

MINUTES
FRIPP ISLAND PROPERTY OWNERS ASSOCIATION BOARD MEETING
March 10, 2007

PRESENT: Messrs. Hummer, Buschur, Young, Mathews, Davis, Davidson, Hunter, & Newby; Mr. Gannon & Mrs. Cantley by phone.

1) Call to Order and Determine Presence of a Quorum of Directors: President Hummer called the meeting to order at 8:00 am. There was a quorum present.

2) Approve Minutes of February 17, 2007: The minutes of the February 17, 2007 Board meeting were approved with the addition of: Invited Guest: Jack Qualey.

3) Discussion of Matters Deferred to this Meeting: Long Range Planning Committee and Right of Entry Funds

Both matters will be discussed following the General Manager's Report.

4) Report from General Manager Kate Hines:

Miscellaneous: Wireless Internet is now available here at the POA building. You can bring your laptop and use the boardroom if it is available or you can sit in your car. Ballots for election were mailed March 2nd. To date we have received 8%. Deadline for return is March 29th.

- **Reminder:** The Annual Meeting will be held in the Community Centre on April 14th at 9:00am.

- Per the Bylaws, we have need for a special meeting to go into executive session to discuss strategy with respect to litigation. We need to have this meeting before our next regular meeting, and therefore need to determine dates. Directors agreed to meet on Friday, March 30th at 2:00pm.

- Issues of the March Trawler were mailed from the publisher on March 6th. The deadline for articles for the May Trawler is March 30th.

- Tina Reeves, our Assistant General Manager, has passed her Certified Manager of Community Association exam. She now is a CMCA® and has also received her Association Management Specialist® Designation.

- Land clearing for the Preserve at Old House Creek is scheduled to start at the end of March.

Financial: The financials in your Board packets are still unadjusted because we do not yet have the completed audit.

- General Fund: \$1,378,300; Cash reserves of \$2,070,000; Deposits for Right of Entry \$40,000; Accounts receivable \$74,200. We are at 79% of budget for revenue and 11% of expense. We have collected 95% of 2007 assessments.

- There were 9 property transfers in February.

- The Investment Subcommittee is planning a series of meetings to present findings to the Finance Committee. The Finance Committee will then make a presentation to the Board on the creation and implementation of an investment policy for the FIPOA.

Security: Chief Binkowski has been elected as Vice Chair of the Security Directors of South Carolina. While attending spring training for the FBI National Academy Association training last week, he was also appointed to serve as a special representative to the Board regarding interests of retired police officers.

- New SLED regulations require training in uniform traffic tickets, uniform crime reports, and crime scene preservation. Chief Binkowski has made arrangements for our officers to receive training with the Beaufort County Sheriff's Office free of charge thru their "Rookie" program. The officers are receiving this training during the off-season. He has also arranged to receive free DVD's of yearly legal updates thru the SC Criminal Justice Academy. Officers review the DVD's during shift.

Roads & Drainage: Lists of areas in need of road maintenance have been delivered to REA. Work should commence before April 1st.

- There was a delay on installation of catch basins on drainage easements on South Tarpon. Pipes have been ordered and the work should be complete by the 19th.

Crossovers: Repairs for Crossovers #11 through #19 have been completed. The Atlantic Marine crew will be off island for a few weeks. Upon their return, the remainder of the work will be completed. That work includes repairs to Crossovers #20, 21, 24, 27, 28, and 31.

Club Advisory Board: The Beach Club will re-open March 16th after renovations. Seating capacity will have nearly doubled.

- All membership cards have been distributed to those who returned renewal forms to the Club Office.
- Tennis players requested that the outside area of the tennis center be spruced up before the USTA tournament and this has been accomplished.
- The majority of wait staff, housekeeping staff, and pool personnel will be contracted this summer thru Ambassador Personnel.

PSD: The Inlet Bridge insurance has been renewed with the SC Insurance Reserve Fund.

- PSD has received an unfavorable response from SCDOT regarding their taking over the Inlet Bridge. PSD has requested a final meeting to discuss further.
- The next PSD meeting is scheduled for Tuesday, March 13th 9:30

Placement of Right of Entry Agreement funds and interest: Via emails, the Finance Committee has determined that the right of entry agreement is not for the benefit of all POA members, as participation is voluntary. They are recommending to the Board that any interest earned from individual \$1000 deposits should remain in the hurricane account and not be returned to owners. A major factor in this recommendation is that staff time coordinating P&J contractors for individual properties will increase dramatically in the event of a major disaster and these costs should be offset. \$40,000 has been collected so far. It was noted again that this is strictly a voluntary program. Any owner who has made the deposit and is not happy with this decision may withdraw their deposit at any time.

Proposed Resolution: That the Board of Directors accept the Finance Committee's recommendation for hurricane right of entry agreement deposits to go into a separate hurricane fund and that interest earned goes toward the administration of these funds. This recommendation will be disseminated in the minutes, on the website, and in the revised hurricane letter mailed to new owners.

MOTION: Motion approved.

Following a recent discussion with Fire Chief Josh Horton, Mrs. Hines asked that the minutes reflect clarification of discussion at a recent Fire Committee meeting. 1) The Fire Chief will be the person to declare that the Island is open to owners and traffic following a major disaster. 2) Even though there will be considerable damage to property, the need for mitigation of damage that the right of entry agreements affords is recommended.

i. Resolution 423: Authorize the General Manager to Sign Right of Entry Agreements

Proposed Resolution: That the Fripp Island Property Owners Association approve authorizing the General Manager to execute the right of entry agreements on behalf of the Association.

Motion: Motion approved.

ii. Resolution 424: For the Board of Directors to Give its Advice and Consent to the Appointment of a New Chair and Committee Members to the Non-Standing Long Range Planning Committee

Proposed Resolution: That the Board of Directors appoints the following members to the non-standing Long Range Planning Committee: Buck Mathews - Chair, John Derrick, Jim Duncan, Dan McCormick, Diane McGarry, General Manager – ex-officio appointment.

Discussion: It is anticipated that there will be a six-month strategic planning process with the result of seeing what Fripp will look like in the next 25 – 30 years.

Motion: Motion approved.

5) Committee/Other Reports:

Analysis of Trends in Security on Fripp Island - Charlie Davis. Graphs and statistical reports were presented and reviewed. Since 2004, there have been considerable increases in vehicle counts, guest and contractor passes, as well as increases in moving and non-moving violations. There also have been

changes in the number and type of security vehicles, a decline in both full and part time security employees, and in the security budget and expenses. Most of these changes came about in response to concerns expressed in the off-island survey of 2004 and accolades were given to Chief Binkowski and his department members. Appreciation was also expressed to Jim Parks who prepared some of the statistical reports.

6) Comments and Questions from Members:

(C) An owner expressed an interest in volunteering for the Long Range Planning Committee.

(A) This was referred to Mr. Mathews.

(C) A concern was expressed regarding the 1% rental fee paid to the POA by the Resort. He felt it was discriminating against those owners who rented their properties thru the Resort.

(A) It was noted that this agreement was made many years ago in an effort to increase funds. The POA has tried in vain over the years to find a way to collect from owners who do not rent thru the resort.

7) Statement of Matters Deferred to Next Meeting: None.

8) Next Meeting: The next meeting is the Annual Meeting and is scheduled for Saturday, April 14 at 9:00 am in the Community Centre and All Faiths Chapel.

9) Vote to go into Executive Session to Discuss Personnel Matters

10) Recess

11) Reconvene Regular Meeting; Announce Action taken in Executive Session:

A resolution was approved to accept the General Manager's goals for 2007 as presented.

12) Adjourn: The general meeting was recessed at 8:55; Executive Session was adjourned at 9:10am.

Respectfully submitted,

Buck Mathews
Secretary

*Minutes are not the official record of proceedings until the Board of Directors has approved them at the following meeting. Please hold this draft until you pick up the next meeting's draft that will contain corrections as made and approved by the Board.

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