

At their Thursday (June 23) meeting of the Sea Pines Property Owners Association board, the directors decided to not, at this time, pursue legal action against fractional ownership of Sea Pines residences.  Counsel has advised that such a legal action is unlikely to succeed, said Association President Paula Scanlon.

(Under fractional ownership, as operated by such companies as Pacaso, an individual, LLC, group or others can buy an ownership share — typically an eighth — in a residential property.  The aim is for multiple owners to divide the enjoyment of a well-situated single home.)

The board adopted a statement that is reprinted below.

On another topic, Scanlon said: “Over the summer, I will be forming a Sea Pines Community Covenant Reform Task Force to build a business case and outline a process by which we can positively affect change in our community.”  Her full statement is also below.

Other highlights of the meeting:

·       Kerry de Vallette, co-president of the Heritage Pond POA, has been appointed to the Sea Pines POA board to fill a vacancy.  His term runs until the end of the year.  A second vacancy, for a term expiring at the end of next year, will be filled by Lauri Allenbach of Club Course.

·       A board committee is working on the specifics of a monthly speaker series that will cover such topics as the region’s governance, history, culture and environment.

·       Scanlon reported on the near-completion of a lengthy legal effort, which has Sea Pines POA origins, to deal with the long-neglected residential property 88 Lawton.  She said that “CSA has collected the costs” to remediate the property and will soon begin to do so.

**Board-approved statement on fractional ownership:**“The board has heard the concerns of our members regarding Pacaso and fractional ownership in Sea Pines. At this time, the Board has decided to continue monitoring the ongoing litigation involving Pacaso in California but not to initiate any legal action on behalf of our association. This decision was the result of serious consideration and deliberation.

“So that we could explore all of our options, we retained the law firm of Finger, Melnick, Brooks & LaBruce, P.A., to review our governing documents and advise us accordingly. Ultimately, the board decided that pursuing an action against Pacaso under the Sea Pines POA by-laws and Sea Pines governing documents was not the best use of our resources, as Pacaso's fractional-ownership model is not explicitly prohibited within Sea Pines. Absent such an explicit prohibition in the Sea Pines governing documents, success in any action would be unlikely.

“While we cannot publicly share privileged legal opinions given to the board, we want to assure all members of our community that your voices have not gone unheard.  We will continue to monitor the situation here and nationally.  As we learn more, we will provide updates.”

**Scanlon’s statement about covenant change:**“With regard to covenant reform, I believe we can all acknowledge the fact that our covenants are not perfect and all of us, not just property owners, are affected by it.  The task of reform is almost overwhelming and has been fraught with false starts and lack of visible progress.  Earlier this year, our Covenant Reform Task Force and Board of Directors agreed that any forward motion on this is one of largest challenges we face as property owners.  The highest hurdle is the 75% approval vote that any referendum must face.  This has played out too many times.

“Over the summer, I will be forming a Sea Pines Community Covenant Reform Task Force to build a business case and outline a process by which we can positively affect change in our community.  As I have said many times, change comes from within and it is up to all of us, inside the gates and working together, to make something happen.

“In addition to several Sea Pines POA board members, I am inviting representatives from the primary stakeholders that live and do business in Sea Pines.  That would include:

o   Our local regime presidents and their constituents

o   CSA, which includes the Forest Preserve, Six Oaks and other sundry operations

o   The Sea Pines Resort

o   Commercial:  Harbour Town, South Beach and Sea Pines Center

o   The Country Club”

The next meeting of the Sea Pines POA board is scheduled for Sept. 19.

   — Alex Cruden, co-president, Heritage Pond POA