

Notice of the 2022 Annual Property Owners Meeting

Windmill Harbour Association

Saturday, November 12, 2022 at 9:30a.m.

Hilton Garden Inn, 1575 Fording Island Rd., Hilton Head Island SC 29926

DATE: October 12, 2022

TO: All Members of Windmill Harbour Association

FROM: Windmill Harbour Association Board of Directors – Cindy Polsen, President; Martha Sabol, Vice President; Tim Kelly, Secretary; Al Graham, Treasurer; Tom Crews, Director; Nancy Schmitz, Director; Brad Wolford, Director; Mary Ryan, Director; John Case, Director

RE: Windmill Harbour Association Annual Meeting and Notice of Amended Rules & Regulations

Notice is hereby given to all Owners of record that the **Annual Meeting of Windmill Harbour Association** will be held **Saturday, November 12, 2022 at 9:30 a.m. at the Hilton Garden Inn at 1575 Fording Island Rd.**

The goals for the meeting are as follows: (i) approve the 2021 annual meeting minutes, (ii) take nominations from the floor for Board candidates, (iii) approve appendix 5c-1 and (iii) ratify the 2023 Board recommended operating budget.

Please note the enclosed items:

- ◆ Proxy necessary to conduct the meeting
- ◆ Agenda for the meeting
- ◆ 2023 operating budget
- ◆ 2021 Annual Meeting minutes
- ◆ 2022 Accomplishments
- ◆ Referendum to amend the Covenants

PROXY - Whether you are planning to attend the meeting or not, PLEASE take the time to complete the enclosed proxy. Be sure to list all properties you own on the proxy. You may appoint the Chairman as your proxy holder, **or** you may appoint any other individual who will be attending the meeting as your proxy holder. *Assigning the Proxy to yourself will invalidate it.* Please return your proxy in the enclosed self-addressed stamped envelope, by fax (843-785-3901) or by e-mail (Jaime@IMCHHI.com) by not later than 3p.m., Friday, November 11, 2022. Attaining a quorum, either in person or by proxy, is critical so that the business of the meeting may be conducted. *Please RETURN YOUR PROXY.* The specific item on the proxy to be voted on is the 2023 operating budget.

BOARD CANDIDATES – The Board of Directors consists of nine (9) owners who serve three (3) year staggered terms. The term begins January 1st following election. This year there are three (3) full term seats up for election. An election ballot and the candidate information will be mailed to you three (3) days after the annual meeting. You may view candidate information now by logging into www.windmillharbour.org.

If you plan to attend, sign in begins at 9:00a.m. and please bring this package with you to the annual meeting as extra copies of its contents will not be provided. We understand that you may not be there in person but please get your proxy in. **A ZOOM livestream of the meeting will be available to owners. Please note: To most effectively pilot this technology, the ZOOM option will be set to LISTEN ONLY mode for this meeting. The link for the zoom livestream will be sent via email a day prior to the annual meeting and provided ONLY to the owners who have returned their proxy.**

NOTICE OF AMENDED RULES & REGULATIONS: The Board of Directors amended the Windmill Harbour Association Rules and Regulations on May 24, 2022. The details of the amendments were e-blasted to the community on 5/24/22. The amended rules and regulations are recorded with Beaufort County and can be found at <http://windmillharbour.org/current-property-owners/wh-rules-regulations/> If you would like a hard copy mailed to you, please email your request to: whaboard@windmillharbour.org

If you have any questions, please contact Jaime Fenstermaker via e-mail Jaime@imchhi.com or at 843-785-4775 ext. 110.

PROXY

2022 Annual Meeting for Windmill Harbour Association

Date: _____ Address(es)/boat slip #(s) within Community: _____

Owner Signature: _____ Co-Owner Signature: _____

Print Owner Name: _____ Print Co-Owner Name: _____

1. The above signed, as member(s) of **Windmill Harbour Association** do hereby appoint [Indicate by filling in the circle at (A) or (B). If your choice is (B), print the name of proxy holder.]:

- ☐ (A) **CINDY POLSEN**, President of the Association, or any other officer or director of the Association in attendance the President so designates in his/her absence;

OR

- ☐ (B) _____
(NAME OF PROXYHOLDER) *Proxy holder must attend meeting in person. Assigning the Proxy to yourself will invalidate it*

as my true and lawful attorney-in-fact and proxy holder, to vote in my place and stead on my behalf, and in accordance with my direction as indicated herein below, and on any other matter properly presented at the meeting in his/her sole discretion, as though I myself were present and voting, with power of substitution, at the **Annual Meeting of Windmill Harbour Association**, to be held at **9:30 a.m. on Saturday, November 12, 2022** at the **Hilton Garden Inn**. This Proxy is revocable by the Property Owner and is valid only for the meeting for which it is given and any lawful adjournment. In no event is the Proxy valid for more than ninety (90) days from the date of the original meeting for which it was given.

IN THE EVENT I FAIL TO SELECT (A) OR (B) ABOVE, OR I FAIL TO INSERT THE NAME OF MY PROXYHOLDER, IT IS MY INTENT AND I DO HEREBY APPOINT CINDY POLSEN, PRESIDENT OF THE ASSOCIATION, OR ANY OTHER OFFICER OR DIRECTOR OF THE ASSOCIATION IN ATTENDANCE SHE SO DESIGNATES IN HER ABSENCE.

2. I direct my proxy holder to vote as indicated below on the issue that will be presented for approval at the annual meeting (**and in the event I have not indicated my direction under (A) below, then I direct my Proxyholder to cast my vote on that issue in his/her sole discretion**):

(A) Approval of the Board Recommended 2023 Operating Budget. **Your Board of Directors recommends a vote FOR this issue.**

- ☐ For ☐ Against ☐ Abstain ☐ Proxy holder may vote as they see fit on my behalf

Return this proxy to IMC Resort Services, 2 Corpus Christi, Ste. 302, Hilton Head, SC 29928, by fax to 843-785-3901 or by e-mail to Jaime@IMCHHI.com.

Per the Covenants & ByLaws, any Member who is more than 90-days delinquent in the payment of POA fees or any other fees or costs due to the Association shall not be eligible to vote in person or by proxy, at the Annual Meeting.

YOUR PROXY MUST BE RETURNED TO THE OFFICE OF IMC RESORT SERVICES BY 3:00 PM, FRIDAY, NOVEMBER 11, 2022 TO BE VALID.

AGENDA

Windmill Harbour Association

ANNUAL HOMEOWNERS MEETING

SATURDAY, NOVEMBER 12, 2022 at 9:30A.M.

HILTON GARDEN INN, 1575 FORDING ISLAND RD., HILTON HEAD ISLAND

- I. Roll Call / Call to Order
- II. Proof of Notice of Meeting or Waiver of Notice
- III. Reading and Approval of Minutes of Preceding Meeting
- IV. Unfinished Business
- V. Committee Reports – See 2022 Accomplishments Document
- VI. New Business
 - A. IRS Appendix 5c-1 Approval – Allows excess 2022 income to be applied against the subsequent tax year member assessments
 - B. 2023 Operating Budget Ratification
- VII. Nominations of Board Candidates
- VIII. Adjournment

MINUTES
WINDMILL HARBOUR ASSOCIATION
2021 Annual Homeowners Meeting | 2nd Attempt
Monday, December 6, 2021, 9:30am at the SCYC

- I. **Roll Call / Call to Order** – Cindy Polsen, chairman of the meeting, called the meeting to order at 9:33am. This meeting is reconvened from the November 13th meeting, where a quorum was not met. The quorum requirement for the reconvened meeting is 25% attendance in person or by proxy, which has been met. Presentations were made during the November 13th meeting held at the Country Club of Hilton Head. The November 13th PowerPoint presentation is available on the Windmill Harbour website. The Annual Meeting is conducted according to Roberts Rules of Order and James O’Sullivan was appointed Sergeant of Arms to maintain order. The Board members introduced themselves.
- A. **Directors Present** – Cindy Polsen, President; Martha Sabol, Vice President; Diane Busch, Secretary; Al Graham, Treasurer; Tom Crews, Director; James O’Sullivan; Brad Wolford, Director; John Case, Director
- B. **Directors Absent** – Mary Ryan, Director
- C. **IMC Representatives Present** – Jaime Fenstermaker, Association Manager; Lyndsey Dorshimer, Minutes
- D. **Guest Attendees** – Bob Deeb, Association Attorney
- II. **Proof of Notice of Meeting or Waiver of Notice** – Cindy Polsen reported that the notice of the 2nd annual meeting was mailed to all owners by US Mail on November 17, 2021.
- III. **Reading and Approval of Minutes of Preceding Meeting** – Lynnette Wiggins made a motion to approve the minutes of the 2020 Annual meeting, as presented. Tom Crews seconded the motion. The motion passed without opposition.
- IV. **Unfinished Business** – None at this time.
- V. **New Business**
- A. **Ratification of Appendix 5C-1** – Al Graham made a motion to approve Appendix 5C-1. Diane Busch seconded the motion. The motion passed without opposition.
- B. **2022 Operating Budget Ratification** – Al Graham made a motion to ratify and approve the Board Recommended 2022 Operating Budget as presented. John Case seconded the motion. The motion passed without opposition.
- C. **Oversized Vehicles** – Chris McCorkendale and Kevin Meany expressed their concerns with the new rules regarding oversized vehicles as it limits what is accepted within the community, specifically many models of pick-up trucks that are over 19’ in length. The Board will share these concerns with the Security Committee and give the oversized vehicle rule more consideration.
- VI. **Nominations of Board Candidates** – Cindy Polsen mentioned there are four seats open with four owners who have submitted their name to be a candidate: John Case, Tom Crews, Nancy Schmitz and Timothy Kelly. John Case, Tom Crews, Nancy Schmitz introduced themselves to the owners present. Timothy Kelly was not present. Cindy Polsen added that James O’Sullivan and Diane Busch both have opted to not re-run for their position on the Board. She thanked both of them for all of their time on the Board and the Committees they served on.
- VII. **Adjournment** – With no further business to discuss at this time, Diane Busch made a motion to adjourn the meeting at 10:01am. John Case seconded the motion. The motion passed without opposition.

Windmill Harbour Association 2023 BOARD RECOMMENDED OPERATING BUDGET

	<u>Actual</u> <u>2021 YE</u>	<u>Actual</u> <u>7/31/2022</u>	<u>Projected</u> <u>2022 YE</u>	<u>Approved</u> <u>2022 Budget</u>	<u>Recommended</u> <u>2023 Budget</u>
INCOME					
<u>Assessment Income</u>					
50301 POA Fees - Unit Dwelling (366)	\$ 1,036,672	\$ 784,056	\$ 1,045,408	\$ 1,048,320	\$ 1,118,496
50302 POA Fees - Lot Dwelling (58)	\$ 99,008	\$ 70,980	\$ 94,640	\$ 93,184	\$ 88,624
50303 POA Fees - Consolidated Lots (5)	\$ 3,640	\$ 2,730	\$ 3,640	\$ 3,640	\$ 3,820
50304 POA Fees - Boat Slips (258)	\$ 187,824	\$ 140,868	\$ 187,824	\$ 187,824	\$ 197,112
50305 POA Fees - SCYC	\$ 66,796	\$ 50,097	\$ 66,796	\$ 66,796	\$ 70,136
TOTAL Assessment Income	\$ 1,393,940	\$ 1,048,731	\$ 1,398,308	\$ 1,399,764	\$ 1,478,188
<u>Gate Receipts</u>					
50607 Decal Income	\$ 127,980	\$ 128,079	\$ 135,379	\$ 120,000	\$ 135,000
50901 Daily Pass Income	\$ 176,840	\$ 107,490	\$ 181,490	\$ 155,000	\$ 178,000
TOTAL Gate Receipts	\$ 304,820	\$ 235,569	\$ 316,869	\$ 275,000	\$ 313,000
<u>Other Income</u>					
50306 Lot Maintenance Fees (\$340/lot)	\$ 16,640	\$ 14,080	\$ 14,080	\$ 16,640	\$ 15,980
50601 Late Fees	\$ 2,510	\$ 2,056	\$ 3,481	\$ 3,000	\$ 3,000
50603 Owner Fines	\$ -	\$ 2,000	\$ 20,000	\$ -	\$ -
50605 ARB Income	\$ 64,100	\$ 21,375	\$ 23,825	\$ 35,000	\$ 24,000
50700 Interest Income	\$ 4,754	\$ 2,434	\$ 4,159	\$ 4,000	\$ 4,000
50903 Hargray		\$ 2,901	\$ -	\$ -	\$ -
TOTAL Other Income	\$ 88,003	\$ 44,846	\$ 65,546	\$ 58,640	\$ 46,980
TOTAL Income	\$ 1,786,763	\$ 1,329,146	\$ 1,780,723	\$ 1,733,404	\$ 1,838,168
EXPENSE					
<u>Administrative</u>					
60102 Bank Service Charges	\$ 5,769	\$ 1,060	\$ 1,260	\$ 1,000	\$ 1,300
60103 Management Fees	\$ 130,315	\$ 78,298	\$ 134,223	\$ 134,225	\$ 136,911
60104 Legal Fees	\$ 4,820	\$ 2,125	\$ 5,300	\$ 7,000	\$ 7,000
60106 Professional Fees	\$ 6,180	\$ 7,355	\$ 7,355	\$ 15,000	\$ -
60107 Administration Expenses	\$ 9,306	\$ 7,007	\$ 11,005	\$ 12,000	\$ 12,000
60115 Annual Meeting	\$ 8,671	\$ -	\$ 6,400	\$ 9,000	\$ 8,000
60118 Misc Taxes, Fees & Licenses	\$ 6,202	\$ 1,623	\$ 6,623	\$ 7,100	\$ 7,100
60119 Audit & Tax Prep	\$ 15,835	\$ -	\$ 18,150	\$ 16,000	\$ 18,500
60121 Reserve Study	\$ -	\$ 5,568	\$ 5,568	\$ 5,000	\$ -
60140 Service Bonuses	\$ 4,125	\$ -	\$ 5,000	\$ 8,750	\$ 5,000
TOTAL Administrative	\$ 191,223	\$ 103,036	\$ 200,884	\$ 215,075	\$ 195,811
<u>ARB</u>					
60171 ARB Digitization	\$ 500	\$ 135	\$ 500	\$ 500	\$ 500
60172 Building/Landscape Inspections	\$ 16,103	\$ 3,643	\$ 8,143	\$ 16,000	\$ 10,000
TOTAL ARB	\$ 16,603	\$ 3,778	\$ 8,643	\$ 16,500	\$ 10,500
<u>Common Element Maintenance</u>					
60117 MOA Shared Expenses	\$ 1,848	\$ (1,782)	\$ 2,494	\$ 3,000	\$ 3,000
60304 Landscaping Contract	\$ 206,218	\$ 122,250	\$ 209,600	\$ 208,202	\$ 216,589
60305 Swimming Pool Contract	\$ 13,157	\$ 7,872	\$ 13,917	\$ 14,000	\$ 16,570
60328 Vacant Lot Maintenance Expense	\$ 17,325	\$ 9,923	\$ 16,354	\$ 16,380	\$ 15,745
60402 Maintenance Supplies	\$ 15,947	\$ 14,207	\$ 20,972	\$ 20,000	\$ 20,500
60404 Storm Maintenance	\$ 2,200	\$ -	\$ 3,000	\$ 5,000	\$ 5,000

	<u>Actual</u> 2021 YE	<u>Actual</u> 7/31/2022	<u>Projected</u> 2022 YE	<u>Approved</u> 2022 Budget	<u>Recommended</u> 2023 Budget
60406 Vehicle Repairs/Maintenance	\$ 1,808	\$ 1,774	\$ 3,024	\$ 4,000	\$ 4,000
60441 Landscape Other	\$ 29,453	\$ 19,686	\$ 32,106	\$ 30,000	\$ 35,000
60442 Landscape Enhance & Replace	\$ 21,330	\$ 2,082	\$ 22,000	\$ 22,000	\$ 22,000
60443 Tree Trimming/Maintenance	\$ 17,388	\$ 24,000	\$ 35,250	\$ 30,000	\$ 35,000
60444 Irrigations Repairs	\$ -	\$ -	\$ -	\$ 2,000	\$ 1,000
60701 Maintenance Contract	\$ 64,187	\$ 38,855	\$ 66,405	\$ 66,113	\$ 69,419
60702 Maintenance Other	\$ 51,842	\$ 34,716	\$ 51,871	\$ 52,000	\$ 55,000
TOTAL Common Element Maintenance	\$ 442,701	\$ 273,582	\$ 476,992	\$ 472,695	\$ 498,823
<u>Insurance</u>					
60200 Insurance Expenses	\$ 68,604	\$ 44,419	\$ 76,919	\$ 78,000	\$ 89,700
TOTAL Insurance	\$ 68,604	\$ 44,419	\$ 76,919	\$ 78,000	\$ 89,700
<u>Marketing & Member Relations</u>					
60130 Marketing Expenses	\$ 9,755	\$ -	\$ -	\$ 2,500	\$ -
60133 Community Events	\$ 25,216	\$ 2,556	\$ 25,256	\$ 25,000	\$ 30,000
60134 Communications	\$ 3,372	\$ 2,401	\$ 3,921	\$ 2,500	\$ 4,000
TOTAL Marketing & Member Relations	\$ 38,343	\$ 4,956	\$ 29,176	\$ 30,000	\$ 34,000
<u>Other Expense</u>					
60108 Bad Debt	\$ (10,012)	\$ 2,000	\$ 4,500	\$ 6,000	\$ 4,500
60136 Depreciation Expense	\$ 45,830	\$ 25,914	\$ 44,424	\$ 43,000	\$ 44,500
TOTAL Other Expense	\$ 35,818	\$ 27,914	\$ 48,924	\$ 49,000	\$ 49,000
<u>Security</u>					
60135 Emergency Preparedness	\$ 2,923	\$ 579	\$ 2,279	\$ 3,000	\$ 3,000
60311 Security Contract	\$ 428,514	\$ 267,318	\$ 462,318	\$ 465,895	\$ 465,895
60311 Security Contract - Gate Software	\$ -	\$ -	\$ 12,996	\$ 12,996	\$ 12,996
60459 Security Equipment	\$ 5,723	\$ 3,993	\$ 7,793	\$ 7,000	\$ 8,200
60460 Security Supplies	\$ 10,272	\$ 6,806	\$ 11,681	\$ 11,000	\$ 12,000
60461 Security Vehicle Maint & Repair	\$ 155	\$ 4,940	\$ 5,540	\$ 1,500	\$ 3,000
60462 Gate House Maint & Repairs	\$ 4,025	\$ 4,890	\$ 5,690	\$ 3,000	\$ 5,200
TOTAL Security	\$ 451,612	\$ 288,527	\$ 508,298	\$ 504,391	\$ 510,291
<u>Utilities</u>					
60501 Internet & Telephone Expense	\$ 26,478	\$ 15,527	\$ 26,627	\$ 26,500	\$ 27,000
60503 Electricity	\$ 21,568	\$ 9,571	\$ 19,197	\$ 23,000	\$ 23,000
60504 Water & Sewer	\$ 26,796	\$ 14,331	\$ 25,331	\$ 22,000	\$ 26,500
60505 Security Lights	\$ 25,385	\$ 14,665	\$ 25,140	\$ 25,500	\$ 25,500
TOTAL Utilities	\$ 100,227	\$ 54,093	\$ 96,294	\$ 97,000	\$ 102,000
TOTAL OPERATING EXPENSE	\$ 1,345,131	\$ 800,305	\$ 1,446,129	\$ 1,462,661	\$ 1,490,125
Net Operating Income / (Loss)	\$ 441,632	\$ 528,841	\$ 334,593	\$ 270,743	\$ 348,043

<u>Annual POA Fees:</u>	<u>Unit</u>	<u>Lot</u>	<u>Cons. Lot</u>	<u>Boat Slip</u>	<u>SCYC</u>
2023	\$ 3,056	\$ 1,528	\$ 764	\$ 764	\$ 70,136
2022	\$ 2,912	\$ 1,456	\$ 728	\$ 728	\$ 66,796

Windmill Harbour Association
2023 APPROVED RESERVE BUDGET
PROJECTED EXPENSES, CAPITAL PROJECTS & CONTRIBUTION INFO

<u>Replacement/Capital Resv Exp</u>	<u>Actual</u> <u>2021 YE</u>	<u>Actual</u> <u>7/31/2022</u>	<u>Projected</u> <u>2022 YE</u>	<u>Approved</u> <u>2022 Budget</u>	<u>APPROVED</u> <u>2023 Budget</u>
70101 Roads, Curbing & Drainage	\$ -	\$ 14,518	\$ 14,518	\$ 15,000	\$ 27,200
70111 Gatehouse (HVAC)	\$ 15,546	\$ -	\$ -	\$ -	\$ -
70115 Lagoons & Storm Drainage	\$ 23,753	\$ 48,864	\$ 75,000	\$ 175,000	\$ 175,000
70117 Promenade	\$ 87,029	\$ -	\$ -	\$ -	\$ -
70122 Walkway Lighting (phase 4 & 5)	\$ 29,746	\$ 26,895	\$ 26,895	\$ 25,000	\$ 60,000
70126 Brick sidewalk repairs (phase 5 & 6)	\$ 27,491	\$ 38,836	\$ 38,836	\$ 46,000	\$ 50,700
70127 Irrigation replacement (phase 5 & 6)	\$ 19,200	\$ 12,408	\$ 12,408	\$ 8,000	\$ 16,800
70128 Community Pathway	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ -
70131 MOA Shared Reserve Expenses	\$ -	\$ -	\$ -	\$ 65,000	\$ 65,000
70105 Pool Deck resurfacing	\$ -	\$ -	\$ -	\$ -	\$ 20,000
70132 Dolphin Fountain Improvements	\$ -	\$ -	\$ -	\$ -	\$ 5,000
70112 Study of Exit/Entrance Queuing	\$ -	\$ -	\$ -	\$ -	\$ 5,000
70118 Security Patrol Truck	\$ -	\$ -	\$ -	\$ -	\$ 30,000
70105 Indian Hill Pool Pavilion	\$ -	\$ -	\$ -	\$ -	\$ 10,000
70133 Fitness Trail Stations	\$ -	\$ -	\$ -	\$ -	\$ 10,000
70123 Soft Parking	\$ -	\$ -	\$ -	\$ -	\$ 10,000
TOTAL Replacement/Capital Resv Exp	\$ 202,766	\$ 141,520	\$ 197,657	\$ 364,000	\$ 484,700
CONTRIBUTION from Operating	413,000.00	\$ 202,500	\$ 270,000	\$ 270,000	\$ 345,000

2022 Windmill Harbour Association & Committee Accomplishments

Thank you to our community volunteers, board members, chairpersons and committee members!

ARCHITECTURAL REVIEW BOARD

POA Board Liaison: Tom Crews **Chair:** Mike Mackie **Former Chairs:** Bob Polsen & Bill McGrath

Members: Bob Till, Phil Gaines, Nancy Schmitz, Denise Stringer & Patricia Kinzel

Staff Architect: James Ogden, Bob Johnson (former staff architect)

Significant actions (August 2021 - August 2022):

- ARB enjoyed the leadership of 3 different Chairs and 1 Temporary Chair. Work continued uninterrupted.
- More projects were submitted in this 12-month period for approval, review and conclusion than has happened in the last 5 years.
- Projects under current review - 10
- Approximately 80 projects were reviewed by the ARB since last August varying from new home construction, exterior renovations, painting, roof & window replacements, landscaping, tree removals, lighting, etc.
- Significant number of change orders reviewed by staff, previously addressed by ARB.
- Significant number of ARB on-site inspections performed by ARB and/or staff.
- Significant number of maintenance projects processed by staff.
- A final draft of amended ARB Guidelines is to be presented to the POA Board in October for approval.

MEMBER RELATIONS COMMITTEE

POA Board Liaison: Martha Sabol

Community Events Chair: Susan Geller

Events Volunteers: Elaine Chestney, Vanessa Coker, Janet Drozdowski, Eileen Fitzgerald, Sylvia Gaines, Vicki Ross

- We held our first Chili Cookoff on March 19, 2022. This event was a huge success. We had 14 entrants in the contest.
- Annual July 4th Parade was a huge successful with very creative entries in the parade. Viewing area was packed with neighbors cheering on the parade. Fun morning with Ice Cream and Popcorn with the Parade ending on the Promenade behind SCYC
- Community Blood Drive with OneBlood was held in August.
- Hosted in September, a wonderful Appreciation Party for the 2021 event volunteers and holiday home and boat decorating contestants. We received quite a few suggestions for ways to get more participation for the holiday home and boat decorating for this year's Harbour Stroll
- Trunk or Treat on October 30th on the SCYC Parking Lot and Trick or Treat in Windmill Harbour on October 31st.
- Another community Blood Drive with OneBlood is scheduled for October 18th
- Currently planning activities for the 2022 Harbour Stroll including the seasonal home and boat decorating contest, a refreshment station, and Santa Claus with be out cruising in a Golf Cart

Welcoming Chair: Kitty Sperry

Welcoming Volunteers: Vanessa Coker, Patricia Fennell, Betsy Goss, Ruth Perry, Clair Craver, Anne Carroll, Cynthia Carlson, Sylvia Gaines, Ginny Watt, Lori Price, and Gay Reichel.

We plan on having another New Resident Party this Fall. Some residents missed the previous parties, so if you're interested in attending please email Kitty Sperry @mcsperry6@gmail.com. Thank you.

LANDSCAPING COMMITTEE

POA Board Liaison: Mary Ryan **Former Chair:** Vicki Reilly

Volunteers: Janet Drozdowski & Kitty Sperry

- New flower bed installed in the median behind the security gatehouse.
- Renovation of Dolphin Park to create more usable space and park like grounds for residents.
- With the help of the Executive Committee and Finance Committee, renewed the landscaping contract.

2022 Windmill Harbour Association & Committee Accomplishments

FINANCE COMMITTEE

Board Treasurer: Al Graham

- Reviewed monthly financial statements and presented to Board for ratification. Published to membership on community website.
- Oversaw preparation and audit of the 2021 certified financials by the independent firm of Webster Rogers. The audit was completed and resulted in a clean opinion.
- Proposed 2023 Operating Budget...Annual Dues... and presentation to full membership for ratification.
- Proposed 2023 Reserve Budget for Board approval
- Renewed lines of credit.
- Reviewed and renewed insurance coverages related to community property, disaster recovery, and general and professional liability.
- Worked with the Long-Range Planning committee to update and finalize the Reserve Study.

LONG RANGE PLANNING & INFRASTRUCTURE COMMITTEE

POA Board Liaison: Brad Wolford **Chair:** Todd Miller

Volunteers: Andy Woodward, Cindy Caruso, Larry Mann, Kent Collins, Robert Engle

Infrastructure

- Brick Pathway Repairs and Irrigation Replacement – Completed phase 3 (Yacht Club Dr. to 96 Crosstree North) and phase 4 (along Harbor Psge. East) of releveling and installing steel edging of brick pathway, and replacing the irrigation system. Phase 5 (Yacht Club Dr.) & 6 (98 Crosstree North to Community Pier) are planned for 2023.
- Pathway Lighting - Completed Phase 3 (Yacht Club Dr. to 96 Crosstree North) – added 14 low voltage lights. Phase 4 (Harbor Psge. East) and phase 5 (Yacht Club Dr.) are planned for 2023.
- Stormwater Drainage System: Cleaning and videoing of sections of storm drain pipes on Millwright and Fantail completed. Repairs to lagoon 1 outfall structure completed. Modified and repaired Post Mill inlet catch basin to permit free flow through entire depth of outfall pipe. Preparing scope of work for the repair of storm water pipe #105 along Sparwheel (36" concrete pipe at 177 linear feet) at and repair of pipe #133 off Millwright (18" concrete pipe at 43 LF) due to deterioration found during the previous cleaning and inspections.
- Pavement and inventory assessment services for the community - This included engagement of an engineering firm, ECS Southeast Engineers, to evaluate the asphalt pavements, observable portions of the roadway surface, select core samples on surface paving and base materials, and general surface water drainage components. The assessment objective was to help evaluate the current condition of the asphalt pavements, curb and gutter and roadway surface water drainage to establish future prioritization of repairs, maintenance, and budgeting for these aspects of the community infrastructure. The ultimate goal of the efforts included the development of a 12-year budget and logistics to help maintain and enhance the serviceability of the roadways.
- Prepared a master 12-year project schedule for maintenance and repairs which incorporate long term infrastructure projects including roadways, stormwater systems and lagoons for Board consideration.

Amenities - Based on the 2021 amenities survey, the committee focused our efforts on researching and concentrating on the below highest rated and viable identified areas:

- Fitness trail – Reviewed common areas for potential locations around existing brick pathways and identified potential source for approximately 5 fitness stations. Submitted for budget consideration in 2023.
- Common area overflow parking – Reviewed common, community maintained, areas for potential soft overflow parking around the harbor to ease street parking. Keyed in on a common parking area along Yacht Club Drive for Board consideration in 2023.
- Green space – Worked on establishing soft walking pathways to gain community access to scenic areas within common areas. Completed surveys of 2 areas on Millwright to install a path between 31 and 32 for maintenance and resident access to open space area around lagoon 5 and a path between 46 and 48 for scenic viewing of waterway/marsh area.
- Community multi-purpose building – Researched common areas potential locations. Submitting a Phase I design option for 2023 to repurpose the community pool pergola into an expanded covered area for board consideration in 2023.

2022 Windmill Harbour Association & Committee Accomplishments

TRAFFIC COMMITTEE

POA Board Liaison: Cindy Polsen **Chair:** Charles Perry

Volunteers: Joe Price, Jim O'Sullivan

On June 6, 2022, SCDOT approved the request made by Beaufort County to install a traffic signal at the entrance to Windmill Harbour. The County will proceed with design, procurement, and installation of the signal. The Traffic Committee is continuing to work with the Beaufort County Engineering Dept. regarding the installation of the traffic signal for the entrance to our community at the intersection of Crosstree and Hwy 278. According to the latest information that we have received, it will take the remainder of the year to complete design and permitting. Procurement (bidding and award of the contract) and construction will not take place until the Spring of 2023. While this timing is somewhat disappointing, the good news is that we are on the right track, and we are far better off than waiting until the end of 2028 (at the earliest) for completion of the Hwy 278 Corridor Project.

SAFETY, SECURITY AND HURRICANE PREPAREDNESS COMMITTEE

POA Board Liaison: Tim Kelly **Chair:** Joseph Price

Volunteers: Al Graham, Jim O'Sullivan, Charlie Meade

- Security staff continued to maintain strict accounting of all gate passes and revenues
- The increase in construction (new and remodel) continues to cause some traffic concerns throughout the community.
 - Security patrols have worked to address these issues associated with the increased construction traffic.
- This summer saw record numbers of participants for the sailing camps, staff was able to accommodate the increases in traffic at the front gate.
- The POA Board and Security Committee continue to receive complaints concerning speeding and stop sign violations. Residents are urged to observe speed limits and traffic control signs.
- Specific concerns were reviewed from the Crosstree patio area. No violations were found, and residents declined the use of a speed bump to reduce traffic volume
- Committee drafted and issued community wide traffic safety messages
- The committee researched and developed new rules and guidance concerning oversized vehicles for POA Board approval
- Transfer of data to new Dwelling Live software complete
 - Staff Training has been completed
 - Complete community implementation is anticipated by Jan 1, 2023
- Committee coordinated on the issuance of a committee alert regarding the law enforcement pursuit incident in the community
- Committee Chair, POA Rep and Jaime met with Securitas Regional Manager to discuss hiring challenges.
 - Committee suggested several options for POA Board consideration

Hurricane Preparedness

- COL Neil Baxley, BCSO and the County Emergency Manager conducted a presentation for about 25 residents on June 6th, 2022, about emergency preparedness
- The Committee provided several community eblast updates on hurricane preparedness throughout the year.
- Specific alerts and notifications were sent regarding Hurricane Ian

IF YOU ARE INTERESTED IN VOLUNTEERING YOUR TIME TO THE COMMUNITY, PLEASE CONTACT THE BOARD MEMBER LIASION TO THE COMMITTEE YOU HAVE AN INTEREST IN (SEE ENCLOSED BOARD OF DIRECTOR LISTING) OR EMAIL WWW.WINDMILLHARBOUR.ORG.

Windmill Harbour Association 2022 Board of Directors

<u>DIRECTOR</u>	<u>SEAT EXPIRES</u> (term is 3 years)	<u>LIAISON TO</u>
Cindy Polsen, President clpolsen@gmail.com	December 31, 2023	<ul style="list-style-type: none"> ▶ Executive Committee ▶ Traffic
Martha Sabol, Vice President masabol412@aol.com	December 31, 2023	<ul style="list-style-type: none"> ▶ Member Relations
Tim Kelly, Secretary Timothywkelly@yahoo.com	December 31, 2024	<ul style="list-style-type: none"> ▶ Safety, Security & Emergency Preparedness Committee
Al Graham, Treasurer Al@Grahamfin.com	December 31, 2022	<ul style="list-style-type: none"> ▶ Finance
Brad Wolford, Director bradwolford@startmail.com	December 31, 2022	<ul style="list-style-type: none"> ▶ Long-Range Planning & Infrastructure Committee
Nancy Schmitz, Director naschmitzdesign@gmail.com	December 31, 2022	
Mary Ryan, Director mary7603@gmail.com	December 31, 2023	<ul style="list-style-type: none"> ▶ Landscaping Committee
Tom Crews, Director tzcrews@aol.com	December 31, 2024	<ul style="list-style-type: none"> ▶ Architectural Review Board**
John Case, Director johncase47@gmail.com	December 31, 2024	<ul style="list-style-type: none"> ▶ Community Relations ▶ Governance & Nominating Committee

COMMITTEES: A great way for members to participate is to come to the board meetings where committee representatives and /or their liaison on the board will give a report on their activities. Prospective volunteers can learn about what that committee does and also learn who is involved and make direct contact. The POA Board of Directors designates the committees and appoints the Board Liaison and Chairperson annually at their January or February Board meeting. Above are the existing committees and their Board member liaison. **If you have an interest in a committee, please contact the Board Liaison.**

****THE ARCHITECTURAL REVIEW BOARD** consists of 5 or 7 members, serving 3-year staggered terms, who are elected by the Association Board of Directors. Expired or vacant seats are filled at the January Board meeting each year. **If you are interested in serving on the ARB, please forward your resume to Jaime Fenstermaker at jaime@IMCHHL.com BY JANUARY 5, 2023.**

IMC RESORT SERVICES, INC.

OFFICE STAFF DIRECTORY

<u>Contact</u>	<u>Title</u>	<u>Ext.</u>	<u>Email Address</u>	<u>Contact</u>	<u>Title</u>	<u>Ext.</u>	<u>Email Address</u>
Ron Fenstermaker	President & CEO, Principal CMCA®, AMS®, PCAM®	109	Ron@IMCHHI.com	Accounts Receivable	General AR Department	117	ARDept@IMCHHI.com
Craig Fenstermaker	VP of Operations & COO, Principal CMCA®, CIRMS®, AMS®, PCAM®	106	Craig@IMCHHI.com	Lindsay Creek	Accounting	113	LCreek@IMCHHI.com
Garrett Hamilton	VP Accounting & CFO, Principal CMCA®, AMS®	122	Garrett@IMCHHI.com	Jessica Simpson	Accounts Payable	125	Jessica@IMCHHI.com
Bryan Dorshimer	VP of Association Management Principal, HHI South, CMCA®, AMS®	108	Bryan@IMCHHI.com	Brian Simpson	Director of Accounting, CMCA®, AMS®	128	BrianS@IMCHHI.com
AJ Bucko	Director of Association Management – HHI Central, CMCA®, AMS®	107	AJB@IMCHHI.com	Pete Tessin	Accounting, CMCA®, AMS®	112	Pete@IMCHHI.com
Jaime Fenstermaker	Director of Association Management – HHI North, CMCA®, AMS®	110	Jaime@IMCHHI.com	Nikki Phillips	Accounting	141	Nikki@IMCHHI.com
Amber Cole	The Spa on Port Royal Sound, HPR On-site Manager, 843-689-7500 CMCA®, AMS®	270	Amber@IMCHHI.com	Tammy Hamilton	Accounting	119	Tammy@IMCHHI.com
Mike Litchfield	Evian, HPR Association Manager 843-785-3922	292	Evian@Hargray.com	Alyssa Kash	Accounting	114	Alyssa@IMCHHI.com
Deanna Anderson	Preserve at Indigo Run, HPR CMCA®, AMS® Association Manager 843-342-7747	295	ThePreserve@IMCHHI.com	Gloria Fennessy	Maintenance Supervisor	103	Gloria@IMCHHI.com
Dave Lewellen	Association Manager PCAM®, AMS®, CMCA®	207	Dave@IMCHHI.com	Brett Williams	Projects Coordinator	118	Brett@IMCHHI.com
Al Paul	Fiddlers Cove Beach & Racquet Club Association Manager 843-842-4126	291	Manager@fchb.org	Jan Gusmar	Insurance Specialist	127	Jan@IMCHHI.com
Adam Hartzog	Association Manager, CMCA®, AMS®	132	AdamH@IMCHHI.com	Vic Gusmar	Insurance Specialist		Vic@IMCHHI.com
Brad Smith	Association Manager	104	Brad@IMCHHI.com	Melissa Fenstermaker	Executive Assistant	105	Melissa@IMCHHI.com
Mark Benson	Association Manager, CMCA®, AMS®	121	Mark@IMCHHI.com	Jaclyn Phillips	VP of Administrative Services	123	Jacki@IMCHHI.com
Stacie Jacobs	Association Manager, CMCA®, AMS®	202	Sjacobs@IMCHHI.com	Kathleen Smith	Association Manager & Director of Administrative Services	206	Kathleen@IMCHHI.com
Tristia Di Novo	Association Manager, CMCA®, AMS®	205	Trista@IMCHHI.com	Lyndsey Dorshimer	Administrative Associate & Website Coordinator	130	Lyndsey@IMCHHI.com
Savannah Hartzog	Association Manager	137	Savannah@IMCHHI.com	Lisa Martin	Administrative Associate	135	L.Martin@IMCHHI.com
Quen Corbett	Association Manager	212	Quen@IMCHHI.com	Ari Johnson	Administrative Associate	138	Ari@IMCHHI.com
Bill Gephart	Association Manager	131	Bill@IMCHHI.com	Annette Fioravanti	Administrative Associate	101	Annette@IMCHHI.com
Quade Jackman	Association Manager	116	Quade@IMCHHI.com	Tami Patoine	Administrative Associate	133	Tami@IMCHHI.com
Nick McNiesh	Association Manager	126	Nick@IMCHHI.com	Nicole Ruiz	Director of First Impressions & Reception – HHI	100	Nicole@IMCHHI.com
Doug McCray	Manager in Training	204	Doug@IMCHHI.com	Nancy Zabala	Office Manager & Administrative Associate - Bluffton	211	Nancy@IMCHHI.com
Chris Yeager	Director of Corporate Accounting	120	ChrisY@IMCHHI.com	Sonya Comes	Administrative Associate – Bluffton	203	Sonya@IMCHHI.com
Christine Phillips	Accounts Receivable Manager	102	Christine@IMCHHI.com	Cathy Pilatic	Administrative Associate & Reception – Bluffton	201	Cathy@IMCHHI.com
**** After hours emergencies 843-785-4775 – Listen & Follow the Prompts ****				General Info	Front Desk	100	FrontDesk@IMCHHI.com



AAMC
ACCREDITED ASSOCIATION
MANAGEMENT COMPANY

Windmill Harbour Association

Owner Contact Information Sheet

Owners are responsible for informing IMC Resort Services, Inc. of their contact information. If you have not informed IMC, or there are changes to your contact information you have already provided, please complete and return this form immediately to:

IMC Resort Services, Inc.
2 Corpus Christi, Ste 302
Hilton Head Island, SC 29928

Phone: 843-785-4775
Toll-free: 877-785-4775
Fax: 843-785-3901
Website: www.imcresortservices.com
www.windmillharbour.org

Date: _____ Homeowner: _____

Mailing Address: _____

City: _____ State _____ Zip _____

Address within Windmill Harbour if different from mailing address: _____

Telephone, Fax, Etc.

	<u>PRIMARY CONTACT</u>	<u>ALTERNATE CONTACT</u>
Name:	_____	_____
Daytime:	_____	_____
Evening:	_____	_____
Fax:	_____	_____
Mobile:	_____	_____
Alt Home:	_____	_____
Email:*	_____	_____

**Please add the domains @WindmillHarbour.org, IMCResortServices.com and @IMCHHI.com to your SAFE SENDERS list so that you won't miss important updates from your Management Team.*

Rental or Managing Agent: _____

Phone Number _____ Email _____

Owner/Occupant Emergency Contact: _____

Phone Number (Home) _____ (Work) _____

Information provided to IMC Resort Services, Inc. is kept in the strictest of confidence.

If you would like to publish your contact information to your fellow property owners, you may join the member directory at www.windmillharbour.org.



Windmill Harbour Association

Referendum to Amend the Covenants

COMMUNITY ENHANCEMENT FEE

*Cindy Polsen, Martha Sabol, Tim Kelly, Al Graham, John Case, Tom Crews,
Mary Ryan, Nancy Schmitz, Brad Wolford*

To: All Members of Windmill Harbour Association (the "Association")

From: Windmill Harbour Association Board of Directors (the "Board")

Date: October 12, 2022

Re: **Referendum for Amending the Declaration of Covenants, Conditions and Restrictions:
Community Enhancement Fee**

In order to stay competitive with other gated communities, the Board recommends the Association implement a Community Enhancement Fee to provide the Association with an additional source of funding. This source of funding is common among other Hilton Head Communities and is assessed at the time an owner of each Dwelling Lot, Dwelling Unit, and/or Boating Unit transfers or conveys title. The Community Enhancement Fee is then paid by the buyer at closing.

The Community Enhancement Fee shall be the amount equal to the most recent Annual Assessment charged upon the Dwelling Lot, Dwelling Unit, and/or Boating Unit. The Community Enhancement Fee shall be placed in a segregated account and used to provide enhancements deemed beneficial to the Windmill Harbour Community.

The Community Enhancement Fee shall be used to provide funding for enhancements as the Association from time to time deems beneficial to the general good and welfare of the Windmill Harbour Community. However, the Community Enhancement Fee shall not be used to fund normal and routine day-to-day operations, repairs, or maintenance. For example, the Community Enhancement Fee funds may be used for construction of new capital improvements, renovations/replacements, the purchase of Common Property, or for emergency repairs if such repairs are necessitated by reason of storm, fire, flood, hail, natural, or Act of God; provided, the proceeds of insurance coverage and the Reserve Fund are insufficient to cover the repairs. In emergency repair situations, the Community Enhancement Fund may eliminate the need for a Special Assessment upon Association Members.

The Board unanimously supports the establishment of a Community Enhancement Fee. If approved, the Declaration of Covenants, Conditions and Restrictions & Bylaws will need to be amended to reflect the purpose, use, calculation, and restrictions of the Community Enhancement Fee to begin on March 1, 2023. In accordance with the Association's Covenants, the Board has elected to hold a referendum on the required amendment to the Declaration of Convents, Conditions and Restrictions. Your referendum ballot together with the language of the proposed amendment is enclosed herewith. Please return the enclosed ballot by **December 12, 2022** indicating your approval to Amend the Declaration of Covenants, Conditions and Restrictions to establish the Community Enhancement Fee. Upon approval of the Association membership, the Amendment will be executed.

If you have any questions, please contact Jaime Fenstermaker at jaime@IMChhi.com or at 843-785-4775 ext. 110. Thank you.

Please Turn Over for Ballot →

WINDMILL HARBOUR ASSOCIATION

REFERENDUM BALLOT

October 12, 2022

COVENANT AMENDMENT TO ADD **SECTION 11-17. COMMUNITY ENHANCEMENT FEE**

On the matter of proposed amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions Running with Certain Lands in Windmill Harbour in Beaufort County, South Carolina, dated April 18, 2018, and recorded in the Office of the Register of Deeds in Book 3660 at Pages 1482-1641, of the Windmill Harbour Association as to be determined by mailed referendum.

The proposed amendment shall be deemed approved if three-fourths of the votes returned are in favor of the amendment. If approved, the community enhancement fee will begin on March 1, 2023.

The Board of Directors unanimously recommends a “yes” vote in favor of the proposed amendment.

Mark your ballot with an X in the circle to the left of your choice.

ARE YOU IN FAVOR OF THE PROPOSED AMENDMENT? <i>COMMUNITY Enhancement Fee - Covenants</i>	<input type="radio"/> YES <input type="radio"/> NO
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PLEASE SIGN AND RETURN THIS BALLOT BY DECEMBER 12, 2022 TO IMC RESORT SERVICES, 2 CORPUS CHRISTI, STE. 302, HILTON HEAD, SC 29928, BY FAX TO 843-785-3901 OR BY E-MAIL TO JAIME@IMCHHI.COM.

PLEASE WRITE IN THE ADDRESS OF ALL THE PROPERTY(S) YOU OWN WITHIN WINDMILL HARBOUR: *Although owners of multiple properties only received one ballot, their votes will be entered for each property individually.*

Dwelling Unit(s) – IMPROVED:

street address(s)

Dwelling Lot(s) – UNIMPROVED:

street address(s)

Boating Unit(s) – BOAT SLIP:

Ballots that are not signed and/or not received, or postmarked if returned by USPS by December 12, 2022 will not be counted.
Per the Covenants & ByLaws, any Member who is more than 90 days delinquent in the payment of POA fees or any other fees or costs due to the Association shall not be eligible to vote.

Amendment #___ Transfer fees on sales of properties

Add section 11-17 to Article XI of the Covenants:

Section 11-17: Property sale Community Enhancement Fee.

The buyer of a Dwelling Unit, Dwelling Lot or a Boating Unit shall pay a Community Enhancement Fee to the Association upon purchase equal to the annual assessment charged for the property.

Section 11-17: Community Enhancement Fee.

(a) Assessment of Special Fee. In order to provide an additional source of funds, there is hereby established and assessed a special **Community Enhancement Fee** upon the Owner of each Dwelling Lot, Dwelling Unit, and/or Boating Unit, to be paid upon every transfer or conveyance of title of such Dwelling Lot, Dwelling Unit, and/or Boating Unit. The Community Enhancement Fee shall be charged to the purchaser of the Dwelling Lot, Dwelling Unit, and/or Boating Unit and shall be payable to the Association at the time of each such Conveyance. For purposes of this Section, a "Conveyance" shall be deemed to occur upon the execution and delivery of a deed, instrument, or other similar writing whereby any Dwelling Lot, Dwelling Unit, and/or Boating Unit, or interest therein, is sold, granted, conveyed, or otherwise transferred by the grantor to another person or entity.

(b) Calculation of Fee. The Community Enhancement Fee shall be an amount equal to the most recent Annual Assessment charged upon the Dwelling Lot, Dwelling Unit, and/or Boating Unit being transferred during the calendar year of the transfer. The Association may require that the grantor and/or grantee of the transferred Dwelling Lot, Dwelling Unit, and/or Boating Unit to provide documentation associated with the Conveyance evidencing the transfer, such as a copy of an executed closing statement, contract for sale, deed, or other document evidencing the Conveyance. For the purpose of clarification, the calculation of the Community Enhancement Fee is based on the Annual Assessment, but the Community Enhancement Fee is not and shall not be deemed to be an Annual Assessment or any part thereof, and no part of the Community Enhancement Fee collected shall be made part of the Reserve Fund described under the provisions of Section 11-7 of this Article.

Where a Dwelling Lot or Dwelling Unit has been consolidated into one lot, The Community Enhancement Fee for Consolidated Dwelling Lots or Dwelling Units shall an amount equal to the most recent Annual Assessment charged upon the consolidated Dwelling Lot or, Dwelling Unit being transferred during the calendar year of the transfer.

(c) Use of Fee. The Community Enhancement Fee shall be placed in a segregated account and used to provide funding for activities and such other purposes as the Association from time to time deems beneficial to the general good and welfare of Windmill Harbour. However, the

Community Enhancement Fee shall not be used to fund normal and routine day-to-day operations, repairs, or maintenance. For example, the Community Enhancement Fee funds may be used for:

- i. construction, renovations, and projects for the enhancement, beautification, and preservation of Windmill Harbour;
- ii. the purchase of property as Common Property; and
- iii. the construction of new capital improvements or the renovation, replacement, rehabilitation, or emergency repair (if such emergency repair is necessitated by reason of storm, fire, flood, hail, natural disaster or Act of God but only to the extent not covered by insurance or the Reserve Fund) of existing facilities or capital improvements within Windmill Harbour.

(d) Creation of Lien, Obligation and Interest. The obligation to pay such Community Enhancement Fee shall be the personal obligation of each Owner acquiring an interest in a Dwelling Lot, Dwelling Unit, and/or Boating Unit, through a Conveyance, and shall be a charge and continuing lien on the real property against which the Community Enhancement Fee is levied or due. If such Fee is not paid within thirty (30) days of the Conveyance, then a late charge of one and one-half (1.5%) percent per month shall accrue on the unpaid amount from the date of such Conveyance until paid. In addition, each such Owner shall also be liable for all costs of collection including reasonable attorneys' fees and court costs in any proceeding or collection effort undertaken to collect the unpaid amounts due. Further, the Association shall have the same rights and remedies with respect to the Community Enhancement Fee as set forth in Section 11-10 (b) and (c) of this Article XI.

(e) Exempt Conveyances. No Community Enhancement Fee shall be levied upon the Conveyance of title to a Dwelling Lot, Dwelling Unit, and/or Boating Unit:

- i. by or to the Association;
- ii. by a co-owner of a Dwelling Lot, Dwelling Unit, and/or Boating Unit, to any person who was a co-owner of the Dwelling Lot, Dwelling Unit, and/or Boating Unit, immediately prior to such Conveyance;
- iii. to the estate, surviving spouse, or heirs at law of the Owner of a Dwelling Lot, Dwelling Unit, and/or Boating Unit upon the death of such Owner;
- iv. to a family trust, family partnership or other entity created by the grantor for the benefit of grantor, his or her spouse, and/or heirs at law; provided, upon any subsequent transfer or conveyance of an ownership interest in such entity, the Community Enhancement Fee shall become due;
- v. to a limited liability company of which the grantor, is the holder of not less than Fifty-One (51%) Percent of the membership interest therein;

vi. to an institutional lender pursuant to a mortgage foreclosure or deed in lieu of foreclosure;

vii. under circumstances which the Association, in its discretion, deems to warrant classification as an exempt transfer (i.e. a Conveyance made solely for estate planning purposes may be, but is not required to be, deemed exempt from payment of the Community Enhancement Fee).

(f) Subordination of Lien to Mortgage. The charge and perfected lien of any past-due assessment of the Community Enhancement Fee upon any Dwelling Lot, Dwelling Unit, and/or Boating Unit shall be subordinate to the lien of all governmental taxes, bonds, assessments and other levies which would in any event be superior thereto by law and any mortgage or mortgages placed of record upon any portion of a Dwelling Lot, Dwelling Unit, and/or Boating Unit subject to the Community Enhancement Fee prior to _____, 20____, and shall also be subordinate to any first mortgage hereafter placed on any portion of a Dwelling Lot, Dwelling Unit, and/or Boating Unit subject to the Community Enhancement Fee if and to the extent that, at the time such first mortgage is executed and delivered, no such fee is due and owing hereunder; provided, however, that such subordination shall apply only to assessments for the Community Enhancement Fee which have become due and payable prior to a sale or transfer of any such portion of a Dwelling Lot, Dwelling Unit, and/or Boating Unit pursuant to a decree of foreclosure or deed in lieu of foreclosure. Such sale or transfer shall not relieve any such Property from liability accruing after conveyance to any mortgagee or to any subsequent owner.