

**SHIPYARD PROPERTY OWNERS' ASSOCIATION ANNUAL MEETING
MINUTES
MARCH 8, 2017**

1. Roll Call

President Kevin McMahon called the 2016 Annual Meeting of the Shipyard Property Owners' Association to order at 4:00 p.m. and reported that a quorum had been established. The total represented by proxy or attendance was 1354 or 66%.

2. Welcoming Remarks

Mr. McMahon welcomed the attendees and spoke briefly regarding the goals and accomplishments of the current Board of Directors and Association committees throughout the past year. He recognized the current Board of Directors, the Executive Committee, the members of the newly elected Board and the representatives from the major commercial entities within the property. He went on to thank the members of all of the various Association committees, and he complimented all of the staff members on their annual performance. He also recognized the landscaping contractor and commended their staff for the continued improvement in the overall condition of the property. He also thanked legal counsel and accounting personnel for their contributions throughout the year.

Mr. Karl Sneed, a board member from Residential South, addressed the attendees on behalf of the board. He expressed his gratitude to Mrs. Warren and her staff for a job well done following Hurricane Matthew. He commented on the swiftness of property clean-up, and complimented them on their organizational and communication efforts during and following the storm.

3. Review of Prior Minutes

Mr. McMahon entertained a motion to dispense with the reading of the prior minutes. A motion was made to waive the reading of the prior minutes and to approve them as written. The motion was seconded and passed.

4. Financial Report

Mr. McMahon expressed his thanks to the members of the Finance Committee and commended the group for their commitment to SPOA's goals. He reviewed the Sources of Revenue for the Association and reported that \$2,502,337.57 was received in 2016 of which 73% was for assessments, 13% for decal sales, and the balance for vending, interest and other various categories. Major expenses included Security at 50%, Administration at 19%, Landscaping at 9%, General Maintenance at 2.5%, Beach Club at 3.5%, Enhancement Expenses at 2% and Capital Reserve Expenses at 9%. He commented that the Enhancement Fund was one of the best programs developed for the Association, and highlighted how the 10-year average of over \$106,000 annually benefits the community. Mr. McMahon then reviewed an area-wide assessment comparison, noting that SPOA's assessment fee continues to be among the lowest in the area. He also stated that the Association has accumulated \$446,904.73 in Catastrophic Reserve, after storm clean-up costs. It was noted that 2016 ended with a net gain of \$3,107.19. In

closing, he emphasized that Shipyard is well maintained and without additional assessments even following a major storm clean-up/recovery process. Again, he thanked his fellow board members for their keen oversight and their willingness to serve.

5. Manager's Report-Sally Warren, General Manager

Mrs. Warren addressed those in attendance remarking that there were really no words to describe the fall of 2016. After residing on Hilton Head for 42 years, she along with many other long-time residents felt that hurricanes generally veer north and do not strike the island. Excellent planning with the Town and the POA had Shipyard as ready as they could be for when a storm would hit Hilton Head. Not all things went smoothly for any entity, but in the end it was the relationships with the vendors, the town, the staff, the commercial partners and the owners that expedited the clean-up in Shipyard. She went on to explain the importance of the Facebook page launch during the storm, which provided key visuals for all owners worried about the conditions locally. She thanked the hotel, the golf course, the Greenery, All Care Tree and Lisa Baldwin of Crowder Gulf for extraordinary cooperation during a difficult few months. As of this meeting, FEMA had concluded its final pass of the property in Shipyard and items that remain to be done are stump removal and removal of trees in the lagoons, which is still pending approval by FEMA. Financially she noted that the storms in 2016 depleted approximately \$211,000 of Catastrophic Funds, but as a result of the strong Real Estate year and budget controls, the POA was able to absorb the loss and not assess the Shipyard owners, many of whom have special assessment from their regimes.

Improvements made during 2016 included upgrades at both entrances, improved owner usage opportunities at the Beach Club, improved communication through e-blasts, Facebook and the Anchor and positive relationships with the real estate community. She thanked her staff and the Board for their support during an extraordinary year and for rising to the occasion when the challenged occurred.

6. Guest Speakers-Lisa Baldwin, Crowder Gulf

Lisa Baldwin, the Crowder Gulf representative for recovery and an island resident since 2009, said that one of the most asked questions in her hurricane experience is what happens to the debris, which has totaled over 2 million cubic yards to date from Hilton Head Island. She noted that to visualize that debris, imagine dump trucks lined up one in front of each other. The debris would stretch from Hilton Head to Daytona Beach. She encouraged people to watch a short video (available now on the Shipyard website: shipyardhhi.com) about the debris operation and noted that Hilton Head would be closing its debris sites. Shipyard had approximately 68,000 cubic yards removed during the recovery and FEMA has just given approval to remove several stumps currently in the road rights of way. Approval is still pending for the trees remaining in the lagoons. She informed the owners that Crowder Gulf is a family owned business that has several operations including disaster recovery and infrastructure cell tower construction. Of particular note is that Crowder Gulf actually built the cell tower located in Shipyard Plantation.

She explained that a major portion of their work is securing pre-event contracts with counties, cities and gated communities so that if a catastrophic event occurred, as with Hurricane Matthew, the contracted company is prepared to start work immediately. She

also noted that their teams were stationed off island at USCB so that as soon as possible they began clearing the roads leading onto the island. Both Shipyard and the Town of Hilton Head had existing agreements with Crowder Gulf before the storm.

Another question often received is what were the monitors accompanying the removal trucks. Tetra Tech is the firm the town had hired to monitor the debris collection as FEMA requires all debris removal to be monitored, much of which is done through the monitor's cell phones with document locations and photographs.

Crowder Gulf and Tetra Tech have worked with the Town annually in training and planning meetings so that if an event occurred we would be prepared. As Mrs. Warren had indicated, Mrs. Baldwin felt that several years of building relations with the town and the private communities helped facilitate a quick and orderly recovery.

7. Awards/Presentations

The Community Spirit Presidential Award was presented to Mary Alice Tartler for serving as our resident photographer over the past few years. She was also applauded for her for her years of dedication on the board, as well as on various committees. Mrs. Warren also recognized Sandra Waller and Dave Humphrey with "One of the Best" awards for their contributions to making Shipyard a great place. Finally, she presented the "Employee of the Year" award to the evacuation and recovery team (Shipyard Security) for their hard work and dedication throughout the hurricane evacuation and recovery process.

Prior to the question and answer period, the owners enjoyed a video highlighting the social events and sense of community within Shipyard in 2016.

8. Q & A

A brief question and answer period was held. Topics included use of golf carts in the residential areas, motorcycle usage, whether an owners' gate access has been considered, financial clarification about Enhancement Fee income and expense and a question regarding a salary and benefits.

9. Adjournment

It was moved, seconded and approved to adjourn the meeting at 5:13 p.m. Owners were invited to enjoy a social immediately following the meeting.