



Litchfield
BY • THE • SEA
Community Association, Inc.

ANNUAL and SPECIAL MEETING NOTICE

May 25, 2022

Owner Name
LBTS Account #:

Dear Litchfield by the Sea Property Owner:

In accordance with the Bylaws of Litchfield by the Sea Community Association, Inc., Notice is hereby given for the holding of the Forty-Fourth Annual Members' Meeting on **Saturday, June 25th 2022**. The Meeting will commence at 10:00 a.m. and will be held at Inlet Square Mall in Murrells Inlet, South Carolina. Use the parking area closest to the former SteinMart, now Seaside Community Church. This area is located on the 17 Bypass side of the mall. The closest entrance is the mall entrance between Belk and Seaside Community Church. Upon entering, take a left at the Belk and the meeting space is the second space on the left.

The primary purposes of the Forty-Fourth Annual Members' Meeting are to elect directors, vote on the Tax Resolution for the year ending December 31, 2022, approve the 2021 annual meeting minutes, and to transact any other business that may be properly brought before the Meeting. The minutes are already posted on the Litchfield by the Sea website for your reference. Information on these matters is provided on the enclosed proxy. **Please vote and return the proxy.** For the voting to be valid, a quorum (51%) of proxies must be received.

The meeting will be held in person and virtually using GoToMeeting, a video conferencing service. An email with instructions about how to participate in the video meeting will be emailed to all property owners in advance of the meeting via the TownSq email app. Information will also be posted on the Litchfield by the Sea website <http://www.litchfieldbythesea.com/>.

In order to encourage the highest possible participation, several options for voting will be offered. You may cast your vote by mailing or emailing the proxy/ballot included with this notice. Or you can vote electronically by following the instructions below:

To cast your ballot electronically, please visit <https://vote.associationvoting.com/lbts> and enter your Owner name and your LBTS account number (both are printed on the top of this notice). The voting window will be open from May 25th through June 23rd, 2022. *Electronic voting is permitted due to an amendment adopted in 2010. For your reference, this is posted at <http://www.litchfieldbythesea.com/>*

LBTS properties that are owned by multiple parties may permit only ONE designated person to vote on behalf of that unit.

Board of Directors Election

It will be necessary to elect three (3) members to the Board this year. The terms of Board Members Wayne Flowers, Bob Gilman, and Scott Manhoff expire at this year's meeting. All three have agreed to serve another term on the Board, if they are elected. The Nominating Committee selected the applicants below as candidates for election to the Board. The current Board endorsed the actions of the Nominating Committee. The candidate bios are enclosed.

In considering the candidates to place on the ballot, the Nominating Committee selected the applicants below for one or more of the following reasons: the skill set the candidate brings to the table, the specific sector of the LBTS membership base they represent, and previous Board or Board Leadership in their host community.

<u>Nominee</u>	<u>Property Address</u>	<u>Term</u>
F. Wayne Flowers	163 Heron Marsh Drive #61 (Heron Marsh)	Three years (2025)
Bob Gilman	42 Golf View Court (River Club)	Three years (2025)
Scott Manhoff	82 Bob White Court #101 (Avian Forest)	Three years (2025)

Tax Resolution

When reviewing your proxy form, you will notice a section asking for your vote with regard to the Tax Resolution. It is essential that the membership vote to approve the tax resolution. Although the homeowners association is a non-profit corporation, it is not a tax-exempt non-profit corporation. 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. The election to defer the excess Association income would result in savings to the Association and its members.

Special Meeting Notice

In addition, the Litchfield by the Sea Board is also calling a Special Meeting immediately after the conclusion of the 2022 Annual Meeting.

The purpose of the Special Meeting is to vote on an amendment to the Association's Declaration of Covenants and Restrictions (CCR's). **Your Board urges you to review the amendment and vote in favor of adopting it.** The amendment would allow Litchfield by the Sea to pursue a bulk cable and internet contract for the single-family homes in River Club. In order to pursue such a contract, a neighborhood area needs to be created that would allow a mechanism to bill only that grouping of homes for the cable and internet services. Many communities in the area have already entered into their own contract with Spectrum and are enjoying a considerable savings on their cable and internet bills. This amendment would allow the Litchfield by the Sea Board to seek and secure similar savings for single-family homes in River Club. River Club homeowners have voted overwhelmingly in favor of this measure. For your reference, the actual wording for the amendment is included in this mailing.

In addition, a power point presentation can be found at <http://www.litchfieldbythesea.com/> which explains why this vote is necessary and why all members should cast their ballot.

Please cast your vote by mail, email, or electronically so that we receive it by June 23rd, 2022. For the Special Meeting, 60% of the members must submit a proxy to meet the quorum requirements for a gov-

erning document change. Once the quorum threshold is reached, 75% of those proxies must be for the amendment.

The bylaws provide that if a quorum is not reached at the first Special Meeting, the Association Board may suspend the meeting and reconvene the meeting at a different date and time. The date and time for the second Special Meeting (if necessary) will be July 21st, 2022 at 11:00am in the LBTS Beach House.

If you have any questions regarding matters contained in this Notice, or on the voting of your proxy, please do not hesitate to call Waccamaw Management (843) 237-9551 for assistance.

For the Board of Directors,
WACCAMAW MANAGEMENT, LLC, AAMC
Managing Agent

Lisa Hergenrother

Lisa Hergenrother
Community Association Manager, CMCA, AMS

Enclosures:

- The meeting notice
- The proposed governing documents changes
- Memo from the LBTS Board regarding the proposed document changes
- Bios for Board Candidates
- The proxy

Proxies may be returned in one of the following ways:

1. Mailing address: Litchfield by the Sea
PO Box 2308
Pawleys Island, SC 29585
2. By email to amandak@waccamawmanagement.com
3. Electronically: <https://vote.associationvoting.com/lbts> and enter your Owner name and your LBTS account number (both are printed on the top of this notice).

Biographical Statements

Mr. F. Wayne Flowers (Oceanside) is an owner and Board member at Heron Marsh. He bought his home in 2016 and moved to Pawleys Island full time in 2018. Mr. Flowers has worked in various positions in public education for over 40 years – as a teacher, a principal and held positions in the district office. He has also served as Chief Operating Officer for Omni Med LLC and Med site Plus LLC. Currently, Mr. Flowers is self-employed at FW Investments.

Mr. Bob Gilman (River Club) -Married to Bonnie and have 3 children and 4 grandchildren and have been a full-time resident of The River Club since 2009. Served in US Army 1968 - 1970 and served in Vietnam. Worked for Bridgestone/Firestone Retail Operations for 42 years and held various field and home office management positions until retirement in 2009. Served as VP and Grounds Director for RCCO from 2010 thru 2019. Currently serving on LBTS Board and LBTS ARB. Pawley's Island is a great place to live and I look forward to doing my part to help LBTS successfully move into the future.

Mr. Scott Manhoff (West Side) - lives in Avian Forest and purchased his home in 2016. He lives in Pawleys Island full time. Mr. Manhoff was a college football coach at Grambling State University, University of Maryland Eastern Shore, Mariette College and Brown University. Currently, he is working in commercial real estate in Pawleys Island. He is licensed both in South Carolina and Maryland.



MEMO

TO: Litchfield by the Sea Owners/Members
FR: Litchfield by the Sea Board of Directors
DT: May 25, 2022

RE: Call for a special meeting and vote to authorize the LBTS Board to negotiate a contract with Spectrum to provide cable and internet services to River Club single family homes

The changes to the governing documents being proposed are for the sole purpose of creating a designated Neighborhood Area comprised of the single family homes in the River Club. The sole purpose for creating this Neighborhood Area is to give the LBTS Board the authority to enter into a contract with Spectrum that will provide cable and internet service just to the single family homes in River Club. LBTS would also obtain the legal ability to collect funds from River Club single family homeowners to pay for these services.

Many of the HOA's that are members of LBTS already have a contract for cable and internet services at advantageous prices. It is only fair that all members of LBTS are able to enjoy discounted pricing on these services.

River Club is not allowed to have its own HOA and cannot legally enter into a contract on its own. Litchfield by the Sea is the HOA for River Club. The LBTS Board supports the enclosed governing document changes and encourages all members to vote in favor of them.

At its meeting on April 27th, the LBTS Board re-affirmed its support of this measure and that the Board's only purpose for seeking the document changes is to authorize the Board to negotiate a cable and internet contract with Spectrum on behalf of the single family homes in River Club. That is the ONLY intended purpose for this vote.

To better help you understand this effort and why it is necessary, please visit <http://www.litchfieldbythesea.com> for a power point presentation on this initiative.

Thank you in advance for your support.

Managed by:

www.waccamawmanagement.com
info@waccamawmanagement.com



Pawleys Island Office
P.O. Box 2308
Pawleys Island, SC 29585
843.237.9551

Carolina Forest Office
P.O. Box 51558
Myrtle Beach, SC 29579
843.903.9551

Briarwood Office
605 Briarwood Drive, Suite C
Myrtle Beach, SC 29572
843.272.8705

Board of Directors of the Association for the purposes set forth in Section 2 of Article V. "Maximum Annual Assessment" shall mean and refer to the Annual Assessment calculated as set forth in Section 3 of Article V. "Special Assessment" shall mean and refer to the charges levied for the purposes set forth in Section 4 of Article V. "Neighborhood Assessments" shall mean and refer to the charges levied pursuant to Section 13 of Article V.

2. Article I of the Declaration is hereby amended to add subsection (z) as follows:

"Neighborhood Area" shall mean and refer to a parcel or tract of land which is intended for, and has been subdivided for use as a Residential Lot, Dwelling Unit, or Public and Commercial Unit and designated for such use on a recorded subdivision plat of Residential Lots, Multi-Family Tracts, and Public on Commercial Sites in the Office of the Register of Deeds for Georgetown County, South Carolina. The Neighborhood Area shall be comprised of the total number of Residential Lots, Dwelling Units or Public and Commercial Units within such subdivision or group of such subdivisions and may be subjected to Neighborhood Assessments applicable only to the Owners within that immediate Neighborhood Area of the Properties to undertake neighborhood internet, cable television and communication services and equipment, construction or maintenance for the benefit of those Owners. A separate nonprofit association may be created hereunder for each Neighborhood Area.

3. Article V, Section 1 of the Declaration is hereby deleted in its entirety and amended and restated as follows:

Section 1. Creation of the Lien and Personal Obligations for Assessments.

The Company covenants and agrees, each Owner of any Residential Lot, Dwelling Unit, Multiple Family Tract, Public Commercial Site, Public or Commercial Unit, Development Unit Parcel, or Unsubdivided Property, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay to the Association (1) Annual Assessments or charges; (2) Special Assessments or charges; (3) Neighborhood Assessments or charges for the purposes set forth in this Article, all such assessments to so fixed, established and collected from time to time as hereinafter provided. The Annual, Special and Neighborhood Assessments shall be a charge and continuing lien on the real property and improvements thereon against which each such assessment is made. Each such assessment, together with interest thereon at a rate per annum not to exceed the maximum rate permitted by law from the date of delinquency until collected (unless waived by the Board), and the cost of collection thereof shall also be the personal obligation of the person who is the Owner of such real property at the time when the assessment first becomes due and payable. In the case of co-ownership of a Residential Lot, Dwelling Unit, Multiple Family Tract, Public or Commercial Site, Public or Commercial Unit, Development Unit Parcel, or any Unsubdivided Property, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment, interest, penalties and cost of collection. If an assessment is not paid within thirty (30) days after the due date, a penalty in an amount to be determined annually by the Board of Directors of the Association and consistently applied shall be added to such assessment, and further, the Association may bring an action at law against the

Owner personally, and there shall be added to the amount of such assessment the Association's actual counsel fees and disbursements related to such action. In the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and such actual counsel fees and disbursements together with the costs of the action.

4. Article V of the Declaration is hereby amended by the addition of Section 13 as hereinafter set forth:

Section 13. Neighborhood Assessment. In addition to the Annual Assessment and the Special Assessment authorized in Sections 3 and 4 of this Article, when any area or portion of the Properties has been designated a Neighborhood Area for the benefit of Owners of real property within the area so designated, the Board of Directors of the Association is hereby empowered to levy assessments to be used for obtaining cable television and/or internet and communication services from cable television/internet providers for the benefit of the owners of Residential Lots, Dwelling Units and Public and Commercial Units for location within the particular Neighborhood Area of the Properties, payment of which assessment shall be borne by the Owners within such area only, such assessment being herein referred to as a "Neighborhood Assessment." A Neighborhood Assessment can be levied by the Board of Directors of the Association after a determination that the affected area of the Properties has such need of internet, cable television and communication services, as would justify the expenditure therefor or an agreement with a cable television and internet provider by or for the Owners who would be assessed and who would enjoy the benefits of such improvement or addition or service agreement with a cable television or internet provider or the provider of other communication services. The amount of any Neighborhood Assessment shall be fixed by a vote of the majority of the Board of Directors and the Assessment amount should be tied directly to the charges stipulated by the communication services provider.

5. Article VI. Section 3 of the Declaration is hereby amended by the addition of the following subparagraph thereto which shall provide as follows:

(y) internet, cable television and other communication services to Owners or Owners within a Neighborhood Area.

Except as amended by this Eighth Amendment to the Declaration and Covenants and Restriction of Litchfield-By-The-Sea Community Association, Inc., the Declaration as amended and set forth above in the first whereas clause shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed by the President and Secretary of The Litchfield-By-The-Sea Community Association by its President and Secretary as of the date first above-written.

[SIGNATURE PAGE TO FOLLOW]

LITCHFIELD BY THE SEA COMMUNITY ASSOCIATION, INC.
44th ANNUAL MEMBERS AND SPECIAL MEETINGS
SATURDAY, JUNE 25, 2022 – PROXY

The undersigned member(s) of the Litchfield By The Sea Community Association, Inc. appoints Amanda Karchner of Waccamaw Management, LLC, AAMC his/her assigns, as Proxy Agent for the above meetings and any adjournments or continuations thereof and stipulates that said Proxy Agent vote as so indicated on the following matters:

SPECIAL MEETING VOTE

The LBTS Board is in favor of this amendment and urges you to vote FOR this matter.

AMENDMENT (Article 1) (Article V, Section 1 and 13) (Article VI, Section 3) as stated in the Special Meeting Notice of May 25, 2022. The sole purpose of this amendment is to create a neighborhood area of the single-family homes in River Club which would allow LBTS to pursue an internet/cable contract on behalf of the River Club neighborhood area.

_____ FOR AMENDMENT _____ AGAINST AMENDMENT

ANNUAL MEETING VOTES

A. ELECTION OF DIRECTORS:

1. River Club representative CHOOSE or WRITE IN ONE

_____ Bob Gilman _____

2. West Side representative CHOOSE or WRITE IN ONE

_____ Scott Manhoff _____

3. Oceanside representative CHOOSE OR WRITE IN ONE

_____ F. Wayne Flowers _____

B. ELECTION OF TAX RESOLUTION: RESOLVED, that any excess Association income over Association expenses as defined in IRS Reg. 1-277-1 for the year ended 12/31/22 shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

_____ FOR RESOLUUITON _____ AGAINST RESOLUTION

C. MINUTES of the 2021 Annual Meeting of the Litchfield By The Sea Association, Inc.

_____ Approve _____ Do Not Approve

LBTS ADDRESS: _____

PRINT NAME: _____

SIGNATURE: _____ DATE: ____ / ____ / 22

PLEASE RETURN THE PROXY CARD or VOTE ONLINE
by JUNE 23, 2022