

PAWLEYS PLANTATION PROPERTY OWNERS ASSOCIATION, INC.

2009 ANNUAL MEMBERS' MEETING

MINUTES

FEBRUARY 16, 2009

The Annual Meeting of the Board of Directors of the Pawleys Plantation Property Owners Association, Inc. was held on Monday, February 16, 2009, at 10:30 a.m. at the Pawleys Plantation Conference Center, Pawleys Island, South Carolina.

I. CALL TO ORDER

Mr. Zeddun, President of the Pawleys Plantation POA Board of Directors, opened the Meeting by welcoming those in attendance. He asked that anyone who had not signed in to please do so at this time. 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. Betsy Nemeth, Secretary of the Association, would serve as Secretary of the Meeting. Azure Dodd would serve as Recording Secretary.

II. INTRODUCTIONS

Mr. Zeddun introduced the Board Members in attendance: Bern Sweeney, Betsy Nemeth, Gary Griggs, Dennis Cangelosi, Peter Aubrey, Tommy Hamm, Ed Osterhuber, Jim Pool, Charles Holland, and Mike Finley. He also reported that Board Member Carol Sacco was not able to attend the Meeting. Mr. Zeddun also introduced the K.A. Diehl & Associates' Management Team, Angel Snyder, Senior Manager; Kimber Ammerata, Community Manager; Steve Reynolds, Community Manager; Susan Lockwood, Association Assistant; and Azure Dodd, Association Assistant. He reported that Ms. Ammerata has resigned from K.A. Diehl & Associates, and that Steve Reynolds has been assigned as the new Community Manager. 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 President requested that all Members of the Association identify themselves by name and Lot 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. DETERMINATION OF A QUORUM

President Zeddun reported that the percentage of Membership present by Proxy was 38.76582% and the percentage of Membership present in person was 21.83544%. The total percentage of Membership represented at the Meeting was 60.60127%. He noted that a quorum had been established to successfully conduct the Meeting, as in accordance with the By-Laws of the Association.

IV. PROOF OF MAILING

The President examined the Notice and Proof of Mailing of the Notice for the 2009 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 the Meeting.

V. APPROVAL OF MINUTES

Chairman Zeddun allocated time for the Membership to review the 2008 Annual Members Meeting Minutes. Following review, President Zeddun stated that a motion to accept the February 18, 2008 Board of Directors Annual Meeting Minutes as written would be entertained. **A motion was made by Mr. Russ Long (F-02), seconded by Mr. Dick Faulk (G-35), to approve the 2008 Annual Members' Meeting Minutes as written. The motion carried unanimously.**

VI. REPORTS

A. PRESIDENT'S REPORT

Mr. Zeddun thanked everyone for attending, and noted that the Board Members would now present their reports to the membership.

B. TREASURER'S REPORT

Mr. Griggs reviewed the financial statements for the Operating and Reserve funds. The statements are attached to these Minutes and identified as Exhibit "A". Mr. Griggs covered many topics relative to the budget and project funding and answered questions from homeowners. A homeowner asked about the 4% contribution that Pawleys Plantation LLC makes and Mr. Sweeney reported that this figure is part of the Quit Claim Deed to the property signed over in 1997 and that this amount cannot be changed.

**C. AUDITOR'S PRESENTATION
EXCESS OF INCOME OVER EXPENSES MOTION**

Mr. Zeddun advised that it was recommended that the Association make an annual election to defer excess Association income from taxation by, in effect, returning the excess to the Association's Reserve account or by deferring expenses for the following year. This is a tax election as outlined in IRS Revenue Ruling 70-604 and its purpose is solely to allow the Association to take advantage of a regular corporation's 15% marginal tax rate rather than the Homeowners' Association 30% tax rate. Mr. Zeddun further stated that the election to defer the excess Association income would result in savings to the Association and advised that the Board of Directors urges the Membership to vote for this Resolution.

Mr. Zeddun requested a motion and a second that any excess Association income over Association expenses as defined in IRS Regulation I-277-I for the year ending December 31, 2009 shall be transferred to the Reserve account or applied against the subsequent tax year Member assessments as provided by IRS Revenue Ruling 70-604. **A motion was made by Mr. Robin Graybeal (B-9), seconded by Mr. Larry Smith (A-57). The motion carried unanimously.**

Mr. Zeddun gave a brief background and introduced Joan Hodges of McIntyre, Zeigler, and Hodges, CPA. Ms. Hodges presented the draft form of the 2008 audit, pending balance verification from two banks. She also stated that no changes were expected to this draft in its final form. Ms. Hodges presented the balance sheet information. The full report is attached to these Minutes and identified as Exhibit "B". Ms. Hodges invited Owners to call her with any questions regarding the audit.

D. COVENANTS COMMITTEE

Mr. Sweeney reported that the Board has worked during the past 18 months to develop proposed amendments to the By-Laws and Covenants and Restrictions. He further stated that they are in their final form but were not presented to the Membership at this meeting due to legislation that was proposed in 2008 in committees of the South Carolina House and Senate that, if passed, would have made obsolete many of the proposed amendments. Mr. Sweeney advised that now that the bill has died, the revisions would be mailed out to the Membership for the purpose of voting. He also explained that the proposed changes will be presented for voting on the Covenants separately from the By-Laws, but each individual amendment item will not be voted on separately. Mr. Sweeney advised that the package would include an area for feedback if any Member votes against the amendments and wishes to explain their reason. He further stated that homeowners should look at the entire package rather than each individual change.

Mr. Sweeney advised that the red line version of each document is available for sign-out in limited copies at the Guard House as well as on the POA website. He explained that in this version the new text is underlined in red, and the old text is black with a strikethrough. He also advised that there is a narrative on the website that explains the major changes.

E. SECURITY & SAFETY

Mr. Cangelosi reported that a new security company, Securitas, is in place as of January 1st. He explained that, after many complaints about the old company, he sought recommendations to interview a new company. Mr. Cangelosi advised that the new company's employees are well trained and have a standard operating procedure. He further stated that if anyone has any concerns that they should call him.

Mr. Cangelosi advised that vendors needing frequent entry to the community can be logged so that entry can be granted without having to call an owner each time.

Mr. Cangelosi stated that there was one report of breaking and entering and it was determined that this person likely entered the community thru the perimeter from Highway 17.

He reminded owners that, if they have renters, they need to report changes in bar code information. A homeowner advised that bar codes and license plate numbers are not going to match now that the South Carolina plates have been changed. Mr. Cangelosi responded that once the conversion is completed in June, the POA would contact all vehicle owners to obtain the new tag numbers.

Mr. Cangelosi reported that a problem exists with speeders on Golden Bear Drive. He advised that while speed humps are an option, the Board agreed that this would change the architecture of the community and that this action would not be taken without a vote from the Membership. The Members present orally voted that this would not be a popular option.

F. ARCHITECTURAL REVIEW

Mr. Finley introduced the other Members of the ARB and stated that in the last year or two ARB construction activities has been very low. He reported that a new form has been added to accommodate requests for other than new home construction and that

this ensures that all types of requests go thru the proper channels. He further stated that this form has been well accepted and that the process is working well. Mr. Finley advised that this process also allows for a historical record for each property in the community. He reviewed the types of requests that were received within the last year. Mr. Finley advised that both of these forms are available on the POA website and at the Guard House.

Mr. Finley reported that some changes have also been made to the ARB manual and that the Board is going to be addressing other issues in the manual during 2009.

G. COMMUNICATIONS

Mr. Zeddun informed homeowners that the POA website has received more than 10,000 hits since it was created, or about 300 visits per month. He mentioned the type of information that is on the site. He further stated that another method of communication that is used by the POA is the Message Board at the exit gate.

H. ANIMAL CONTROL/PERIMETER FENCE

Mr. Aubrey advised that the warm weather has brought alligator activity and advised that homeowners need to be aware of this when they, their children, and their pets are outdoors.

Mr. Aubrey also asked homeowners to be courteous to their neighbors when handling their pets and pet waste.

Mr. Aubrey advised that Justin Langford has helped address the wild pig issue. He stated that the pigs have been a problem as they tear up lawns and have been aggressive toward property owners. Mr. Aubrey advised that the pigs have returned and that the traps are not working this time. He further advised that they are working with dogs and have thus far not picked up a scent, but activity did stop for a while. Mr. Aubrey stated that the dogs will be used again and, in the meantime, an alligator got one pig. He further stated that the perimeter fence ends at the #8 tee box. Mr. Aubrey stated that an estimate has been obtained to extend the fence, but that a 4-foot fence at a two-mile extension would be a very large expense. He further stated that the pigs are coming across Waterford Road. The Membership expressed a general sentiment in favor of the expense for a fence as a solution to the problem.

I. LANDSCAPE/APPEARANCE

Mr. Osterhuber thanked homeowners for their input, reports, and cooperation with landscaping issues. He also thanked Laura Rippy for her input and contributions. He thanked David Eure and Anne Mooreland and her committee for decorating the entrance for each holiday.

Mr. Osterhuber also reported that Georgetown County has promised that Pawleys Plantation will receive its fair share of mosquito control measures and he detailed the activities involved in this effort. He further advised that while Mr. Eure is in charge of the efforts on the golf course, they do work together to coordinate efforts on POA property. He also asked homeowners to report any standing water that needs to be treated. Mr. Osterhuber also advised that the treatments applied to the water do not harm pets or fish.

Mr. Osterhuber reported that a hurricane plan is in place to implement the necessary actions in the event of a storm. He also stated that areas on the plantation that are known to have flooding issues have been identified and the drains have been cleared. He stated that the corrected areas would continue to be monitored.

Mr. Osterhuber stated that the committee is now in charge of signs and lighting in addition to landscape issues and that it has been renamed as the Landscape and Appearance Committee.

J. SPECIAL PROJECTS

Mr. Pool reported that the suggestion box has been in place and many suggestions have been received. He also stated that there are some potential projects that have come out of these suggestions, including a park with a possible fitness trail. He also mentioned that a suggestion was made for a recycling program; Mr. Pool advised that options have been discussed with Waste Industries, and they indicate that the cost would be \$6.56 per month for each homeowner. He advised that homeowners would receive a separate container and it would be picked up weekly. Homeowners expressed a sentiment of opposition to this project.

Mr. Pool reported that the Highway 17 Beautification Program is now a separate entity with its own Board. He stated that fund-raising brochures are being printed and donations are needed so that native, drought-resistant plants can be placed in the medians beginning this summer or fall. He explained that Phase I of the project will begin at the south causeway and extend to Alston Plantation, Phase II will start at the Waccamaw River Bridge going north approximately four (4) miles to DeBordieu Plantation, and Phase III will be between Alston and DeBordieu. He noted that the budget for the project is \$100,000 per year.

Mr. Pool advised that other communities participating are Alston, Hagley, Founders Club, and any business along the corridor. Mr. Pool advised that no roadwork is involved; the project only addresses plantings in the median. He also stated that irrigation along the project is not possible due to the length of the project and the cost.

VII. ELECTIONS

Mr. Zeddun stated that the primary purpose of the Annual Members' Meeting is to allow the Membership to elect the Directors of the Association and that Article III, Section 1 of the By-Laws states the affairs of the Association shall be governed by a Board of Directors. Section 2 states the Board shall be composed of not less than three (3) or more than twelve (12) Board Members. Section 4 states the term of each Board of Directors shall be for a three (3) year term.

Mr. Zeddun reported that Charles Holland, Tommy Hamm, and Bern Sweeney were retiring from the Board this year, and he thanked them for their service to the POA. He further stated that Bob Callahan, Tom Wise, Nancy Goldsmith, Bern Sweeney, and Betsy Nemeth served on the Nominations Committee for the purpose of soliciting qualified Members of the Association who would be willing to serve as Members of the Board. The Nominating Committee's slate is:

<u>NAME</u>	<u>ADDRESS</u>
Wally Zeddun	710 Masters Drive
Jim York	773 Golden Bear Drive

Lucinda Long
Oliver Head

384 Old Augusta Drive
34 Salt Creek Court

Mr. Zeddun then opened the floor to additional nominations. With none being made, he then stated that he would entertain a motion and a second to elect the slate of nominations by acclamation. **A motion was made by Mr. Russell Long (F-02), seconded by Mr. Larry Smith (A-57). The motion carried unanimously.**

Mr. Zeddun advised that immediately following this Meeting, an Organizational Meeting will be held by the Board Members to elect the Officers for 2009.

VIII. OLD BUSINESS

There was no old business to be discussed.

IX. NEW BUSINESS

President Zeddun opened the floor for any new business and none was brought forth. Mr. Griggs announced that anyone needing a copy of the 2009 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. Phil McKean (H-15), seconded by Ms. Jerry Ford (F-09), to adjourn the Meeting at 11:45 a.m. The motion carried unanimously.**