

**FRIPP ISLAND PROPERTY OWNERS ASSOCIATION BOARD MEETING
MINUTES
October 10, 2009**

PRESENT: Messrs. Mathews, Case, Crouse, Duncan & Morrison; Mrs. McCormick and Mrs. Merrill

ABSENT: Messrs. Davidson, DiSerafino & Hess

1) Call to Order and Determine Presence of a Quorum of Directors: President Mathews called the meeting to order at 9:00 am. There was a quorum present.

2) Approval of September 19, 2009 Meeting Minutes: The minutes were approved as presented.

3) Discussion of Matters Deferred to this Meeting:

Resolution 525 – Lease a Wide Format Printer and Scanner for ARB Operations

Proposed Resolution: That the Board of Directors approves signing a 60-month lease agreement for the W3600 wide format printer/scanner.

Discussion: Following the first reading on September 19, 2009, the agenda item is presented today for second reading. There have been no changes.

Motion: Motion made and seconded to approve as presented. Motion approved.

4) General Manager's Report: On October 8th at the lagoon near the 11th tee on the Ocean Creek golf course, a guest was reaching to retrieve a golf ball when a large alligator grabbed him by his right arm. The victim was pulled into the water and the lower arm was torn off. Bystanders pulled the victim from the water and he was transported to the Ocean Creek Club House. 911 was called and Security, Fripp Island Fire, and Beaufort County EMS all responded to the scene. Security personnel located the alligator and notified Tracks Wildlife Control, a wildlife capture service. The 10-foot alligator was captured, destroyed and the victim's arm was removed from the stomach. The arm was turned over to EMS. The victim and the recovered arm were flown to MUSC. As of Friday morning, the victim was in stable condition.

Tarpon Boulevard Bridge accident update: The contract has been awarded to Cape Romain, the lowest of three bidders, at a total cost of \$32,477. We expect the work to commence on October 19th. Once work starts, they have five days to complete the job.

Miscellaneous: The Beaufort County Development Review Team unanimously denied approval for the revised concept of Palmetto Edge, the proposed development of two lots on the corner of Wahoo and Bonito. based on (1) the existing pond having to be reconfigured in order to accommodate the proposed lots and (2) per Section 106-7(2) (c), the proposed lots were not compatible with the lots in the immediate vicinity. The developer can appeal to the Beaufort County Planning Commission. One of the DRT members suggested that it would be a good idea for the developer to go to county council for a PUD amendment to develop standards for the remaining undeveloped property.

2010 Assessment Notices will NOT be mailed from the FIPOA, they'll be coming from our new outside source, SouthData, and they will look different. They should be arriving around November 17th. There will be a letter inside explaining how the new lockbox system works.

ARB: The ARB has not met since our last Board meeting; however, now that the FIPOA has taken over the administration of the Architectural Review Board and Covenants enforcement, we would like to start addressing some issues that need attention. Some of these issues include unkempt yards, trailers, boats, and homes in need of a little TLC. Not only are these things an eyesore but they also affect property values and they are issues that property owners on Fripp Island should be very concerned with.

In order to bring the island up to the standards which we all would like to see, we need the help of the property owners and would like to form a subcommittee of the ARB for this purpose. Therefore we are looking

for volunteers. If you would like to help your community become the best it can be, please contact Tina Reeves, ARB Administrator at treevesfipoa@islc.net. In the subject line please write 'ARB volunteer.'

In the interim, the Board of Directors will need to create a rule regarding boat, trailer and RV storage to help with enforcement and will need to revise section VI (Property Appearance) regarding time to affect the correction. A resolution will be presented in November.

Beach Tent Committee: Held its first meeting on October 7th. Rules will be drafted, then sent to the POA attorney to make sure that they are enforceable. If they are, they will come before the Board for adoption. The plan would then be to have the Turtle Patrol tag items left on the beach as a warning, then Security patrol would ticket them and FIR would haul them off within a 24-hour period. Lots of advance education will be necessary so that everyone knows the rule.

Discussion: Pros and cons of a warning tag were discussed and it was noted the committee felt the warning was appropriate. Mrs. Hines also noted a bill in the legislature may be presented in January disallowing anything left on the beach overnight.

Financial:

- The 2008 Audit has been completed and given to directors. Financial Statements will be updated on our website next week
- Almost all funds have been transferred from Bank of America to Alliance with the exception of ARB Bond funds and some of the General Fund. We are awaiting checks from the new bank before transferring any more. We are using the check scanner.
- 2009 Assessments: To date we have received 99% or \$1,610,300 and \$213,500 in Road and Bridge Funds. We mailed 22 late notices on October 1st.
- General Fund: \$864,500; Cash reserves of \$1,851,700 including investments adjusted for market value; Deposits for Right of Entry \$188,000, ARB Bond Deposits - \$86,000.
- Accounts receivable for 2009 including unpaid assessments are \$21,500. We are at 102% of budget for revenue and 79% of expense.
- There were five property transfers in September.

Grounds: Work on the fall beautification plan was started on Thursday and should be complete by the end of next week, the oleanders are arriving later than we expected.

Lakes: No report.

Parking: Due to some complaints, new signage was added at Whiting.

Roads & Drainage: Road grading was completed on October 2nd.

Security: No meeting since the last Board meeting. All has been quiet. Some have inquired about the electric golf cart that the Security officers are using. It is something that a sales rep left here after the regional chief's breakfast to tempt us into buying one. We are not interested because it's a two-wheel drive, only holds a charge for about six hours and cannot be used on the beach. They'll pick it up sometime soon.

Trawler: The next deadline is October 20th.

Club Advisory Board: The Annual Club meeting is tomorrow at 8:00 am in the tent.

CAB elections class of 2011 – Allan Price, Chris Assaf, Jane Cuffe and Frank Delli Gatti. The committee to look at Amenity Cards was appointed. It is chaired by PJ Fineis and includes Jim Wolbrink, Glenn Hergert, Allan Price, Paul Hummer, Debbie Mayo, Al Santoni and Ed Barnhart. A mission statement for the committee was adopted.

The Bonito Boathouse will close November 1st until mid February. The Food Court is open Thursday thru Saturday and will close on November 1st. The Hot tub at the Cabana Club is now closed permanently.

PSD: Held a special meeting September 23rd to review the bids for the Inlet Bridge repairs. The alternate proposal for a cost of \$567,750 provided by TIC was accepted. Total cost for the project including legal and engineering fee is \$855,300. Our Resolution 528 will address the payment. Following the Harbor River waterline break last summer, the Commission has authorized their contractor to replace the entire pipe section with an upgrade from 8" to 10".

Resolution 527 – To Adopt a Confidentiality Clause for the Board of Directors

Proposed Resolution: That the Board of Directors approves the proposed resolution to adopt a confidentiality clause for each member of the Board of Directors to sign.

Discussion: Many similar organizations require each member of the Board of Directors to sign a confidentiality clause when they are elected or appointed and renew the clause annually. The FIPOA has not adopted this policy before. It is in the best interest of the organization for the Board to adopt a policy to refrain from disclosing confidential information. The attached document is a compilation of confidentiality clauses used by other homeowners associations. There were concerns that this particular clause contained unnecessary verbiage.

ACTION: Presented for first reading, Rita Merrill and John Crouse to review confidentiality clause and report back in November.

Resolution 528 – Fund Major Repair of Fripp Inlet Bridge

Proposed Resolution: That the Board of Directors approves an expense not to exceed \$613,578.50 for the balance of payment for major repairs to the Inlet Bridge.

Discussion: The FI Public Service District contracted with Hussey, Gay, Bell, and DeYoung to engineer a project to repair or replace the existing bridge bearing plates and repair damaged areas of the reinforced concrete support girders. The project would start October 15, 2009 and be complete by January 15, 2010. Out of four bids, the low bidder, and the one that FIPSD would like to go with, is TIC. Total costs are \$855,300. FIPOA has already paid \$213,300 in up front assessment transfer and \$26,421.50 in miscellaneous bills; therefore, the balance of the FIPOA's obligation is 613,578.50. These funds are currently available in the POA's Road & Bridge Fund.

Action: Motion made and seconded to vote on this resolution today. Motion approved.

Final Action: Motion made and seconded to approve Resolution 528 as presented. Motion approved.

Resolution 529– Adopt Policy for Capitalization

Proposed Resolution: That the Board of Directors approve the adoption of a policy to capitalize any purchases over \$1,000.

Discussion: While performing the 2008 audit, our new auditor Robinson Grant noted that there is no written policy for capitalizing purchases. Historically, all purchases over \$1,000 have been capitalized. This resolution now puts that policy in writing

Action: Presented for first reading; second reading in November.

Resolution 530 – For the Board of Directors to Give its Advice and Consent to the Nominations by the President of Members of the Nominating Committee of 2009-2010 and to Inform the Nominating Committee of the Number of Directors to be Elected.

Proposed Resolution: That the Board of Directors appoints the following members to the Nominating Committee: Buck Mathews, Chair (Board Member); Bob Hess (Board Member); Rita Merrill (Board Member); Dick Morrison (Board Member); Cindy Byers; Max Stubbs; and Tom Hunter.

Be It Further Resolved that the Board of Directors informs the Nominating Committee that two resident Directors and one non-resident Director are to be elected for the Class Year 2013.

Action: Motion made and seconded to vote on this resolution today. Motion approved.

Final Action: Motion made and seconded to approve Resolution 530 as presented. Motion approved.

Resolution 531 - To Adopt the 2010 Calendar Year Budget with No Changes to the Annual Assessment and to Continue the Special Road & Bridge Fund Assessment

Proposed Resolution: That the 2010 Calendar Year Budget of the Fripp Island Property Owners Association, in the amount of \$1,894,300, a copy of which is attached to and made a part of this Resolution, be adopted by the Board of Directors, and

Be It Further Resolved: that the annual assessment remain at \$740, and that the Special Road and Bridge Fund assessment remain at \$100., both assessments to be assessed and collected in accordance with the Bylaws.

Discussion: Due to our recent change in banking services, there will be no change for Payroll Services, a savings of \$3,200. It was noted the proposed budget had been reviewed at length by the Finance Committee. It was also noted that the Finance Committee members have all been assigned to examine certain categories with an eye to increasing revenues.

Action: Presented for first reading; second reading in November.

5) Committee/Other Reports:

6) Comments and Questions from Members:

(Q) Can a trash can be installed at Rock Beauty?

(A) Yes. Will talk with Earthworx next week.

7) Statement of Matters Deferred to October Meeting:

Resolution #527: To Adopt a Confidentiality Clause for the Board of Directors

Resolution #529: Adopt Policy for Capitalization

Resolution #531: To Adopt the 2010 Calendar Year Budget with No Changes to the Annual Assessment and to Continue the Special Road & Bridge Fun Assessment

8) Next Meeting: The next meeting will be held Saturday, November 14 at 9:00 am in the POA Boardroom.

9) Adjourn: The meeting was adjourned at 10:20 am.

Respectfully submitted,

David Case, 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.

** To participate in Board meetings by teleconference, owners may call 1-800-444-2801; then 5763474