

**PAWLEYS PLANTATION PROPERTY OWNERS ASSOCIATION, INC.**

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**2008 ANNUAL MEMBERS' MEETING**

**FEBRUARY 18, 2008**

**MINUTES**

The 2008 Annual Members' Meeting of the Pawleys Plantation Property Owners Association, Inc. was called to order at 10:15 a.m., Monday, February 18, 2008, at the Pawleys Plantation Clubhouse, 70 Tanglewood Drive, Pawleys Island, South Carolina.

**I. Opening Comments:**

Wally Zeddun, President of the Pawleys Plantation Board of Directors, opened the meeting by welcoming those in attendance. President Zeddun formally called the meeting to order and stated that in accordance with the Association's By-Laws, Article 2, Section 3, Annual Meetings, "The regular annual meeting of the Membership shall be held within the first week of February of each year at an hour set by the Board. However, in no event shall the annual meeting be more than thirty (30) days from the first of February. He also stated that as President of the Association, he would serve as Chairman of the Meeting. Joan Noble, Secretary of the Association, would serve as Secretary of the meeting. Azure Harper would serve as Recording Secretary.

**II. Introductions:**

President Zeddun introduced the Board members in attendance: Gary Griggs, Joan Noble, Dennis Cangelosi, Peter Aubrey, Tommy Hamm, Ed Osterhuber, Frank D'Antoni, Charles Holland, Carol Sacco and Bern Sweeney. President Zeddun stated that due to a previously scheduled obligation, Ms. Pat Buss was unable to attend this meeting. He then introduced the K. A. Diehl & Associates, Inc.'s management team: Vicki Gallagher, Vice President; Kimber Ammerata, Community Manager; and Azure Harper, Administrative Assistant. He then introduced Joan Hodges, the Association's auditor. President Zeddun stated that Kimber Ammerata has been appointed Agent and Proxy for those members of the Association not present at the meeting for the purpose of voting.

The Chairman requested that all members of the Association identify themselves by last name and unit number for the benefit of the record prior to commenting on the business of the meeting or making motions relative to the business of the meeting.

**III. Roll Call/Quorum Certification:**

The Chairman requested Ms. Gallagher to report on the roll call check in process and certification of the quorum. Ms. Gallagher announced that 25.15823% of the Membership was represented by proxy, and 36.39241% of the Membership was present in person. The total percentage of Membership represented at this meeting is 61.55063%. She then noted that the quorum requirements had been met to successfully conduct the meeting in accordance with the By-Laws of the Association.

**IV. Examination of Proof of Mailing:**

The Chairman examined the Proof of Mailing of the Notice of the 2008 Annual Members' Meeting and noted that the Proof of Mailing, along with a sample of the notice, would be filed with the official records of this meeting.

**V. Approval of Minutes:**

The Chairman requested that the Secretary read the minutes of the 2007 Annual Members' Meeting, unless there was a motion and a second to waive the reading of the minutes and approve them as written. **A motion was made by Mr. Space (A-62), seconded by Mr. Faulk (G-35), to waive the reading of the 2007 Annual Members Meeting Minutes and approve them as written. The motion carried unanimously by voice vote.**

**VI. Annual Reports:**

The Chairman noted the formal order of business of the Annual Meeting allows for certain reports to be made.

**A. Financial and Auditors Reports:**

**1. Financial Report:**

President Zeddun introduced Mr. Griggs to present the financial report.

Mr. Griggs reviewed, in detail, the un-audited Income and Expense Statements and Balance Sheets for the period ending December 31, 2007, as attached to these minutes and identified as Exhibit "A".

The highlights of the review are as follows:

- The "Income" category reflected on the "Income/Expense" statement reflects that the actual income received exceeded the budgeted amount and is primarily due to the "Regular Assessments" line item. The excess is due to new homes being added to the community throughout the year.
- The "Repairs & Maintenance" expense category came in under budgeted projections for the year by \$43,632.41, primarily due to the "Security" expense line items. This was as a result of acquiring a new security company, which lowered the actual cost-per-man-hour from \$14.50/hour to less than \$12.00/hour.
- The "General & Administrative" expense category came in under budgeted projections due to retaining the services of a new property management firm and the "Bad Debt" expense line item coming in under projections.
- The "Utilities" expense category came in over projections mainly due to the "Cable TV" expense line item. This overage is due to the new homes added throughout the year. The expense is offset with the excess income noted under the "Regular Assessments" income line item.
- Bottom line for the year: the Association experienced an excess of income over expenses totaling \$64,534.23.

Mr. Griggs reported that the excess of income will be transferred into the Reserve Fund.

He then reported that the Balance Sheet reflects that the Association is financially stable for both the Operating and Reserve accounts. The Board is prudent in assuring that the Association's Reserve Fund is earning the highest interest rates possible by monitoring the funds and investing them in staggered certificate of deposits.

Mr. Griggs noted that the Association also deposits the gate pass income into the reserve account to offset the expense for the gate system.

The Reserve Fund Income/Expense statement was then reviewed, with the highlights noted below:

- \$18,500.00 was budgeted for Reserve expenses for the year; actual expenses came in at \$9,085.81.
- Largest Reserve expenditure for 2007 was for road re-pavement.

Mr. Griggs then reviewed the "2008 Budget Comparison to Actual" report, as attached to these minutes and identified as Exhibit "B," with questions posed and answered.

The membership was informed that the dues Base Rate (which excludes Cable TV and Trash Collection fees) will decrease for the 2008 year, from \$161 to \$153 per quarter. He noted that the

primary reasons for the reduction were lower budgeted costs for Security and Property Management, as well as more Members among which to share expenses.

A discussion ensued around the Reserve items and statement. The Board reported that an internal Reserve study was conducted by a committee made up of homeowners. The committee projected the cost of repairs and replacements over the next 25 years with adjustments for inflation. The Reserve study will be reviewed and updated annually.

A homeowner from the floor inquired if there was a provision in the Reserve study for storm damage. The response was that this expense was not considered in the original Reserve study, only the maintenance aspects; however, the Board and/or committee will look at this possibility when the Reserve study is reviewed again.

At this time, a discussion was entered into relative to the excess of income over expenses at the end of 2007 and what to do with the excess. The Board stated that if the excess is not transferred into the Reserve account it could be taxable; therefore, the excess will be transferred into the Reserve account. The Board then noted that during the 2008 Operating budget preparation, the Reserve fund formulation was taken into consideration.

A homeowner from the floor stated that the 2008 budget reflects a significant increase to the "Legal" expense line item compared to the actual expense for 2007. Mr. Griggs stated that in 2007, the Board had planned to have attorneys review the proposed amendments, but that work has been delayed until 2008.

## **2. Auditors Report:**

Gary Griggs introduced Joan Hodges of MacIntyre, Zigler, and Hodges CPA, the Association's auditor.

Ms. Hodges stated that the current copies of the audit were in draft form and that her firm is waiting to receive bank balances from all three (3) banks to confirm the balance of funds at years' end. She stated there was no reason to believe that there would be any major changes.

At this time, Ms. Hodges reviewed the audit draft for the benefit of the members present. She stated that any owners with questions after reviewing the final draft were welcome to call her. Ms. Hodges thanked Pat Buss, Gary Griggs, and K. A. Diehl & Associates for their hard work and cooperation in the preparation of the audit. She then thanked the membership for their time and left the meeting.

## **B. Covenants Committee Report:**

President Zeddun introduced Bern Sweeny to present the report of the Covenants Committee.

- Mr. Sweeny stated that there were too many proposed changes to the Covenants to go into great detail at this meeting, but that the Board had scheduled a Town Meeting for Saturday, March 29, 2008, from 9:00 a.m. to 12:00 p.m. to entertain any comments for or against the proposed amendments.
- Mr. Sweeny stated that the proposed amendments were on the website for review by all owners and that hard copies were available at the guardhouse.
- Mr. Sweeny encouraged the owners to let the Board know their thoughts—bad and/or good—so that the concerns of the entire community could be considered.
- It was inquired from the floor if the Committee would consider putting together a three (3)

page executive report that would cover the major changes. Mr. Sweeny committed to trying, and, if successful, to having the document put on the POA website.

**C. Safety & Security Committee:**

President Zeddun introduced Dennis Cangelosi to present the report of the Safety & Security Committee. He reported on the following issues:

- Mr. Cangelosi provided the membership with a brief statement relative to his background in security and criminal justice and stated that he is a retired police Sergeant from New York. He is currently serving as a fire inspector with the Midway Fire Department.
- He thanked Mr. Cole, previous Committee chair, for his valuable contributions to the Committee and stated that there were many changes in the past year.
- A Services Group is the current security company employed by the Association. He noted that A Services is a large company that specializes in gated communities.
- There are some new Security Guards on staff, and a new policy has been put in place to stress courtesy and service to our homeowners and their guests.
- At the end of January, Coggins Security had installed a new camera system at the front gate with four (4) high-end cameras that record color videos during the day and black and white at night. All activity is recorded on a DVD over a span of two (2) weeks, which allows for better monitoring of activity. After the two (2) weeks, the recorder starts to re-write from the oldest to the newest. The new monitor gives the guards the capability of a positive camera dedicated to the recording of vehicles license plate numbers. New signs have been installed at the gate making everyone aware of the surveillance, which includes voice recording.
- The barcode system allows for a record of time and date of entry for each resident's vehicle with the barcode stickers.
- In January, the part-time Rover service was cancelled. The Board felt it was not a good way to spend Association money, as the annual expense was \$40,000.
- Motorcycle parking for residents is now available only near the Guard House.
- The speed monitor is currently working off of batteries and the Board is looking into hardwiring this device to an AC source. The Board is also considering purchasing another speed monitor for another street.
- There have been some reported crimes in a neighboring community. Securing the individual homes is a homeowner's best defense against crime. It was recommended that homeowners install deadbolts and motion detectors, keep garage doors closed and locked, and ensure that all house and car doors are locked.
- Installation of gates at Guard House.

A homeowner stated that she had left the name of a guest at the Guard House and that Security could not locate the guest's information when they arrived. Mr. Cangelosi stated he would discuss this with Security and that any owner experiencing this issue should contact him.

A homeowner asked what authority the Sheriff's Department had and if they patrolled the community. Mr. Cangelosi stated that they do not enter the community uninvited, but they do respond to calls regarding illegal or suspicious activity.

A homeowner stated that a person had rung his doorbell looking for an old tenant and asked how the person was given access to the community. Mr. Cangelosi reminded the owners that the community is not completely secure, and that nearly anyone could enter during the day.

A homeowner inquired if there were plans to expand the cameras to more vulnerable areas. Mr. Cangelosi stated that the cameras require a lot of light and, where there are no lights, the camera system would not work properly. The best solution is to secure the individual homes.

A homeowner stated that there is a perimeter gate that has been standing open for some time and inquired as to who checks this gate. Mr. Cangelosi stated that the Golf Course management is responsible for that particular gate.

It was inquired if the Guards are still issuing paper passes. Mr. Cangelosi responded by stating that passes are issued only if guests stay for more than one (1) day. It was relayed from the floor that passes were not being provided. Mr. Cangelosi committed to following up with the Guards in this regard.

Mr. Cangelosi stated that any homeowner observing suspicious behavior should contact the police.

A homeowner asked Mr. Cangelosi if he would be available to the Membership for consultation for the securing of individual homes and the response was "yes."

**D. Architectural Review Board:**

President Zeddun introduced Joan Noble to provide the report for the Architectural Review Board. Ms. Noble reported on the following issues.

- The ARB consisted of Pete Aubrey, Annette Sweeney, Peter Law, David Paschal, Mike Finley and Lee Shoulette. Ms. Noble thanked the members for their time and dedication.
- There were 79 projects completed in 2007, compared to 76 in 2006.
- Out of the 79 submittals, nine (9) applications were for new homes and three (3) of these projects were started in 2007. In 2006 there were 23 applications for new homes.
- Most of the projects that came before the ARB were landscaping revisions such as tree removal.
- The ARB guidelines have been revised and solar energy alternatives were offered. Local vendors and Santee Cooper had assisted the Board with these revisions.
- The ARB is working with the Board to assist with proposed changes to sections 10 & 11 of the Covenants and Restrictions.
- Refundable deposit interest has been removed from the guidelines.

Ms. Noble announced that she would be stepping down as the Chairperson for the ARB, but would remain on the ARB as a committee member. Mike Finley has been appointed by the POA Board to serve as the new Chairman. She thanked everyone for their cooperation.

**E. Communications Committee:**

President Zeddun introduced Carol Sacco to present the report for the Communications Committee. Ms. Sacco reported on the following items:

- There are three categories of communication for the community:
  - POA Website – Mr. Griggs is the appointed Webmaster, and Mrs. Sacco commented that Mr. Griggs is doing a good job in keeping the website updated.
  - Insider Information Newsletter – The newsletters are generated to the entire membership on a quarterly basis.
  - Exit Gate Message Board – Mrs. Sacco welcomed homeowners' recommendations and

comments on information to be included on the billboard or within the newsletter and asked that they contact her directly.

It was inquired from the floor if the financial reports could be posted on the website. The Board stated that they would take this request under advisement.

**F. Animal Control & Perimeter Fence:**

President Zeddun introduced Peter Aubrey to present the report for the Animal Control Committee as well as issues with the perimeter fence. Mr. Aubrey reported on the following items:

- The entire area of the perimeter fence has been inspected and repairs have been made. Numerous trees along the fence line have been removed. The membership was encouraged to contact Mr. Aubrey if they see any fallen trees in this area or any needed repairs to the perimeter fence.
- Near the tee box on the 2<sup>nd</sup> hole there was a section of fence missing and the repairs were in process. Mr. Aubrey reported that repairs to the perimeter fence will be an ongoing maintenance project.
- The membership was informed that pet waste is problematic throughout the community and on the golf course. The membership was apprised of some instances of pet waste on the golf course. Pet waste signs were purchased and one (1) has since been stolen. Pet owners must immediately clean up after their pet.
- It was reported that the Association's Covenants and Restrictions in Article XI, Section 2 state that pets are not allowed on Golf Course property, and that the Board of Directors has the right to order the removal of any pet that is considered a nuisance. Mr. Aubrey stated that he hopes the Board never has to enforce this rule and again encouraged pet owners to clean up after their pets.

A homeowner asked why the trees were removed along Masters Drive. Mr. Aubrey stated that they had fallen onto the fence and caused damage.

A homeowner inquired about the protective screen on the number two (2) hole, as it has fallen down because of vines. Mr. Sweeny reported that the screen is owned by the Golf Course and not the POA.

**G. Landscape and Appearance Committee:**

President Zeddun introduced Ed Osterhuber to present the report for the Landscape and Appearance Committee. Mr. Osterhuber reported on the following items:

- Concerns, suggestions, and comments were always welcome.
- Georgetown County had made some changes with mosquito control, but the committee would ensure that Pawleys Plantation received its share of the county's budget for this service.
- 275 pellets are installed in drains in the community. Its direct affect kills the mosquito larvae for three (3) months.
- Truck and aerial spraying is coordinated with the Golf Course.
- Anyone seeing large amounts of mosquitoes is requested to call Mr. Osterhuber.
- The committee has developed landscape plans for the 2008 year. David Eure and Pete Charles of ValleyCrest have done a wonderful job. The committee is putting together additional proposed landscape action plans for 2008 and the plans will be presented to the

Board of Directors for their review and consideration.

- Mr. Osterhuber expressed gratitude to Anne Moreland for her assistance on the design at the front entrance, especially for special occasions and holidays.
- Pawleys Plantation LLC, the Property Owners Association, David Eure, and Laura Rippy have been working to address flooding issues. Ms. Rippy has given money on behalf of PPLLC to assist in correcting the issues. Old Augusta Drive, Green Wing Teal Drive, and Sandwedge Loop have had the largest issues. Sandwedge Loop flooding issues have not been completed, and lots 19-21 were seeing water in their garages at times.
- Some of the road signs were being hit by sprinklers and owners seeing this are requested to change the direction of the sprinkler heads to avoid the signs.

An owner asked who was responsible for the pumping station on Golden Bear Drive. The Board had been informed by Mr. Eure that it was the responsibility of PPLLC and that he would address the issues relative to its appearance with Ms. Rippy.

An owner stated that they had seen two copperhead snakes. It was advised that Mr. Eure had placed sulfur to repel them from the area, but the rain washes it away. It was reported that Mr. Eure committed to researching other preventative options.

Mr. Sweeny added that the Annual Community Clean-Up Day has been scheduled for Saturday, April 19, 2008. He stated that it lasted approximately three hours last year, and he encouraged the owners to participate this year.

#### **H. Roads and Grounds Committee:**

President Zeddun introduced Tommy Hamm to present the report for the Roads and Grounds Committee. Mr. Hamm reported on the following items:

- The roads are inspected once per quarter. The most recent inspection had been done Friday and Saturday of the previous week. He reported that they are not in excellent shape, but they were also not in bad shape.
- One pothole on Tanglewood Drive had been repaired last year and the remaining potholes on Tanglewood Drive and Masters Drive will be addressed when the weather warms up.
- 115 reflectors had been placed on Pawleys Plantation Way, but not all of them have stayed in place; (six) of them were missing. When the weather warms up, another attempt to replace them will be made.

#### **VII. Election of Directors and Tax Resolution:**

President Zeddun announced that the primary purpose of the meeting is to elect Directors. The slate of nominees was presented by the nominating committee. With no nominations from the floor, **a motion was made by Mr. Bertolucci (E 13), seconded by Mr. D'Antoni (I-11), and duly carried that the nominations be closed and the slate of nominees be accepted by acclamation. The motion carried unanimously by voice vote.**

#### **VIII. Old Business:**

There was no old business to be discussed.

#### **IX. New Business:**

Mr. Griggs announced that anyone needing a copy or second copy of the POA Telephone Directory could pick one up from the box located near the exit door.

**X. Adjournment:**

With no further business brought forth from the floor, **a motion was made by Mr. Faulk (G-35), seconded by Mr. D'Antoni (I-11), and duly carried that the meeting be adjourned at 11:45 a.m. The motion carried by voice vote.**