

**Palmetto Hall Plantation Owners' Association
Board of Directors Meeting Minutes
August 21, 2007 - 1:00 p.m.
Palmetto Hall Plantation POA Office**

Call to Order

Fred McNamee, President, called the meeting to order at 1:00 p.m. at the Palmetto Hall Plantation POA office. Other Board Members present were David Henson, Secretary; June Somers, Vice President; Steve Kiritsy, Treasurer; Terry Ennis and Tom Renshaw; Members at Large. Marion Gorczynski, Association Manager, was also in attendance. Tom Black was absent. Ray Dznowski, Heritage Operations Manager did not attend.

Minutes

June 21, 2007 minutes – Fred felt the motion in the draft minutes regarding accounting for interest earnings was not the motion he had made. He stated the interest in the reserve account is being handled differently this year due to using Quick Books. All interest is currently being accrued under the Operating Interest Account. Discussion then ensued of respective BOD members' understanding of what had been approved. Fred then made a motion to overturn and rescind any action taken in the June meeting regarding accounting for interest. June seconded the motion. The motion was unanimously approved. Tom R. moved the June minutes stand as originally written. Terry seconded the motion which was unanimously approved.

July 19, 2007 minutes – David moved the minutes be approved with one minor change. June seconded the motion. The minutes were unanimously approved.

Heritage Input Discussion

Ray did not attend the meeting. Tom R. presented the following issues from the Security Committee meeting that needed to be addressed by Heritage: 1) the public entrance gate is repeatedly left open at night; 2) the Fish Haul gates are frequently left open both during the day and night; and 3) there are openings under the fence along Fish Haul Road large enough for dogs (and a human) to crawl through. Tom reported the Security Committee and Marion are disappointed at the response from Heritage on these items. Marion stated that she would set up a meeting with Ray, John Reda, Tom R., and Fred regarding Security issues. Terry suggested discussion should also be held on the status of the lagoons, which Heritage was discussing with Estate Management.

Tom R. also reported that traffic warnings and tickets were discussed at the Security Committee meeting. Speeding is now less of an issue. The Captain reported that normally a verbal warning was sufficient to slow down speeders and they did not repeat the offense. The guards have voice recorders and are using them, especially with abusive owners. The buzzer system, which alerts the guards of approaching vehicles, is deteriorating and needs to be replaced in 2008. Also, Dave Pierce has reported the gate is an old system, especially the hinges, and will need to be replaced soon.

The Security Committee also discussed the issue of identity theft from mail being put in owner's mailboxes for pickup and suggested a mail drop box be put in the plantation, near the front gate. The BOD was receptive to this idea and the Security Committee is to research further on this.

Treasurer's Report

Income Comments:

I-103 - Decal income was down 5.6%, with YTD down 16.6%. This figure has moderated since the first quarter, which stood at 28.7%

I-201 - Heritage Maintenance Reimbursement. YTD is now in line with the receipt of three checks in July.

I-300 – Interest Income, which includes Reserve interest, continues to be well above budget.

Expense Comments:

E-202 – Water for Irrigation was significantly over budget and is up nearly 50% for the year. There is a calendarization problem that will be addressed during budget preparation for 2008, but the total usage/expense appears quite high and will be researched further. Most other expenses are down for the month of July.

Overall, we are looking at a potential shortfall for this year of \$30,000. Steve is to research and project further.

2006 Audit is completed and the final report received. The Treasurer and Finance Committee will review. No glaring findings were noted.

2007 Tax/Audit/Review – An RFP for future years was developed by the Finance Committee. The BOD agreed we should move ahead to issue the RFP, with timing dependent on 2008 budget preparation work. This is to be discussed at the meeting in September.

Coastal Bank LOC – Steve asked if we want to continue this letter of credit originally established for emergency hurricane cleanup, if necessary. David said we will not need it if we cannot get back in to the Plantation after a hurricane. Terry stated that our assets are inadequate and a LOC is a useful tool. Steve stated that there is no repayment schedule in the LOC and the interest could jump with certain criteria. It is possible garnishment could be for the total annual assessment. It was recognized that the original cost to establish the LOC is now a sunk cost, and only the annual cost to maintain it (\$500) is the issue. Fred made a motion that we should maintain the LOC and expand its potential usage. Terry seconded the motion. The motion was unanimously approved.

Old Business

Status of Accounting Function/Personnel

Marion reported that accounting was on track. Janet and Katie were handling Quick Books, bush hogging, and other office functions. There is still a need for another part

time person, mainly to work with ARB issues, and general office help. Marion will keep searching.

Steve stated that he had been at an Advisory Council meeting at Heritage's maintenance facility and there was a great aerial map of the Plantation. He requested a copy from Claude that could be put up in the Board room.

Discussion of BOD Top 6 for 2007

Relationship between BOD and Club Management – Discussed previously.

Clean up Covenants – No meeting of ad hoc committee in August – next meeting will take place September 19.

Long Range Plan/Financial Adequacy – To date, has been focused on road repaving. Terry felt a meeting was needed to discuss the long range financial adequacy of Palmetto Hall.

Professional Management – The BOD went into Executive Session.

Communications – June checked into improving the web page with information on a new system given to her by Marion. The system was very good but expensive to set up and maintain. June and Marion will continue to investigate other systems.

Airport – Terry reported that there is an understanding with John Curry of the AAB that they will redraw the boundary (using the 60 CNL boundary from the current noise study) which exempts Palmetto Hall properties from disclosure. The quid pro quo being that Palmetto Hall POA will rescind its resignation from a reconstructed CRC.

C2 Roadway Review Proposal

David moved we approve the C2 proposal subject to references being reviewed by Marion and Fred. The BOD approved.

New Business

Maintenance Committee Report

Dave Pierce, Chairman of the Maintenance Committee, joined the meeting. He presented a computer rendition of the "No Fishing" sign which will cost \$375. The BOD amended the language somewhat and approved its installation near the front gate. The sign is to read "No Fishing on Private Property Without Permission".

Dave reported that there are 30 "STOP" signs in Palmetto Hall, all of which would need to be changed to comply with code which is a 30" sign 60" from the ground. With existing posts this will cost \$4100. With new posts it will be an extra \$1500. Terry suggested we bring the signs up to code slowly as the budget permits. Fred suggested the posts be replaced as needed. He asked if sleeves could be put around the posts to protect them. Dave will try this on a small number to see if that will work. It was agreed that

some signs will be done now and streets entering Ft. Howell should be the ones concentrated on.

Dave reported that the security gate will need to be replaced in the next few years with a gate similar to what we now have but mounted differently with a short hydraulic arm. The cost will be approximately \$15,000. Dave was asked if he knew of a replacement for himself as Committee Chair. He did not. He was asked if he would stay on the Committee next year. He said yes.

Hurricane Evacuation/Return

Marion reported she had attended a meeting with the Town of HH and Paul, the Captain, had attended a meeting with Beaufort County Emergency Management. There are three entities handling evacuation/return – the Town, the County, and the Sheriff’s Department. It was emphasized that Security guards needed to have bull horns to notify residents to evacuate, as well as post hurricane communications. Also, the County has insisted that only Security guards will be allowed back in immediately after a disaster (if they have a blue card) to address looting. Marion has requested bull horns for the guards. She has also requested there be three guards approved to carry arms to prevent looting.

Committee Thank You Open House

The BOD agreed they want to continue to have the party and set the date of Thursday, November 8.

Guidance for Nominating Committee

Terry is chairing the nominating committee, with the first meeting scheduled for August 22. Two new BOD members are needed. No specific guidance was given by the BOD except to use PH committee work or other PH involvement if the final list of candidates needs to be pared.

Voting by Mail Proposal

This was discussed and it was decided to leave voting as it has been in the past. Since the time required to count votes and report back during the meeting is a time problem, it was agreed to publish the results of elections and other votes, if any, via an E-Mail Blast the day after the annual meeting.

Annual Meeting Preparation

The Club is reserved for Thursday, December 6 and Marion and her staff will be working on the preparations.

Committee Exception Reports

Security – Already covered.

Communications – A blast will go out regarding Bob Gentzler and the PSD election.

Advisory Council – A presentation was given on course management. The kitchen wall is not being moved and the new kitchen equipment has been delivered but not yet installed.

Environmental/Stormwater – Residents are beginning to complain about deer damage. The latest deer count did not show high numbers with the average overall density not indicating a need to cull. Nevertheless, we have a problem in two specific areas (in the Sedge Fern - Timbermarsh – Clyde Lane portions of Palmetto Hall). Folk Land Management recommends culling of up to 10 deer, primarily does, in these two areas. There were no objections from the Environmental Committee. Terry moved we do the recommended culling. June seconded the motion. Terry, June, Fred and David were for the motion, David was opposed.

Terry reported further that an alligator that was becoming curious toward children was moved to a different lagoon where there were no young children. Terry has a PSD biological monitoring report. The storm water procedure developed with Heritage and the Environmental Committee specifies what needs to be done in the event of an impending storm. Fred requested a copy be kept in the office.

Maintenance – Reported earlier by Dave Pierce.

ARB – David reported a potential problem for the BOD regarding the final inspection, deposit refund, and an outstanding fine on an almost completed project.

Other

The date of the September meeting was changed to Tuesday, September 18, due to the Member/Guest event at the Club. The budget presentation will begin at 9:00 a.m. with lunch to be served. The BOD meeting will be held at 1:00 p.m.

There being no further business, the meeting was adjourned at 4:05 p.m.

David Henson
Secretary