Dear Seabrook Island Property Owner:

The enclosed e-voting package contains all of the materials associated with the 2017 SIPOA Annual Meeting. The meeting will be held on Saturday, February 18, 2017 at 10:30 am in the Atlantic Room at the Island House. The meeting is open to all Property Owners.

The Annual Meeting is important to the overall management of our community and your vote is critical in order for SIPOA to achieve a quorum to conduct business at this meeting. Please review these materials carefully, and complete the Proxy Appointment Form and Referendum Ballot using the prompts in the e-voting system.

YOUR PARTICIPATION AND YOUR VOTE ARE IMPORTANT AND NEEDED!

Your e-voting package includes a number of links to important materials:

An agenda for SIPOA's Annual Meeting.

A Proxy Appointment Form and a Referendum Ballot. Please review these items carefully and follow the instructions to complete and validate each.

The proxy allows your vote(s) to be cast [one per property owned] for up to four candidates for the SIPOA Board of Directors ("BOD") and up to two candidates for the SIPOA Nominating Committee ("NC"). There are four candidates for the four vacancies on the BOD and three candidates to fill two vacancies on the NC. Biographical statements from all candidates are also enclosed. Please be sure to vote!

An overview of the SIPOA budget for 2017 is submitted for your review and approval. The budget totals $6.86 million for operational and capital expenditures and includes, among many other items, funding to complete the new gatehouse, rebuild boardwalk #1, and reline the Oyster Catcher Property Owners' pool. Your current Board of Directors voted on December 12, 2016 to approve the budget for submission to the Property Owners, and recommends that you vote in favor of the budget.

There are four proposed amendments modifying the Protective Covenants or the Bylaws for your consideration and vote. The link to an information sheet accompanying each of the four proposed amendments contains the proposed modification, a redlined version of how the motion would modify the current Covenants or Bylaws, a statement in support of the proposal and, if a statement against the proposal was received, a copy of that statement. No more than one statement supporting or opposing any proposal was received.

Three of the four proposed amendments were recommended by the SIPOA Board: one to the Protective Covenants and two to the SIPOA Bylaws. The SIPOA Board of Directors recommends a vote in favor of each of these three proposed amendments. The fourth proposed amendment was by petition for referendum filed by more than 125 Property Owners seeking elimination of the SIPOA Nominating Committee and elimination of certain responsibilities of the SIPOA Board President. The SIPOA Board of Directors recommends a vote against this proposed amendment on the Referendum Ballot.

The first proposed amendment [labeled "Item IV"] concerns the Protective Covenants regarding Modification of the Standard for Approval of a Proposed Bylaw or Covenant Amendment. The current wording of this provision is confusing in that it sets forth a dual vote-measurement standard. The proposed amendment sets forth a single and higher standard providing that modifications or revisions to the Protective Covenants or Bylaws must be approved by Valid Votes equal to sixty percent (60%) of the Valid Votes. The Board of Directors recommends a vote in favor of this Board-proposed amendment.
The second proposed amendment [labeled "Item V"] concerns the Bylaws, granting the SIPOA Board the power and authority to remove a Director from the Board in the event of particularly egregious or persistent behavior that is detrimental to SIPOA as set forth in the recently adopted Code of Conduct. Under SC State law, violation of a Code of Conduct cannot result in dismissal of a Board member unless the Board is given the removal authority in the Bylaws. Also, please note that, under SC State law, the removal option may apply only to Directors elected after adoption of this amendment, so it would not apply to current Board Directors. The Board of Directors recommends a vote in favor of this Board-proposed amendment.

The third proposed amendment [labeled "Item VI"] also concerns the Bylaws, requiring that candidates for the Board of Directors and Committee work should be familiar with and able to use up-to-date digital and mobile applications and technology. The Board of Directors recommends a vote in favor of this Board-proposed amendment.

Finally, SIPOA received a petition for referendum [labeled "Petition for Amendment to SIPOA Bylaws Sections 3.2.6, 4.3, 4.7.3, 6.2, 7.6, 7.7 – Elimination of the Nominating Committee"] submitted by more than 125 property owners in good standing. The submitted petition for referendum comprised two petitioned proposed amendments: one to eliminate the Nominating Committee and the second to eliminate certain responsibilities of the SIPOA President. If adopted, the first petitioned proposed amendment would eliminate the SIPOA Nominating Committee completely and would substitute a completely unregulated self-nomination process. There are no assurances that a sufficient number of candidates with appropriate skills to exercise fiduciary responsibility and governance would self-nominate, which could adversely impact SIPOA's financial relationships, expenses, and property values. The second proposed petitioned amendment would eliminate the SIPOA President's mandatory duties to foster productive collaborative relationships with outside organizations that are critical to SIPOA's prosperity. These two proposed petitioned amendments do not serve effective governance interests of SIPOA Property Owner members and the Board of Directors recommends a vote against this petition.

To ensure a quorum, please complete and return your Proxy Appointment Form well before the Annual Meeting, and the Referendum Ballot before the deadline of February 17, 2017. Also, please vote on all items presented.

As has been said many times, volunteerism is the engine that propels SIPOA, whether it be standing for election as a candidate, serving on a Committee, or assisting with many of activities on Seabrook Island. Your Annual Meeting package contains a “Time & Talent” form, which I urge you to complete and return to express your willingness to serve on a SIPOA Committee. Be sure to complete this form even if you are currently on one or more Committees, because each Committee reconstitutes when the new Board takes office following the Annual Meeting. A description of each Committee and associated time commitments is also included.

Also enclosed are flyers outlining: (i) the 2017 garbage, recycling and yard-debris pick-up schedule, (ii) information about the Art Show held at the Lake House during the Annual Meeting weekend, (iii) a Code Red information form which you can complete and return if you DO NOT want to receive Code Red weather or other emergency email alerts from the Town of Seabrook Island.

I would like to close by encouraging your action on the ballot you receive from the Seabrook Island Club if you are a Club member. As you know, the Club and SIPOA, as separate entities, distribute separate Annual Meeting packages, and each entity relies on your participation not only for establishing a quorum for each Annual Meeting, but also on your guidance for the year ahead by your vote.

With my best wishes for a happy and healthy 2017! I look forward to seeing you at the Annual Meeting on February 18th!

Janet Gorski, SIPOA Board President