

PAWLEYS PLANTATION PROPERTY OWNERS ASSOCIATION, INC.

REGULAR MEETING OF THE BOARD OF DIRECTORS

February 4, 2010

MINUTES

The Regular Meeting of the Board of Directors of the Pawleys Plantation Property Owners Association, Inc., was called to order at 2:30 p.m., at the Waccamaw Library, Pawleys Island, South Carolina.

I. OPENING OF MEETING / ATTENDANCE

Board Members present in person were Mike Finley, Peter Aubrey, Gary Griggs, Dennis Cangelosi, Betsy Nemeth, Carol Sacco, Dennis Space, and Cyndee Long.

Board Members not present were Wally Zeddun, Ed Osterhuber, Jim York, and Rip Head.

Present from K.A. Diehl & Associates, Inc. were Steve Reynolds, Community Manager, and Susan Lockwood, Association Assistant.

Also present were guests Pat Rogers (86 Salt Creek Place), Dave Eure (Valleycrest), Chuck Buck (142-1 Weehawka Way), and Warner Cole (418 Old Augusta Drive).

Vice President Finley served as Chairman of the Meeting. Susan Lockwood of K.A. Diehl & Associates, Inc. served as Recording Secretary.

II. VALLEYCREST REPORT

Dave Eure reported on drainage issues. The drainage problem is primarily on Turtle Creek and Green Wing Teal and this is a State problem, not the POA's problem. The water can't get through the drain sewer under Highway 17, across from the car dealership. The water is coming over the road because there is silt in the pipe. The State is going to clean out the pipe. Mr. Eure is letting some water out of the ponds onto the golf course to prevent further erosion. Next month, Mr. Eure will address the empty lot clean up and tree trimming.

There is a blocked ditch on Holes #7 and # 8 on the right side of the fairway that is contributing to the drainage problem. Mr. Eure is going to get several contractor bids to try and take care of this issue. He is also going to get the elevations on the problem areas to determine the slope of the land in those areas.

III. PAWLEYS PLANTATION GOLF & COUNTRY CLUB REPORT

Mr. Warner Cole, President, Board of Governors, reported that Mr. Les Morris notified them last week that there have been discussions regarding the possible sale of the Pawleys Plantation Golf & Country Club to Myrtle Beach National Corporation. The Club By-laws state that if the Club reaches the 500 membership threshold, it would become a private club. The Board of Governors decided not to approve the change on its own, but to bring it to the membership for a vote because it is such a major decision. If the membership does reach the 500 mark, the Board Club is proposing the amendment read

“the Club **may** go private with the approval of the majority of the membership.” There are two other hurdles in these negotiations that Mr. Cole is unaware of at this time.

Mr. Cole stated that membership under MBN would continue to be transferable or redeemable, and member tee times and planned tournaments will be protected. Also, the POA members can play on all of MBN’s courses, but the agreement is not reciprocal because most of MBN’s courses do not have memberships. Mr. Cole stated that, if this sale does not go through, the options that Les Morris has could be harmful to the members of the Club as well as the homeowners of Pawleys Plantation.

IV. APPROVAL OF MINUTES

Mr. Finley stated that the January 7, 2010 Minutes should be amended as follows: Paragraph VI.A. should read: “The attorney in Columbia who is in the office of the McNair Law Firm and does this work regularly said that the Human Affairs Commission can dismiss this suit themselves due to lack of jurisdiction or go to hearing.”

A motion was made by Ms. Nemeth, seconded by Ms. Sacco, to accept the January 7, 2010 Minutes as amended. The motion carried unanimously.

V. FINANCIALS

A. Financial Report

Mr. Griggs reviewed the 2009 financials.

YTD Income Statement:

2009 ended within \$96 of the budget. Mr. Finley found the accrual for ARB fees (compliance deposits) was overstated by \$25,000+. This money was taken out of escrow and reported as income for 2009. Mr. Griggs decided to take \$10,000 this year and defer \$15,000 until next year. The \$10,000 will offset the bad debt accrual, printing, and guard house expenses, which were over budget. The \$15,000 will offset the unbudgeted legal fees to be incurred in 2010.

Comparison of Operating Income Statements:

When comparing the 2010 budget to the 2009 actuals:
Revenues are budgeted to be 4% lower
Security expenses will be up 9.5%
Repairs & Maintenance will be up 7.4%
General & Administrative will be down 5.3%
Pass-Through Assessments will be 3.1% higher
Total Expenses will be 4.1% higher

Reserve Fund Comparison:

Revenues: There will be a drop in revenues from \$77,544 to \$60,136, primarily because of a reduction in the amount of dues that will be allocated to the Reserve.

Expenses: There is \$26,000 budgeted for storm clean-up in 2010, which may not be used.

Quarterly Dues Comparison:

The dues base rate is increasing from \$144 per quarter to \$148. Because the Reserve Fund is deemed to be adequately funded, only 9% of the dues are budgeted for the Reserve Fund in 2010, compared to an average of 12% in the past 10 years.

Reserve Fund Expenditure & Funding Schedule:

If there is 0.5% less of a percentage annual increase in dues than there is for expenses and interest income, the actual/forecasted Reserve percentage should adequately fund the Reserve Fund replacements and additions over the balance of the 25-year period of the forecast by the Capital Reserve Committee study.

VI. COMMITTEES

A. Landscape and Appearance Standards

- a. **Street Easement Mowing** – Resolved at last meeting.
- b. **Street Flooding** – Mr. Eure covered this issue.
- c. **Pond Bank Erosion** – Mr. Head is not at the meeting to report.
- d. **Occupied Lots Appearance Guidelines** – Ms. Long reported that she has not received any comments on the amended guidelines she handed out at the last meeting. After some discussion, it was decided to change the following:

- Remove the word “sidewalks” from the first page.
- Change “re-sod” to “re-sod or re-seed”.
- Remove “tasteful” from the phrase “tasteful mailboxes.”
- Rephrase “tasteful holiday decorations” to “limited holiday decorations.”
- Replace the word “must” with the word “should” throughout the document.

Mr. Griggs made a motion to adopt the amended guidelines with the above changes, seconded by Ms. Nemeth. The motion carried unanimously.

- e. **Clean Lots** – Mr. Reynolds reported on Lots 14 and 15 at the end of Golden Bear Drive. Mr. Coley (Lot 14) had no problem with keeping his lot cleaned. There was an objection by Mr. Kwiatkowski (Lot 15), as he did not see anything wrong with the condition of his lot and is refusing to clean it. He is putting this in writing to the Board.

B. Security & Safety Committee

a. Security Incident Reports

Mr. Cangelosi reported two minor incident reports; both seemed to be unfounded.

The speed monitor, powered by a solar panel, has been installed on Golden Bear Drive and is working nicely. There will be plants put around the base of the monitor.

The battery backup has been installed on the gates at the Main Entrance.

Mr. Aubrey suggested that an additional protective post be installed behind the barcode reader; Mr Cangelosi will purchase one, and he and Mr. Aubrey will install it.

There was a short discussion about the domestic violence report received by Management. After consulting Chase McGill, the individual cannot be barred from entering the property, but the spouse can be notified that he is on the Property.

C. Architectural Review Board

a. Georgetown County Planning Commission

Mr. Finley drafted a letter to the County regarding the tree ordinance. The ordinance is believed to be unenforceable in the County.

D. Communications Committee

a. Messages for Message Board

Suggestions for the message board are:

- Return your proxies
- Happy Valentines Day
- Congratulations to the new Board members
- Thanks to the departing Board members

b. Newsletter

Information regarding the Beautification Program in the next newsletter.

Mr. Finley reported that Ms. Rippey has inquired about including Club activities (e.g., restaurant specials) in the POA Newsletter. The Board decided not to put any information regarding the Club in the POA newsletter. Instead, Mr. Griggs will provide the Club with the e-mail address of all area residents that are not Club members so that they can receive the monthly Sawgrass Tidings.

E. Animal Control

Mr. Aubrey reported that a security wire has been installed on the bottom of the fence on Masters Drive. Many feral cats have been relocated from the Plantation to an undisclosed location.

F. Covenants Committee

Mr. Finley reported that the LLC would not sign the currently existing Covenants and Restrictions (approved by the Members in 2001). The POA and Les Morris' attorneys came up with an amendment to revert to the original declaration. When this is final, the Board may withdraw the second amended declaration and re-issue it with the changes of the first amended declaration. The 2001 declaration was deemed to not be legal because it was not signed by the LLC.

Mr. Griggs pointed out that revoking the 2001 amendment could result in legal problems for the POA because it has been enforcing fines and other aspects of the amendment. Mr. Finley agreed, and indicated that the Board should simply make the required changes to the second amended declaration and have LLC sign the original (2001) amendment.

A discussion ensued regarding installing a fence along Hwy 17 to provide additional protection from people entering the Property on foot. Mr. Griggs and others questioned whether the cost (approximately \$250,000) could be justified. The topic will be tabled to a later date, pending a “sense of the Membership” discussion at the Annual Meeting.

G. Capital Assets Committee

Mr. Head was not present. Mr. Finley reported that Mr. Head contacted Mr. Clyde Davis to serve on the committee. As soon as both gentlemen are healthy, they will further discuss this issue.

Mr. Head looked at the erosion problem between Green Wing Teal and Pintail Court. There are three little channels going from the curb down to the pond. The proposal that Mr. Osterhuber received for putting three catch basins in and piping the water into the pond was considered, but Mr. Head told Mr. Finley that he does not think this should be done. This topic will be put on hold until Mr. Head returns.

H. Special Projects Committee

There was no report.

V. OLD BUSINESS

A. Pawleys Island Highway Beautification Program

Mr. Griggs reported that a contract was signed last week to start Phase I, from the north edge of the median near the South Causeway to the entrance of Allston Plantation has been started at a cost of \$13,000.

B. Discussion of Landscape Contract

If the sale of the Club is finalized, it is possible that ValleyCrest would receive a 90-day notification to cancel their contract for landscape maintenance. In turn, ValleyCrest would probably give the POA a 90-day notification to cancel their contract with the POA. It is imperative to get a scope of work finalized to present at the March Board meeting. Management has been in contact with U.S. Lawns regarding the landscape contract, and will obtain a bid from Waccamaw Management as well.

C. POA Meeting Schedule

The Board has decided that, in light of the possible sale of the Club, there may be many issues to keep abreast of, so it would be best to continue having meetings once a month vs. once a quarter.

D. Time Warner

The contract with Time Warner runs out at the end of April. The Board will discuss the cable contract at the Annual Meeting and will recommend a 10-year contract because there appear to be no viable options for a second source of cable TV service.

A motion was made by Mr. Cangelosi, seconded by Ms. Sacco, to recommend a 10-year Time Warner cable contract to the membership at the Annual Meeting. The motion carried unanimously.

E. POA Annual Meeting

Management presented the new Agenda for the Annual Meeting. Since the Club Members' meeting will most likely run overtime, it was decided to start the POA Annual Meeting at 11:00 a.m. instead of 10:30 a.m. Management will e-mail the homeowners informing them of the time change.

F. Human Affairs Commission – Morrison vs. PP POA Update

Mr. and Mrs. Morrison (60 Sawgrass Loop) wrote a letter to the Commission informing them that they would be willing to settle with the POA for \$2,500. It was agreed that the Board would wait for the Human Affairs Commission's decision as to whether or not it has jurisdiction over the Morrison's charges.

VI. NEW BUSINESS

A. Aged Owners Past-Due Accounts

A discussion ensued regarding aged owner accounts. There are currently four accounts with the attorneys. It was discussed that a time-plus-amount fee should be set before foreclosure proceedings will start. Management will prepare a proposal for the next Board meeting.

B. Conflict of Interest

Mr. Griggs brought to the attention of the Board that he is an employee of Myrtle Beach National Corporation, and his serving on the POA Board could present a conflict of interest.

VII. SCHEDULE OF NEXT MEETING

The next Regular Meeting of the Board of Directors will be held on Thursday, March 4, 2010, at 2:30 p.m. at the Waccamaw Library.

VIII. ADJOURNMENT

A motion was made by Mr. Griggs, seconded by Mr. Space, to adjourn the Meeting at 4:30 p.m. The motion carried unanimously.

Submitted By: _____
Susan Lockwood, Association Assistant

Approved By: _____
President

Date: _____