

Frequently Asked Questions Regarding the New Gate Fee Agreement:

What assurances were required to reach the current agreement?

The new rate, required agreement from CSA, Sea Pines Center and The Sea Pines Resort. This is an agreement between parties and each party sought out assurances and benefits from the agreement. All parties have rights and must come to an agreement on how those rights are to be stated and agreed to within the contract. To reach consensus and as part of the agreement certain contributions were written in to protect the interest of all parties. Without these important assurances we would not have reached agreement. Without the agreement we would not have been able to collect the additional funds to help us address critical projects for the Sea Pines community, including funding improvements to increase efficiencies and flow at our gate entrances, repairing and improving our roadways and to help provide for other vital community needs.

How is the trolley paid for and what is the trolley marketing fund?

In 1989, Community Service Associates was formed. In 1999, the first written agreement to increase the daily gate fee occurred between The Sea Pines Resort, Sea Pines Center and CSA. This was a \$2.00 increase in the daily gate fee from \$3.00 to \$5.00. This agreement and subsequent agreements, provided for CSA to agree to fund trolley operations and a joint trolley marketing program to be managed by the commercial interests. This fund promotes the commercial businesses within Sea Pines – including events, potential merchant rebates and an infrastructure reserve fund for trolley related projects. Money used by this fund include the full-color handout that is distributed to each daily visitor that enters Sea Pines and also advertising in local community publications to promote commercial businesses within Sea Pines.

Per prior agreements and resolution, CSA currently contributes to the Trolley Marketing Fund, \$65,000 annually with an additional \$.20 per each daily Visitor Gate Fee Pass sold which comes from the \$1 increase to the daily gate fee when it moved from \$5 to \$6. This new agreement provides additional support of the trolley marketing fund to and provides additional funds to assure to help market the commercial businesses in Sea Pines. The new agreement establishes the following additional annual contributions to the fund:

\$75,000 at \$8.00 (\$75,000)

\$150,000 at \$9.00 (\$75,000 + \$75,000)

\$225,000 at \$10.00 (\$75,000 + \$75,000 + \$75,000)

Any reduction in trolley services without the consent of the Resort and Sea Pines Center may result in the daily gate fee reverting to previous rates.

Is this the best deal the CSA Board could negotiate?

Under this CSA Board, this is the highest increase to revenue through this source (gate fees) in our organizations history with the smallest percentage commitment to fund designated uses and provides for a pathway to \$10. This additional revenue will help CSA fill the gap of what we believe is needed in Sea Pines to continue to protect, maintain and enhance the resources of the community for the benefit of all.

When was the last increase to the gate fee?

In March 2017, the CSA Board passed a resolution supported by The Sea Pines Resort and Sea Pines Center to amend the Sea Pines Gate Policy. This amendment created a separation of daily gate passes into two classifications, one for commercial vehicles, the “daily commercial gate fee” and one for non-commercial vehicles the “daily visitor gate fee”.

Effective June 1, 2017, the daily commercial gate fee was increased from \$6.00 to \$10.00, a \$4.00 increase. No additional provisions were made for designated use of these funds. This commercial gate pass fee represents 28% (108,121) of the issuance of daily passes over the last 12 months and provides \$432,484 in additional revenues to the infrastructure and operating funds of CSA.

Why has it taken so long to obtain an increase to the daily visitor gate fee?

Since late 2016, representatives of The Sea Pines Resort and Sea Pines Center have been meeting with residential members of the CSA Board and Committees to review the needs and requirements of a daily gate fee increase. Representatives of The Sea Pines Resort, Sea Pines Center and your volunteer residential CSA Board and Committee members have spent countless hours discussing, reviewing the various positions, documents, needs and required assurances that this new agreement provides. We are excited that an agreement was reached and believe this additional revenue will help CSA fill the gap of what we believe is needed in Sea Pines to continue to protect, maintain and enhance the resources of the community for the benefit of all.

Why wasn't the daily gate fee set at \$10 right away?

An immediate rate increase for the daily visitor gate fee to \$10 was not agreed to by the parties. The new rate for a daily visitor pass of \$8.00, required agreement from CSA, Sea Pines Center and The Sea Pines Resort, goes into effect August 1, 2018. The agreement does however, establish periods of time for future increases to be reviewed. If after these review periods it is determined that the “daily visitor gate pass” volume has not been significantly impacted, then additional increases to \$9.00 and then \$10.00 will occur. The first possible additional increase to \$9.00 can occur as early as August of 2020. This tiered approach in increasing the daily visitor gate fee was agreed to by all necessary parties and provides us a clear pathway to reach a \$10 gate fee in future years. Without this pivotal agreement we would not have these funds to be able to invest in our community.

How do Sea Pines Resort and Sea Pines Center have the Right to approve any change to the Sea Pines Gate fee?

Gate fee approval set for access into Sea Pines must be agreed to by three parties. Those three parties include the following organizations, Community Services Associates, The Sea Pines Resort and The Shops at Sea Pines Center. For CSA, the right and authority to enforce the Sea Pines Gate Entry Policy is stated in the 1988 Covenants. For the Sea Pines Resort they acquired this right as a part of the purchase of the Sea Pines Company. A bankruptcy court agreement established this right as the successor right and is provided for in the Sea Pines Plantation Company Assignment of Rights from November of 1987. For the Sea Pines Center they acquired this right as a part of the purchase of the Sea Pines Center, as a result of the bankruptcy and their right is written into the Sea Pines Center Assignment of Rights from August of 1987.

Each of the three entities above, Community Services Associates, The Sea Pines Resort and The Shops at Sea Pines Center must all agree to in writing any change or modification in the daily gate fee before any changes or modifications can be made. CSA, without this approval, has no legal right to change this fee on its own.

Can a copy of the agreement be distributed to the public/ members?

The CSA Board has the authority to enter into a contract. This agreement is a contract. Per Community Services Associates, Inc. Board Policy, CSA does not release contracts, legal opinions, property owner information or personnel records.