

HORLBECK CREEK PROPERTY OWNERS ASSOCIATION, INC.
MINUTES OF THE ANNUAL MEETING OF MEMBERS
HELD AT 5:05 P.M. ON OCTOBER 5, 2019

PRESIDENT The Meeting will please come to order. I am Steve Magoon, President of The Horlbeck Creek Property Owners Association. September 11, 2019 is the record date for this Meeting. I ask the Secretary to present the Notice of the Meeting.

SECRETARY I am Magalie Creech and I am the Secretary of The Horlbeck Creek Property Owners Association. I present the Notice of the Meeting. The Notice of Meeting was mailed to each member on September 12, 2019 in accordance with §33-31-705 of the South Carolina Nonprofit Corporation Act. This will be filed with the records of the Corporation.

PRESIDENT A list of the members of record at the close of business on the record date is available for inspection during the Meeting. The list has been available at the principal office of the Corporation, Rent Charleston, 501 Folly Rd, Charleston, SC 29412, since September 13, 2019 and remained available until the date of this Meeting in compliance with §33-31-720 of the South Carolina Nonprofit Corporation Act. Any proxies that have not been submitted should now be filed with the Secretary. I will then ask the Secretary to report on the number of members represented at the Meeting.

PRESIDENT Per our Association Documents we are required to present a statement of the acts and affairs of our corporation at our annual meeting - this year, it is the President's Report. The Treasurer is also required to prepare an Annual

Budget and a statement of Income & Expenditures which is the Treasurer's Report along with the spreadsheet you were previously emailed. The Nominating Committee is also required to nominate candidates for the Board of Directors ("BOD"). As you've started to witness, we have a script we read to ensure that our all-volunteer board covers everything. This is why the Meeting each year is more of a presentation and we ask that you please hold your questions until we ask for the input.

PRESIDENT

As a quick overview, today's meeting agenda will begin with a presentation by Attorney Sean O'Connor regarding the status of our governing documents (CCRs, Bylaws, Rules & Regulations and ARB Guidelines) and the potential need for amendments. We will then have the President's report, Treasurer's report, the Board of Directors election, Appointment of the Nominating Committee and Chair. I will then ask for additional questions and new business discussion. Then a Motion to Adjourn.

PRESIDENT

Now that the Secretary has had time to get any other proxies, I ask the Secretary to report on the number of members represented at the Meeting.

SECRETARY

Out of a total of 83 properties with each such property entitling the owner to one (1) vote, there are more than 9 properties represented in person or by proxy. This is ten percent of the members entitled to vote and a quorum pursuant to the Covenants, Conditions and Restrictions ("CCRs") and Bylaws of the Association. At this Meeting, there are present in person, or represented by proxy members who together held on the record date a total

of 30 properties. This is 36% of the properties outstanding and entitled to vote.

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|--|---------------------------------|--------------------------|
| Erin & Jeremy Armstrong | Brett & Katie Barbato | Jenni & Scott Brown |
| Kenneth & Katie Burkeen | Amber & Casey Connar | Magalie & Mark Creech |
| Charles & Terri Crider | Christina & Sean Doherty | Jay & Alyssa Grant |
| David Erwin (Proxy to Magoon) | Nicole & Brian Harvey | Kim & James Henson |
| BP & Marta Holbrook | Crystal & Dylan Houston | Bob Humplik |
| Lisa & Stuart Hunt | Ceal Irwin (Proxy to Bd) | Cathy & Steve Magoon |
| Hollie & Trip Ottinger | Colleen McConnell & Phil Sinato | |
| Roger & Virginia O'Brien (Proxy to Bd) | Michael Randall | Gary & Tami Peterson |
| Philip Slagle | Howard Smith (Proxy to Bd) | Brad & Sarah Simpson |
| Courtney & Daniel Stanton | Kristen & Steve Sydow | Elizabeth & Chris Waters |
| Angie & Brian Zimbelman | | |

PRESIDENT Since we have a quorum, I declare the Meeting properly organized.

PRESIDENT The next business to come before the Meeting is a presentation by Attorney Sean O'Connor. For those of you who are new to the neighborhood, you might benefit from a recap of recent Horlbeck Creek POA, Inc. history as it serves as the lead in to why Attorney O'Connor is speaking to us today. Some years prior to 2013, our Association including maintenance of Common Areas, was largely ignored. In 2013, a revitalization began when a small group of Owners invested inordinate amounts of their time to basic but imperative tasks. 1st getting a handle on finances, cataloging and prioritizing well overdue common area repairs and maintenance, holding meetings w/elections and promoting a sense of community. As these concerted efforts moved the Association from zero dollars to priority projects completed, participation increased and the Board moved

beyond a money and maintenance crisis. The next Boards have continued to prioritize and conquer, working frugal but smart and otherwise evaluating and refining operations while enhancing a sense of community.

There is still a lot to do but our Association governing documents turned 25yrs old in 2019, and from day 1 of each new Board the need to correct omissions and errors in our governing documents, is discussed (in order to have an Association as good as the Owners we all are lucky enough to call neighbors). With that, let me introduce Attorney Sean O'Connor.

ATTY O'Connor Good evening. I have been retained by your BOD to review Horlbeck Creek's governing documents, and to assist in preparing amended Covenants for your community. I focus my practice on community owner associations, and have assisted many communities in both creating and improving their governing documents. The reality is that as your community has changed over twenty-five years, so have the laws of community owner associations and the terms of art in that area. The Horbleck Creek covenants are not organized nor do they use terms as they have been used in this area of the law for over a decade now. The omissions in the Association documents are effectively asking your Association to operate with two hands tied behind its back. Amending your existing covenants can also maintain uniformity, fairness and therefore, property values in your community. I will be working with your BOD to prepare a draft amendment for you to review and vote on as

owners in Horlbeck Creek. If you have questions about this process or the proposed changes that I do not answer today during the Q&A session, please send those via email to your BOD and they will relay them to me.

Thank you for taking the time to listen to my presentation today.

PRESIDENT

The next business to come before the Meeting is the President's Report of 2019 (statement of acts & affairs of the corporation). These are a few of the Projects Accomplished:

- Macro review and discussion of CCRs, Bylaws, Rules & Regulations and ARB Guidelines and evaluation of amending CCRs. A special thank you from the Board goes out to Magalie Creech, Steve Magoon and Colleen McConnell.

Communication/Horlbeck Pride

- New baby and new owner Welcome Baskets. A special thank you from the Board goes out to Tami Peterson.
- Yard of the Quarter with \$75 gift cards to Lowes for winners (\$300 admin). To qualify, an Owner cannot violate the CCRs nor Rules & Regulations. A special thank you from the Board goes out to Jenni Brown. *****For the 1st time next year, the Board hopes to award additional gift cards to Owners who have made extraordinary progress on their yard and/or have "the best exterior Fall" & "the best exterior Christmas decorations".*****

Front Entrance

- Owners installed cold & warm weather Seasonal Plants (\$805.49 landscape supplies) and 8 yards of mulch delivered by Lowcountry Mulch (\$294.30 repairs and maintenance). A special thank you from the Board goes out to Brett Barbato, Steve Magoon, Colleen McConnell and Tami Peterson.
- Area of dead scrub trees and bushes & a tree uprooted by the hurricane were removed (\$400 repairs and maintenance), Message Board maintained and Newsletter Box added: A special thank you from the Board goes out to Ken Burkeen, Kim Henson and Colleen McConnell.

Community Dock

- Oaks cleaned & trimmed – 1st time for small oaks; larger oaks trimmed approx. every 5yrs (\$500 repairs & maintenance).

-Limbs brought down by the hurricane were cut up and dragged to the street and the street was blown & swept clean (saving the Association not less than \$150.00). A special thank you from the Board goes out to Mark McKinney, Chris Keil and Jenni Brown.

PRESIDENT

The next business to come before the Meeting is the Treasurer's Report of 2019 Expenditures and 2020 Proposed Budget

TREASURER

The Treasurer's report:

- 2019 Amended Budget w/Expected Variances and 2020 Proposed Budget emailed to all Owners prior to the start of this meeting;
- Began 2019 at 37.4% delinquency and now reduced to 2.5% (2 Owners w/1 in Ch13 Bankruptcy and 1 referred to Attorney for foreclosure of our lien) with approximately \$5,000.00 delinquent;
- The insured value of the community dock increases 4% automatically each year (approx. \$65,000.00 for 2019-2020) so, to cover the amount of our highest insurance loss deductible (10% earthquake), we retain \$6,500.00 in the Association's bank account at all times.
- Without a major project requested by Owners in 2019, Association has turned its \$ attention to obtaining assistance from attorneys to hopefully resolve delinquency and CCRs issue(s) but if a project is identified to improve day to day enjoyment, the Association has some \$ to put toward such a project. We again ask that you send ideas to horlbeckcreekpoa@gmail.com
- Pursuant to Article IV Section 3 (b) of the Covenants, Conditions & Restrictions ("CCRs") of Horlbeck Creek POA, Inc. without a vote of the members, the Bd of Directors can increase the annual assessment by 5% from the prior year. Therefore, the 2019-2020 Annual Assessment for Horlbeck Creek POA, Inc. is \$299.90;

PRESIDENT

The next business to come before the Meeting is the vote on the election of thirteen (13) new Directors. The Nominating Committee has made the following thirteen (13) nominations for new Directors: Ken Burkeen, Steve Magoon and Colleen McConnell for the three (3) year term positions, Jennifer Brown, Magalie Creech and Stuart Hunt for the three (2) year term positions and Brett Barbato, Amber Connor, Christina Doherty, Hollie Ottinger, Tami Peterson, Brad Simpson, and Courtney Stanton for the seven (1) year term positions.

PRESIDENT

I will entertain any OTHER nominations for one (1) year term candidates for the Board of Directors at this time.

PRESIDENT

Hearing none, the following are candidates for the Board of Directors: Ken Burkeen, Steve Magoon and Colleen McConnell for the three (3) year term positions, Jennifer Brown, Magalie Creech and Stuart Hunt for the three (2) year term positions and Brett Barbato, Amber Connor, Christina Doherty, Hollie Ottinger, Tami Peterson, Brad Simpson, and Courtney Stanton for the seven (1) year term positions.

PRESIDENT

I will now entertain any discussion regarding any nominees. Hearing none, I previously requested that the Secretary prepare and distribute ballots for the election of the Board of Directors.

Each Owner must circle and/or write in the candidate names they are voting to elect to the Board of Directors. A ballot not completed in the manner just stated, will not be counted.

(BREAK FOR VOTING)

PRESIDENT I will ask the Secretary to give a final report of the results of the election.

SECRETARY After counting the ballots for the Board of Directors, the following have received a majority of the votes to be elected to the Board of Directors: Ken Burkeen, Steve Magoon and Colleen McConnell for the three (3) year term positions, Jennifer Brown, Magalie Creech and Stuart Hunt for the three (2) year term positions and Brett Barbato, Amber Connor, Christina Doherty, Hollie Ottinger, Tami Peterson, Brad Simpson and Courtney Stanton for seven (1) year term positions.

PRESIDENT The next business to come before the Meeting is the appointment of a Nominating Committee and Chair of the Nominating Committee for the Corporation. The Board has appointed the following persons to the Nominating Committee: Jennifer Brown, Steve Magoon and Colleen McConnell. The Chair of the Nominating Committee is Steve Magoon.
Congratulations!

PRESIDENT That concludes the business to come before the Meeting. Congratulations to the new Board Members! I will now entertain a motion that we adjourn.

PRESIDENT I recognize Magalie Creech for a motion to adjourn the meeting.

SECRETARY I so move.

PRESIDENT Do I have a second for the Motion? Second from Colleen McConnell.

PRESIDENT

All in favor of the motion to adjourn, please indicate by saying "Aye."

Opposed, "No."

The motion is carried, and the Meeting is adjourned.

Time of Adjournment: 5:50 P.M.