

LITCHFIELD BY THE SEA COMMUNITY ASSOCIATION, INC.

40th ANNUAL MEMBERS' MEETING
Saturday, June 16, 2018

Pursuant to call, the 40th Annual Members' Meeting of Litchfield By The Sea Community Association, Inc. was held on Saturday, June 16, 2016 commencing at 10:00 am at the Waccamaw Neck Library in Pawleys Island, South Carolina.

The President of Litchfield By The Sea Community Association, Inc., Bill McElroy called the meeting to order by welcoming the Owners in attendance.

Director and Communications Chairman, Bob Postiglione introduced the Board Members:

Bill McElroy, President
Joe Young, Vice President
Daisy Davis, Secretary
Carroll Player, Treasurer
Vic Figlar, Director
Nancy Hopkinson, Director
Bob Postiglione, Director
Tom Leis, Director

Absent was Director, Royce King

Waccamaw Management, LLC, AAMC, Managing Agent for the Association, was represented by Press Courtney, President, Lisa Hergenrother, Community Association Manager, and Vicki Cooper, Executive Assistant.

President Bill McElroy acted as Chairman for the Meeting and Daisy Davis served as Secretary. Vicki Cooper was appointed Agent and Proxy for those Members of the Association not present at the Meeting, for the purposes of voting and also served as Clerk.

Chairman McElroy requested all Members present who chose to vote by ballot to recover any proxies sent in order to preclude the recording of owners present as both present and by proxy. He stated that anyone wishing to allow their proxy to stand would be voting in absentee.

Certification of Proxies:

The Clerk was requested to report on the Roll Call check-in process and certification of Proxies in order to verify the establishment of a quorum. In accordance with the governing documents, fifty-one percent (51%) of the total vote of the Association must be present in person or by proxy to constitute a quorum. The percentage of membership by proxy and person was 57.19 percent. The Clerk stated that the quorum requirements had been met.

Proof of Mailing:

The Chairman examined the Proof of Mailing and noted that it, along with a copy of the Notice that was distributed to the Membership, would be filed with the Official Records of the Meeting.

Approval of Minutes:

The Chairman entertained a motion to waive the reading of the Minutes of the 39th Annual Members’ Meeting of the Association and to approve the minutes as written and presented. Upon a motion by Frank D’Amato seconded by Ted Ross and unanimously approved, it was;

MOVED: Approval to waive the reading of the Minutes of the 39th Annual Members’ Meeting of Litchfield By The Sea Community Association, Inc. and accept them as written and presented.

Election of Directors:

The primary purpose of the Annual Members’ Meeting is to allow the Membership to elect Directors of the Association, to vote on the Tax Resolution, and any other issues brought before the Meeting.

It was necessary to elect three (3) members to the Board this year. The terms of Nancy Hopkinson, Royce King and Carroll Player expire at this year’s meeting. A Nominating Committee was appointed by the Litchfield By The Sea Community Association Board of Directors for the 2018 Annual Meeting and the nominees presented to the membership are listed below:

<u>NOMINEES</u>	<u>ASSOCIATION</u>	<u>TERM</u>
Royce King	Commercial	3 years (2021)
Virginia Paccadolmi	Bridgewater	3 years (2021)
Carroll Player	Osprey Watch	3 years (2021)

There were thirteen write in votes casted and when contacted, eleven declined the nomination, and no response from one. One nominee was not identifiable as an owner in Litchfield By The Sea. The Chairman requested a motion to close the nominations. Upon a motion by Bill Wilson seconded by Bob Gilman and unanimously approved, it was;

MOVED: Approval to close the nominations.

Upon a motion by Roy Macsorley, seconded by Gail Thomas and unanimously approved, it was;

MOVED: Approval to accept slate by acclamation.

Election of Tax Resolution:

The Chairman stated that the Membership voted on the Tax Resolution which allows for the excess Association income over Association expenses to be deferred to the following year's assessments. Therefore, any excess assessment income over and above expenses is subject to taxation. The federal tax rate for all corporations that file an 1120 Corporate tax return is 21%. While the tax law benefits for-profit corporations by lowering their tax liability, non-profit corporations, that are not tax exempt, will be taxed at a higher rate. If the membership votes to approve the resolution, the excess income can be applied against the subsequent year's assessments and expenses and therefore reduce the association's tax liability as provided by IRS Revenue Ruling 70-604. A copy of the Tax Resolution has been filed in the Association records. Upon a motion by Dave Brunson, seconded by Bill Price and unanimously approved, it was;

MOVED: Approval to accept the Tax Resolution for the year ending December 31, 2018 by acclamation.

REPORTS:

President's Report

Bill McElroy presented the President's Report covering projects completed over the last year and a historic overview of major projects over the past ten years including the Enhancement project.

Vice-President's Report

Bob Postiglione presented information about the current state of reserve funding and the association's responsibilities for maintaining aging infrastructure. The cash flow and income projections for the association's reserve study are being updated. The Board has formed a finance committee and is reviewing all line items for potential savings, as well as ideas for

increasing revenues in the future.

Litchfield Beautification Foundation

Ken Dewell, President of Litchfield Beautification Foundation, spoke about LBF and where the funding comes from, provided info on donations, etc. and flag project.

Financial Audit Report:

Treasurer Carroll Player reported on the 2017 Audit. He stated that in Sage and Bell, PA, CPA's opinion that the financial statements present fairly, in all material respects, the financial position of Litchfield By The Seas Community Association as of December 31, 2017 and the results of its operations and its cash flows for the year then ended conformed with the accounting principles generally accepted in the United States of America. A copy of the Audit Report is filed with the Association's records. Total liabilities and fund balance at the end of 2017 was \$621,505. The delinquency rate was 1%.

Security Report:

Tom Leis presented the security report. He reported on the TEM barcode and gate system operations, as well as owner's issuing passes for non-residents. Reminders to owners about golf carts being driven by licensed drivers only.

REPORTS Q&A:

Q: Mr. McIllergy – SYV & RES – What are the rules about dogs on the beach unleashed.

R: LBTS has no jurisdiction on the beach. If there is an incident, call the sheriff.

Q: Mike Turner – River Club – What are the rules about fishing and surf casting during the day?

R: None – unincorporated areas don't have ordinances.

Q: Mr. MacSorley – Tradition – Myrtle Beach National plan development status?

R: Project is on hold. LBTS receives \$25,000 per year renewal fee.

Q: Carl Chandler – River Club – Who is the Litchfield Company?

R: Litchfield Company developed LBTS.

Q: George Lyndecker – River Club – With more growth in the community, what is being done to make the amenities more accessible to west side property owners? Another pool, additional beach access? People coming in that aren't owners.

R: Two grass overflow parking lots have been added for use during peak times. There is no place beach side to put another pool.

Unfinished Business:

There being no unfinished business to come before the Board, the meeting turned to new business.

New Business:

Q: David Philips – Tradition – How has the ban on fireworks been working.

R: Good – no problems.

Q: John Gunsick – BWO – Can the audit be made available before the meeting?

R: More than likely.

Q: Bob Gilman – River Club – Any update on landscaping in the Lakeside area?

R: There have been discussions with the Lakeside Board on improving conditions.

Q: Nancy Mattar-Hess – SPR. Can recycling be made available?

R: It is regime by regime; LBTS doesn't have.

Q: Angela Armetrout – Compass Point – Former TD Bank building future?

R: The building has been purchased and will be undergoing renovations.

Q: Christine Ruf – River Club – What can be done about inflatables at the LBTS pool at River Club?

R: If they are oversize and create a problem with the amount of people in the pool vs inflatables, call the guard and they will send patrol over.

There being no further business to bring before the Board, and upon a motion by Mr. MacSorley, seconded by Mr. Wilson, and unanimously approved, the Meeting was adjourned.

William McElroy
President

Daisy Davis
Secretary

Meeting Commenced: 10:00 AM
Meeting Adjourned: 11:30 AM

DRAFT - To Be Approved at 2018 Annual Mtg