

# South Island PLANTATION ASSOCIATION, INC.

Hello to all HOA members, we are well into 2015 and no matter what part of the country you live in, it's safe to say the winter weather has been a challenge. I for one am looking forward to enjoying the SIP pool, in the warm South Carolina sun this summer.

The 2015 budget is tracking as expected and we are closely monitoring it, due to the fact, that we did reduce the monthly HOA fees fairly dramatically. We do have some unexpected repairs around the property (2 sink holes, roof repair, pool leaks, and some work around the dock); however competitive bids are obtained for all work, so costs will be as low as possible. The Board approved repairs and paint for SIP street signs and is considering paint vs. replace wooden fence rails with vinyl, analysis. Vinyl rails will cost a bit more than twice as much as painting the existing wooden rails, but would pay for themselves over time. More to follow on that..... Much of the costs for these repairs will come from the reserve fund, and should only minimally impact the current budget.

The new Liens and Foreclosure policy is having a positive effect on delinquencies. We have had two lot owners (4 lots total) make lump sum payment of back fees, and one lot owner is on a substantial monthly repayment plan. Liens will continue to be made once the 30/60/90 day notice letters have been mailed to delinquent owners. Foreclosures require more consideration of mortgage, property tax, lot value and legal costs, before the trigger is pulled on those. Jeff Pelham, SIP Vice President, is staying close to this process.

The previously mentioned Club House (CH) committee has completed their review of CH rentals, made recommendations to improve the program, and the Board has approved a new rental policy. The committee discovered the previous program did not even cover our costs in most cases, had a convoluted fee schedule, lacked over site of CH keys and security, left the CH in an unclean condition, and exposed the HOA to liability risks. Immediately, let me say, that fees to rent the CH will increase, both for HOA owners and non-owners. The increased fees will cover the daily costs to run the CH, will provide for a cleaning service to maintain the CH, will establish secure key control, and will reduce liability exposure to the HOA. The fees for HOA owners will be at a break even cost level, no profit made at all, only covers our costs. The CH fee for HOA owners will be \$650/day. There are also options for half day CH rental, and pool rental for outdoor events. The cost for non-owners is \$1,750/day. The other change will be the requirement for all renters to obtain event liability insurance. Although SIP does have liability insurance, it does not cover any liability for private functions, whether they are hosting by an owner or someone from the general public renting the clubhouse {private events for its own members, participants at large events who are not members, are not covered by that policy}. All renters can buy this coverage through SIP's insurance company or through another, as long as the appropriate coverage limits are in place. Additional details regarding CH rental program will soon be available.

The SIP Architectural Review Board has been approved and seated. We have four members and are looking for a fifth, so if you have construction, design, engineering experience, please consider joining the ARB. The ARB has begun to review the current guidelines for building homes at SIP, and will update and clarify some of the guidelines. More to follow.

I'd like to take the rest of the news letter to discuss upcoming Board of Director nominations and the voting and proxy process. In April you will receive notice for director nominations for the new term. I encourage you to think about joining the board as a director. I personally feel that many of the positive changes (very large budget cost cuts, reductions in HOA fees) would not have been made, were it not for the new directors joining the Board. New directors mean new ideas, new enthusiasm, and new ways of tackling problems. No super powers are required to become a director, only the desire to do what's best for the HOA, and the willingness to roll up your sleeves to get the job done. As owners we all have a stake in SIP, and we all have a responsibility to secure SIP's success.

When the nominations for directors are in place, you will receive notice to vote for new terms of directors, soon after, as well as some proxy questions. This is where it all fell apart last year. Per the By Laws we must establish a quorum (50% plus 1) of proxies returned, and members who attend the June HOA meeting. Last year we fell short, and as a result we spent needless costs in postage, stationery and handling (several hundred dollars) and a long delay in seating the new Board. Please return the proxies in a timely manner.

In addition to the vote for directors the proxy will also include some questions to the entire HOA. The By Laws state that a majority of members vote and approve any changes to the By Laws. The Board is considering placing the following issues before the SIP membership for a vote:

Stagger the length of term for directors. Instead of ALL directors' terms starting and ending at the same time, increase terms to two years with some directors coming due one year and the rest the following year. This will allow for continuity of projects.

There is a possible change (lower) to the minimum 2300 sq ft requirement for a home at SIP. The ARB may make this recommendation.

Tax change from 30% to 15%. This is always on the proxy, and unless you are a fan of paying more taxes, you should probably vote yes on this one.

Allow electronic voting and notice of meetings. By Laws state only written notice be sent via "mail". With electronic means available, it's prudent to at least investigate electronic methods.

**There may be other questions on the proxy, but for all questions please consider your vote carefully and return your proxies in a timely manner.** Also as a reminder, per the By Laws (Article VIII, Section 1(b)) if any HOA member is delinquent on their HOA fees, they are ineligible to vote on any SIP matter.

We hope to soon have, a new SIP website up and running. The new site will have information regarding SIP for HOA members as well as the general public. I hope you like it.

Please mark your calendars for the Annual HOA meeting, Saturday June 6<sup>th</sup> at 10 AM in the SIP Clubhouse.

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