

October 17, 2018

Dear Sea Pines Property Owners,

I am writing today as your Treasurer for CSA. For those of you who do not know me, my name is Dave Borghesi and have served as the CSA Treasurer since January 2013. I have been a residential property owner in Sea Pines since 1992 and relocated here in 2004. Prior to my involvement with CSA I spent over 30 years with Arthur Andersen last serving as a partner and national practice director of its forensic accounting practice area. I then became a founding managing director serving clients of a national consulting group. I retired in 2009. During my time as Treasurer for CSA I have worked with the CSA staff as well as many highly qualified members of the CSA Finance Committee to advise the Board of Directors on the various challenges facing CSA and Sea Pines. I also played a key role in the calculation and favorable settlement of Hurricane Matthew insurance claims for both CSA and Sea Pines Country Club. But most importantly, my tenure as Treasurer has been dedicated to the integrity and transparency of financial information to this community. This is why I write to you today.

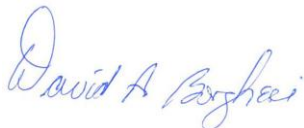
Recently a group calling itself "The Alliance for Sea Pines Future" has sent Sea Pines property owners what it has called "a Better Plan". Several people have asked me what I think of this "Better Plan." Essentially, the Alliance Plan identifies \$17 million in needed new sources of revenue over the next six years. This amount of additional revenue is not significantly different than the current referendum proposal recently put forward by CSA staff. However, my analysis of the Alliance Plan demonstrates that their new revenues are overstated by \$5.3 million. If you care to read the specific reasons for their overstatement, I have attached my memorandum prepared for the Board of CSA.

Much of the current discussion is about who should bear the burden of the additional revenues needed over the next 6 years to fund necessary projects, critical maintenance and other enhancements requested by the community. The Alliance Plan does recognize the need for substantial sources of new funds. But no matter the proposal, the 1974 covenants dictate that any referendum related to changes in assessments must be approved by the Sea Pines Resort (Resort). The Alliance knows that the Resort has rejected their Plan. Current directors representing residential property owners cannot change these facts.

Much more can be said about assertions made in the executive summary of the Alliance Plan. But the big question that needs to be addressed is where do we, as a community, go from here? Is the Alliance's end game an effort to quash any referendum to which the Resort would agree? Is their recourse a costly and lengthy litigation, as the Alliance promised in their recent "Sea Pines Times" that would disrupt this community for years? If so, and a referendum for additional revenues does not pass, where is the Alliance's non-existent plan to eliminate staff positions, eliminate services to property owners, and defer major maintenance projects and replacement of roads, bridges and other needed replacements?

All tough questions to consider. But we need to find a realistic way to move forward and improve this aging community. I hope and believe we can.

Respectfully,



Dave Borghesi
CSA Treasurer and Member of the CSA Board of Directors

Enclosure