

PDPOA
Board of Directors
02/16/07

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| Board Members: | Ed Batten | Phil Porter | Sharon Cheney |
| | Peg Weschke | Joe Maggi | |
| | John Joseph | Bob McFadden | |
| Members: | Joanne Dugle | Dick Waterman | Wes Warren |
| | Larry Shaff | Tom Risher | Ed Lester |
| | Carol Hartlove | Doug Hartlove | |
| GM President: | Ed Batten Bob Sharp | | |
| ARB Administrator: | Beth McDowell | | |
| Chief of Security: | Allan Davis | | |

President Ed Batten called the meeting to order at 2:04pm.

The minutes from the previous meeting on 1/18/07 were approved as amended.

President's Report – Ed Batten:

Ed informed the Board that there would be an Executive Session after today's Board Meeting.

Ed updated the Board on the Land Planner, Wood + Partners has been selected as the PD Land Planner and an e-mail was sent to all Board Members asking for feedback on congestion and infrastructure issues that need addressed. While the Land Planner is collecting resort data, they have asked that the Board to appoint an Ad-Hoc-Steering Committee of 5 to 6 people who will be work with the Land Planner closely, helping them to develop new ideas for the initial stages of resort projects. At that time, the Ad-Hoc-Steering Committee will present their ideas to the Board. Once an action is agreed upon; the Board will present recommendations to the community in several community meetings.

Ed brought the following motion forward:

*That the Board approves the creation of an Ad Hoc-Steering Committee to work
with Wood + Partners our Land Planner
Motion approved and passed unanimously.*

General Manager's Report – Bob Sharp:

Bob has included a written General Manager's Report in the Board packets. Bob informed the Board that the in-house debris pickup will begin March 7th, 2007 which is the first Wednesday of March.

Bob also updated the Board on Capital Projects: The leisure path on Sea Lane is going very quickly. With minor issues, the project should be completed ahead of schedule. The Carnoustie/Ocean Lane intersection project is being completed.

Bob has been notified by the Town of Hilton Head that the railing at the flushing structure near the old Cracker Barrel is in disrepair. The materials are in and the project is

scheduled for next week. The Town is interested in taking over the pedestrian bridge under Route 278, The lagoons will be flushed starting Monday and will be at their lowest point on Tuesday morning so that the Town Engineer, Scott Liggett can inspect the pilings. Bob has also contacted our attorney to make sure that there is nothing else that we need to do.

Bob informed the Board that new signs will go up at both the Disney Beach House and the Dunes House informing the public that unauthorized vehicles will be towed at the owner's expense. Allan will develop a procedure to ensure parking lots are inspected. Allan is also developing a plan to ensure that bike paths are patrolled frequently, ensuring proper usage of the bike paths instead of roadways. Ed added that the number one problem in the resort is congestion and the above plans will help to alleviate some of the parking and bike issues for the upcoming season. Ed thanked Allan for taking on this important project. Ed also updated the Board that the acrylic stands for rental units have been delivered.

Bob asked if there were any questions, Phil Porter asked about the debris pick up and if we have purchased the equipment needed, Bob reiterated that debris pick up will begin 3/7/07 and that the truck and trailer have been purchased. Phil asked if he could put that in the March PD Perspective. Bob answered that the operation is ready and the article would be beneficial.

Security Report: Allan Davis

Allan reported that the Hurricane Manual updates for 2007 are in process. Training and state certifications completed for new radar guns and ASP batons. Allan announced that Jon Admire will be awarded Officer of the Year for Hilton Head at the Rotary luncheon Thursday, February 22nd for the work that Jon did on the vandalism cases in 2006. Ed Batten asked that Allan convey congratulations to Jon on behalf of the Board of Directors.

Larry Shaff asked for an update on speeding UPS, Fed Ex and school busses from the last Board Meeting. Allan responded that Security is continuing to look into this issue.

Treasurer's Report: John Joseph

John noted that the balance sheet has been consolidated and new reports have been added to the Board packets. There is a new line item that has been added to the balance sheet, which is the Contributed Property item. This is the property received from Greenwood at transition and will be depreciated as a non cash expense annually in December.

John presented an overview of the January financials:

\$19,300.00 under budget in revenue

\$ 14,600.00 under budget in expense

Please see John or Andrew with any questions.

John reported that the Finance Committee has invested \$900,000 of the \$2.3 million approved for investment. The PDPOA has obtained Workmen's Comp insurance after the 2006 carrier cancelled our policy. The annual cost of this insurance is substantially higher than the budgeted \$41,000.00 costing \$60,000.00. Concerning the two Queen's Grant properties that have been in collections, the PDPOA has been notified

by our attorney that one of the properties has been sold and we can expect a full payout of back assessment, legal and late fees at closing February 27. Legal action is still being pursued on the other property.

John brought the following motion forward:

The members of the Finance Committee unanimously recommend that the Board of Directors approve the revision of the PDPOA bylaws shown below.

"Funds of the Association, including any reserve or special accounts, shall be deposited or invested in accordance with the Financial Policies and Procedures Manual of the Association (as the same may from time to time be revised by the Board) or as otherwise approved by the Board."

Motion approved and passed unanimously.

Peg asked if the Finance Manual will be available on the pdpoa.org website, John answered, that is one of the Finance Committee's goals for this year.

Committee Reports

ARB Report: Joanne Dugle

Joanne reported that five new homes are starting in the resort - two demolitions are completed, one on Rum Row and one on Night Harbor.

Joanne brought the following motions forward:

- 1) *The ARB unanimously recommends that the Board of Directors approve the appointment of David Wright of 57 Off Shore for the position left vacant by the resignation of Don Arboe.*

Motion approved and passed unanimously.

- 2) *The members of the ARB Board unanimously recommend that the Board of Directors adopt a revised fee schedule for tree trimming. A) Homeowners doing their own yard maintenance may remove dead branches, as well as trees less than five inches in diameter at four feet above ground level without a permit or fee. In addition, tree trimming by the homeowner is allowed without permit if it does not exceed 10% of the existing tree canopy. B) ARB approval is required for the removal of trees above five inches in diameter at a point four feet above ground; a permit is required with a \$25 fee. Any tree trimming, thinning or tree removal by a contractor requires a permit, a fee of \$25 and may not exceed 20% of the total tree canopy.*

Motion approved and passed unanimously.

Communication Committee Report: Phil Porter

Phil reported that the PD Perspective will be mailed out the first week of March, 2007, if there are any last minute things that need added, please e-mail them to Phil at phil@philporter.com. Please let Phil know if you have anything new for future editions.

Covenant Compliance Committee Report: Beth McDowell

Beth reported that the trampoline at 6 Galleon has been removed. The Committee is working with the owners of 41 Swing About concerning his dock. The Marriott Resort discharged a toxic substance into the lagoon; Bob, Beth and Allan worked w/DEHEC and fined the Marriott \$2,000.00. A letter has been sent to all pool companies with new guidelines and fines concerning pool discharge into lagoons and drains.

Lagoon Committee Report: John Faucette (not in attendance)

Nothing to report.

Legal Committee Report: Sharon Chaney

Sharon and Ed will talk off line concerning any legal policy issues.

Nominating Committee Report: Peg Weschke

Peg reported that three Board Members will be leaving the Board at the end of this year and there will be two open spots on the Board. There will be an article in the next PD Perspective asking for volunteers.

Regime Committee Report: Bob Houlihan (not in attendance)

Nothing to report

Meeting comments from the January meeting: Bob Sharp

Stop sign questions on right angle turns will be addressed by the Land Planners. The location of the Board Meeting is now on the Bulletin Boards. The Board Meeting minutes are on the pdpoa.org website under resources.

Member Comments:

Tom Risher – 137 Mooring Buoy – had a question concerning who is liable if someone falls on the bike path, would it be the PDPOA or the property owner? Ed answered that the PDPOA would be responsible. Phil Porter asked if someone falls off of a bike onto a resident property- who is liable? Bob said that he would check with our insurance carrier. Mr. Risher also asked if the stop sign on north Mooring Buoy should be a yield sign. Ed answered that Bob should bring this issue up to the Land Planners since they are going to be dealing with the congestion in Palmetto Dunes. Lastly Mr. Risher had an issue for the ARB; Joanne will speak to him privately to address his concerns.

Larry Shaff – 14 Rum Row – Asked when the streets will be striped. Bob answered that as soon as the weather breaks striping will done, however, only collector roads will be striped. Rum Row, Full Sweep, Yard Arm and Top Side will not be striped.

Dick Waterman – 123 Mooring Buoy – Asked about how to send questions concerning land planning. Ed replied that Mr. Waterman can e-mail suggestions to Bob. Bob also replied that public Community Meetings will be held. Mr. Waterman asked why there is no street sign on Queen's Folly Road since Map Quest and driving directions websites list Queen's Folly Road on directions. Bob will check into this.

Doug Hartlove – 1971 St. Andrews – Would like a Queen's Folly Road street sign. Mr. Hartlove asked when the PD Buggy starts, Bob answered that the Buggy will start up on March 5th, 2007.

Meeting continued in Executive Session

Motions from the Executive Session:

The PDPOA Board of Directors approves the expenditure of PDPOA funds to engage attorney Lee Daniels to defend the defendants in the suit brought by Mr. McMullin.

The motion passed unanimously 6-0.

The PDPOA Board of Directors directs Bob Sharp to obtain legal opinion on what the ARB can advise property owners with respect to the town's LMO title wetlands regulations. Peg asked what we are going to ask the lawyer about liability. Ed answered that we are looking to protect ourselves, Wes Warren added that the lawyer will provide guidelines on what the resort can and can not say.

The motion passed unanimously 6-0.

The PDPOA Board will send a letter to the Town of Hilton Head stating that it is the responsibility of the town to communicate their decision to now implement the LMO title wetlands regulations within Palmetto Dunes.

The motion passed unanimously 6-0.

The PDPOA Board of Directors to authorizes Bob Sharp and Ed Batten to present the concerns of the property owners of Palmetto Dunes with respect of the Town's sudden enforcement of the LMO title wetlands regulations to our Town council representative John Safay.

The motion passed 5-1.

Meeting Adjourned