

Richard N. Rose

December 14, 1994

Dear Friends and Neighbors:

The weather over the December 3, 1994 weekend was more indicative of April than December. The beach was lovely and Sea Pines appears both tranquil and festive as the holiday season approaches.

The F.M.B. voted to extend the contract of Mercantile for an additional two year period with no increase in the management fee for that term.

Colonial Gas has finally responded to our requests for information. They have no interest in supplying natural gas to Sea Pines unless they see 25 commitments to install gas heaters. We do not believe that there is that kind of interest lacking Colonial Gas ability to project savings due to the construction at Sea Pines.

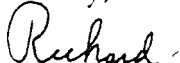
A budget reflecting a 3% increase in expenditures was approved. The F.M.B. has discovered many mathematical errors in the way fees within phase have been calculated. These have now been corrected by our accountant and the new fees will reflect these adjustments. Some homeowners will see changes that are significant. The accounting practices that have now been put into effect should insure that these errors will never happen again.

A personal message:

The last several months have been tumultuous for the F.M.B. Although members have honest differences of opinion, they are usually able to discuss them in a reasonable manner and come to a united consensus. This has not been the case in our recent deliberations over recreation and maintenance fee apportionment across our four separate condominiums.

The chair of the F.M.B. should be impartial and unbiased when issues are discussed. Although I have attempted to act as a Chair should, I feel that I was elected by my phase to champion its agenda. My perception of unfairness by members of the F.M.B. no longer allows me the luxury of remaining neutral. Therefore effective January 2, 1995 I will be stepping down as Chair of the F.M.B. I am absolutely astounded by the level of support and encouragement I enjoyed from you, my friends and neighbors. I will always be grateful. I wish everyone at Sea Pines a most joyous holiday and a most prosperous and healthy new year.

Sincerely,



Richard N. Rose