



*Sea Pines Homeowners' Association*

*· Brewster, MA 02631 ·*

October 8, 1996

Dear Sea Pines Neighbors:

I believe that there is no aspect of the management of Sea Pines more crucial to maintaining the market value of our homes than prudent funding of capital repair and replacement reserves. At the September 28th meeting of the FMB, Dan Walker of CDA Associates presented an analysis of anticipated capital replacement and repair needs of Sea Pines over the next twenty-year period and a corresponding analysis of capital reserve requirements. While a full scale review of this report is beyond the scope of this newsletter, I can report that at the present time Sea Pines can boast a very healthy level of capital reserves. In addition, the annual funding of these reserves that has been maintained in recent years appears adequate.

There is nevertheless a consensus among members of the Board that our septic systems present the greatest area of uncertainty going forward. There are a few reasons for this concern. Increased scrutiny of septic systems by state and local agencies can be expected in the future. The health of septic systems is difficult to monitor, and a certain amount of "crisis management" is perhaps inevitable. It is also reasonable to expect that in the future the demands put on the systems may increase if a greater percentage of Sea Pines units become vacation homes. Because of these concerns, your Board has requested Mercantile Property Management and our septic engineers to provide further advice concerning reasonably anticipated capital repairs and replacements of these systems.

A more detailed report on the status of capital reserves will be forwarded to owners when the Board's review is complete. In advance of that report, however, I would be remiss not to thank co-chair, Jim Zembruski, for the extraordinary contribution he has made to this effort through his insightful critical analysis of both the CDA report and the decision making process needed to adequately respond to it.

Next month's meeting will be almost entirely taken up with deliberations on next years budget. To this end I ask that all committee chairs submit their budget requests to Dan Schrader at Mercantile by mid-month.

Following our budget deliberations, the Board will be taking up its periodic review of the "Reasonable Rules and Regulations". In this regard, a number of homeowners have recently expressed concern over the appearance of the boat storage area opposite the clubhouse. At our September meeting it was decided that boats still remaining in this location would be moved to the area behind the "car wash" fence.

Sincerely,

Joe Herlihy