expensing approximately \$167,000 for chimney work the current year.

We felt the homeowners present left with a greater appreciation and understanding of what has gone on these past three years and we hope to continue this communication from now on. The additional life insurance purchased prior to the meeting was unnecessary.

The next FMB meeting will be Saturday February 28th at 8:30 in the clubhouse. At that time it will be less than two months till spring.

Richard Rose

For the FMB

