

**South Harbour Master POA
Minutes of the Annual Meeting
February 1, 2020; 9:00am
South Harbour Clubhouse - Oak Island, NC**

CALL TO ORDER

The meeting was called to order at 9:03 am. LRES noted that a quorum of the 2019 Board of Directors and the Voting Entities were present and that the notice of meeting was sent to all Voting Entities and Owners on or before January 21, 2020 along with the meeting date being published in numerous emails to all owners. LRES also explained the voting process for the meeting and confirmed the party that would be casting each voting entity's vote.

George Bryant, 2019 Board President, introduced the 2019 Board of Directors, Management Company and Committee Chairs. All voting entity representative attendees introduced themselves. Individual owners were then asked to stand to identify their Member Associations when called. All attendees were asked to hold questions and comments until the comment section towards the end of the meeting.

Individuals in Attendance

George Bryant, 2019 BOD	John McLendon, 2019 BOD	Leon Hicks, 2019 BOD	Jean Brown, 2019 Board
Dale Mullarkey, 2019 BOD	John Winebar, 2019 BOD	Jim Schweppe, 2019 BOD	
Carson Lawrence, LRES & Natalie Pyron, LRES			

A list of owners in attendance will be filed with these minutes.

Voting Entities in Attendance

Barnes Bluff HOA, Inc	Marina Club @ South Harbour Village UOA, INC	Village Green POA, Inc
Glen Cove HOA, Inc	South Harbour Golf Villas HOA, Inc	Westport HOA, Inc
Cambridge Crossings HOA, Inc	South Harbour Station UOA, Inc.	
Navigation Point at South Harbour Village Condominiums Unitowners Association Inc.		
South Harbour Marina SOA, INC, Transient Dock & SHM SHV LLC		

Additional Proxies Received in Advance

Fish Factory Tract – James & Cindy Capps	South Harbour Associates, LLC & Point Associates LLC
--	--

APPROVAL OF MINUTES

A motion was made to waive the reading of the 2019 Annual Meeting Minutes and to approve them as written. The motion was seconded. All were in favor; none opposed. The motion passed unanimously.

OLD BUSINESS

- **Review Year End Summary:** Carson Lawrence gave a brief overview of the Year End Summary report that was included in each Annual Package. Carson thanked all Board Members, Committee Members & other Volunteers for the countless hours spent to maintain and enhance the South Harbour Community. 2019 was a busy year as the Community recovered from Hurricane Florence, weathered Hurricane Dorian and considered potential options for the future. All the while many of the Committees have been revamped and are working hard to continue the goals of the past and plan for the future.
The Board has developed and maintained a healthy open relationship with the Town of Oak Island which we all hope will continue to be beneficial to both parties. The Board has also strived to keep owners informed via email, website, newsletter and July open meeting. The Finance Committee has worked with LRES on the budget, monthly review of financials and to maintain diversified holdings via CDs & Money Markets. As of 12/31/19 there was over \$512K in Reserves which is ahead of the goals set by the 2018 Reserve Study.
The Board has also worked to develop a proposal for the potential purchase of the Montessori school on Vanessa Drive. It was noted that while more will be said about this under New Business, a lot of effort has been put into researching what could and couldn't be done with the property and the best way for it to benefit the community.
In 2019, there were a number of maintenance projects completed at the Clubhouse & Pool including replacement of the pool pump motor, installation of an AED machine & replacement of the last remaining original HVAC system (1 of 3 in the clubhouse). There was an irrigation well found to be infringing on a vacant lot next to the park that had to be moved and quite a bit of landscaping to be addressed. The Board & LRES have worked to restore damage from Hurricane Florence via the replacement of the clubhouse roof, removal of numerous trees/stumps, restoration of the entrance landscaping & many other repairs. Hurricane Dorian also resulted in more tree damage, debris & an insurance claim to hopefully fix severe damage to the fencing at tennis courts.
- **Stormwater Update:** Carson Lawrence noted that this was explained with the Year End Report. It was noted that the Board is still working with former developers to have the stormwater permits transferred to the appropriate parties. The following projects & associated costs were noted:

Glen Cove - \$24,500	Village Green - \$5,850
Drainage Swale behind Minnesota Homes - \$2K	Former Tennis Court Area on Minnesota - \$2,275

NEW BUSINESS

- **Property Proposal Discussion** – George & LRES reiterated that No Formal Vote will be taken at this meeting! As noted in the Annual Package, the Master Board has developed a proposal to purchase the old Montessori school property on Vanessa to be used as an expanded Clubhouse, Fitness Center & Construction of a Larger Pool.

Based on initial support for the proposal from Member Associations, the Master Board, in conjunction with legal counsel, has been conducting the due diligence process required for potential purchase and financing of the Montessori property. The Board & legal counsel have begun a review of the Master declaration and association practices. Areas of concern center on quorum/voting rights, the dues structure and stormwater/road maintenance. The intended result is to harmonize the declaration and historical practices surrounding those areas. This is a necessary step prior to voting on the amenities purchase.

Once completed, these changes will give the residential member associations a stronger voice in the non-commercial affairs of our community while still protecting the interests of our commercial association partners. It will also free our commercial associations from responsibilities for non-commercial association business. The Master Board will be involving all stakeholders (member associates and commercial entities) in voting on any changes proposed by the board and legal counsel. Further information will be forthcoming as it is available.

- **2020 Budget Presentation** – Carson noted that a full budget package was included in each package and LRES may be contacted for any specific questions. Carson reiterated that the Master dues for Member Associations that receive “Full Service” will be \$53.50 per month per unit (i.e. Glen Cove, Westport, Village Green, Golf Villas & Marina Club). This is a \$7.50/month/unit increase. The Master dues for Member Associations that receive “Partial Service” will be \$38 per month per unit associations (i.e. Barnes Bluff, Cambridge Crossings, SH Station & Navigation Point). This is an \$10.00/month/unit increase. The following additional comments were provided for each budget category.
 - **Admin/General – increased \$0.55/mth** – primarily due to Financial Review
 - **Insurance, Community Activities & Reserve Funding – remained the same**
 - **Utilities – decreased \$0.13/mth** – primarily due to electrical savings from new pool motor and clubhouse thermostats, despite an increase in water & sewer
 - **Maintenance – increased \$0.10/mth** – many changes, including switching pool vendors
 - **Storm – eliminated**
 - **Capital Funding – increased \$11.15/mth** – includes \$10/mth towards the potential property acquisition. If the project doesn’t proceed, funds accumulated will be set aside from future capital repairs & improvements. Future budgets will be adjusted accordingly.
 - **Included HOAs: Maintenance** remained the same & **Stormwater** decreased \$2.49/mth.

The 2020 budget was approved by the Master Board and then distributed to the members and their owners in the notice for the Annual Meeting. The Board asked that the voting entities vote on the **Approval of 2020 Proposed Budget including Common Expenses & Capital Funding**. Ballots were collected and it was announced that the Budget passed by a majority with only one vote against.

- **Election of Directors** – LRES introduced the candidates on the Ballot. LRES reiterated that according to the Covenants, the member associations and other voting entities actually cast the ballots, instead of the individual owners. They further explained that the ballots were sent to the Board of Directors or designated representative for each voting entity.

It was explained that the Bylaws allow for up to 11 Members on the Board of Directors. However, the 2019 Board has passed a motion to cap the size of the 2020 Board at 7 Directors. Additionally, the Board passed a motion to limit each Member Association to only 2 Representatives on the Board. The Board believes that this is the most effective way to manage the Association. Therefore, any volunteers/nominees will be running for one of three seats. This year there are three seats up for election. These have been held by George Bryant, Dale Mullarkey & Jean Brown. Jean Brown has decided not to run again & was thanked for her many years of service to the Master POA. It was noted that Adam Berkowitz volunteered to run prior to mailing the ballot. No additional attendees volunteered to serve. A motion to close nominations passed.

Ballots were collected from the voting entities’ representatives and from those in possession of a proxy. They were combined with the ballots obtained prior to the meeting and counted by LRES. Election Results: LRES announced the following results. George Bryant, Dale Mullarkey & Adam Berkowitz were each elected for a Two (2) Year Term. It was noted that Leon Hicks, John McLendon, John Winebar & Jim Schweppe each have one year remaining, as they were elected at the January 2019 Annual Meeting for two (2) year terms.

QUESTIONS & COMMENTS

- **Marina** – A representative for the new Marina Owners was introduced. Norm, the new dock manager, discussed the recent sale. Questions/suggestions were made for the Marina to consider additional lighting, better parking controls and possibly lowering the speed bumps.
- **Property** – There were a number of questions regarding deed restrictions, value of the property, future inspection plans, clarification of Master Covenant & Bylaw items, etc. There were comments for and against the purchase proposal and the process that was taken by the Board. The Board and LRES tried to answer all questions to the best of their ability.

MEETING ADJOURNMENT

A motion was made to adjourn the meeting. The motion was seconded. All were in favor; none opposed. The motion passed unanimously. The meeting adjourned at 10:31 am.

Respectfully submitted,
Carson Lawrence
Lawrence Real Estate Services