

**Association of Sea Pines Plantation Property Owners, Inc. (ASPPPO)**  
**Board of Directors Meeting**  
Sea Pines Community Center  
71 Lighthouse Road, Suite 120, Hilton Head Island, SC 29928  
Thursday, March 21, 2019, 9:00 a.m.

**Agenda**

- |  |            |
|--|------------|
| 1. <u>Call to Order</u>  | Miner      |
| 2. <u>Establishment of Quorum</u>  | Scanlon    |
| 3. <u>Ratify Approval - Organizational Meeting Minutes, January 10, 2019, Board of Directors Meeting Minutes, January 15, 2019 *</u> | Scanlon    |
| 4. <u>Financial Update</u>   |            |
| a. Acceptance - Financial Statements, YTD/December 31, 2018; January 31, 2019 *  | Speer      |
| 5. <u>ASPPPO Update</u>  |            |
| a. Land Use Management   | Matthews   |
| b. Architectural Review Board  | Richardson |
| c. Communications  | Barth      |
| 6. <u>Unfinished Business</u>  |            |
| a. Approval – Conflict of Interest Policy *  | Miner      |
| b. Approval – Confidentiality Acknowledgment Statement *   | Miner      |
| c. Discussion – Board Member Disclosure Form   | Miner      |
| d. Discussion – Bylaw Policy Issues  | Miner      |
| 7. <u>New Business</u>   |            |
| a. Announcement – Date of Record, Annual Meeting, 2019   | Miner      |
| b. Approval – Nominating Committee, 2019 *   | Miner      |
| c. Approval – Committee Charter, 2019: Short Term Rental *   | Scanlon    |
| 8. <u>Adjournment</u>  | Miner      |

Reference Material Attachments

- Conflict of Interest Policy, Draft
- Confidentiality Acknowledgment Statement, Draft
- Bylaw Policy Issues

\* Denotes Action Item

**ASSOCIATION OF SEA PINES PLANTATION PROPERTY OWNERS, INC.  
AND THE ADVISORY BOARD**

a South Carolina Nonprofit Corporation

**CONFLICT OF INTEREST POLICY**

**Article I  
Purpose**

This conflict of interest statement (the "Conflict of Interest Statement") is intended to provide guidance to the Association of Sea Pines Plantation Property Owners, Inc. and the Advisory Board ("ASPPPO") when it is contemplating entering into a transaction or arrangement that may present a conflict of interest with a member of the Board of Directors of ASPPPO (each hereinafter a "Director" and collectively, the "Board") or a member of a committee of the Board of ASPPPO (hereinafter a "Committee Member"). This Conflict of Interest Statement is intended to supplement any applicable State and federal laws governing conflicts of interest applicable to nonprofit mutual benefit corporations.

**Article II  
Definitions**

1. **Interested Person.** Interested Person shall mean any Director or Committee Member who has a direct or indirect Financial Interest (as hereinafter defined) in a transaction being contemplated by the Board.
2. **Financial Interest.** Financial Interest shall mean an interest which a Director or Committee Member has, either directly or indirectly, through business, investment, or family in the following:
  - (a) An ownership or investment interest in any entity or property with which ASPPPO has a business or other transaction or business arrangement;
  - (b) A compensation arrangement with ASPPPO or with any entity or individual with which ASPPPO has a business or other transaction or business arrangement; or
  - (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which ASPPPO is contemplating a business or other transaction or business arrangement.
3. **Conflict of Interest.** A Conflict of Interest arises when a transaction being contemplated by ASPPPO involves an Interested Person with a material Financial Interest in the transaction.

**Article III  
Procedures**

1. **Duty to Disclose.** In connection with an actual or possible Conflict of Interest, an Interested Person shall disclose to the Board the existence of any Financial Interest or potential Conflict of Interest, and

such Interested Person shall be given the opportunity to disclose all material facts to the Board prior to Board action on the proposed transaction.

2. Determination. Upon an Interested Person's disclosure of a Financial Interest or potential Conflict of Interest, the Board shall determine, without the participation or vote of the Interested Person, whether or not a Conflict of Interest exists.
3. Procedures for Addressing the Conflict of Interest.
  - (a) The Interested Person may make a presentation to the Board; however, after his or her presentation, such Interested Person shall leave the Board meeting while the proposed transaction involving the potential Conflict of Interest is discussed and a determination is made by a vote of the remaining members of the Board.
  - (b) The Board may, but shall not be required to appoint a non-conflicted person or committee to investigate alternatives to the proposed transaction.
  - (c) The Board may, but shall not be required to determine whether ASPPPO may obtain, with reasonable efforts, an equally advantageous transaction from a person or entity that would not give rise to a Conflict of Interest.
  - (d) If an alternative transaction is not reasonably available under circumstances that would not present a Conflict of Interest, the Board shall determine, by a majority vote of the disinterested Directors who are voting, whether or not ASPPPO should proceed with the proposed transaction.
4. Violations of the Conflict of Interest Policy.
  - (a) If the Board has reasonable cause to believe an Interested Person has failed to disclose a Financial Interest or potential Conflict of Interest, it shall inform the Interested Person of the basis for such belief and shall provide such Interested Person an opportunity to explain the alleged failure to disclose.
  - (b) If, after hearing the Interested Person's response, and after making further investigation as warranted by the circumstances, the Board determines that the Interested Person has failed to disclose a Financial Interest or potential Conflict of Interest, it shall take appropriate action.

#### **Article IV** **Records of Proceedings**

The minutes of the Board shall contain the following:

- (a) Name of the Interested Person who disclosed or who was otherwise found to have a Financial Interest or potential Conflict of Interest; the nature of the Financial Interest or potential Conflict of Interest; any action taken to determine whether a Conflict of Interest existed; and the Board's decision whether a Conflict of Interest, in fact, existed.
- (b) Names of the Directors who were present for the discussions and the votes relating to the proposed transaction.

**ASSOCIATION OF SEA PINES PLANTATION PROPERTY OWNERS, INC.  
AND THE ADVISORY BOARD**

a South Carolina Nonprofit Corporation

**CONFIDENTIALITY ACKNOWLEDGMENT**

While serving on the Board of Directors or as a Committee Member for the Association of Sea Pines Plantation Property Owners, Inc. and the Advisory Board ("ASPPPO"), an individual may learn information that should be treated confidentially and not disclosed to parties other than ASPPPO's Board of Directors, Committee Members, ASPPPO's President or ASPPPO's employees or agents with a need to know. Such confidential information may include ASPPPO's financial information, employee salaries and job performance reviews, threats of litigation and the status of pending litigation involving ASPPPO, and other matters which, if disclosed to persons other than ASPPPO's Board of Directors, Committee Members, ASPPPO's President or ASPPPO's employees or agents with a need to know, may adversely affect the business and operations of ASPPPO (collectively hereinafter "Confidential Information").

The undersigned acknowledges that Confidential Information shall remain private and shall not be disclosed to parties other than ASPPPO's Board of Directors, Committee Members, ASPPPO's President, ASPPPO's employees or agents with a need to know, and ASPPPO's legal counsel. The undersigned acknowledges that disclosure of Confidential Information may harm ASPPPO and may possibly interfere with the business and operations of ASPPPO.

The undersigned acknowledges his or her receipt of this Confidentiality Acknowledgment as set forth above on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Position)

## Policy Issues ASPPPO Bylaws

The bylaw Task Force has been meeting, preparing drafts, soliciting public comments for more than a year. Task Force members and some of the public have significantly different views on individual issues relating to the bylaws. These issues ultimately depend upon what the ASPPPO board wishes to submit for a Member approval vote.

These issues include:

1. CSA membership. Should ASPPPO and CSA boards be completely independent of each other? Should the bylaws prohibit ASPPPO Board Members from serving on the CSA board?
2. Should Board officers be prohibited from holding the same position on the CSA board?
3. Do we wish to allow or prohibit cumulative voting?
4. Do we wish to provide for removal of Board Members ? If so, should this provision require proof of cause or simply be by majority vote of Members? Should Board Members be allowed to replace board officers?
5. Should the Board be allowed to change the ASPPPO dues or does that require a Member vote? Should there be a limit on any future dues increase?
6. Should the Board be permitted to conduct business between public meetings if the decision is unanimous?
7. Should we also amend the Articles of Incorporation to forbid any future Board from changing the bylaws without a Member vote?
8. The present bylaws require that candidates be identified as to whether they were nominated by committee or by petition. Do we want to eliminate that requirement?