

South Hampton Homeowners,

Below is an update on our Special Meeting Petition.

On February 4, 2021 at 8:49 am, our attorney sent a letter to our POA attorney, Sheri McAllister, notifying her of this petition. Along with the letter were the signed petitions from more than the minimum 10% of homeowners' signatures to require the board to call a special meeting. And for your information, we have doubled the number of signed petitions since its mailing to Sheri McAllister.

The email to Sheri McAllister:

*Good morning Sheri, the Leontis decided to petition the South Hampton board to call a special meeting so that the board can provide the answers that the Leontis have requested for months, and that the board has thus far failed to answer. Attached to this email are petitions from 37 owners. We expect additional petitions to be signed. The board will note that the bylaws require as few as 10% of members to call a special meeting (or the board can call a special meeting on its own volition, which we requested, and the board declined), whereas this is over 20% of members. Obviously, members are concerned that the board has not been meeting its duty to keep the membership informed, amongst other potential violations of the Association's governing documents. As per my initial communication, we had hoped this step would be unnecessary, but the board has steadfastly refused to provide information that members are entitled to know.*

*Demand is hereby made that the board calls a special meeting for the purposes set forth in the petition. Please confirm receipt on behalf of the board and on behalf of the Association's secretary. While I hope you will accept this on behalf of your client, if your client requires that the petition be delivered to the secretary, please let me know the specific address before 3:00 p.m. today so that I can FedEx the petition for morning delivery tomorrow.*

It has now been 24 days since the petition was sent and acknowledged by Sheri McAllister. According to SC code, a board is required to hold the petitioned special meeting within 30 days of receiving the demand and the board is required to notify all homeowners not less than 10 days prior to the special meeting.

To date we still have not had a meeting schedule from the board or the POA attorney regarding our petition.

Bylaws section 3.04 Notice of Meetings states:

The Board shall cause written or printed notice of the time, place and purpose of all meetings of the members (whether annual or special) to be delivered, not more than fifty (50) nor less than ten (10) days prior to the meeting, to each member of record entitled to vote at such meeting.

March 6<sup>th</sup> will be 30 days from our petition demand and 10 days prior to the March 6<sup>th</sup> is February 24 (date of notice to homeowners). As you all know, we have not received a notice for the special meeting with date, time, and place. By SC Code, if the board does not schedule the meeting, then the Code allows the person signing the petition to schedule and hold the special meeting (but obviously we need the board there to answer the questions posed in the petition). Calling the special meeting on our own is still an option and we are considering calling the meeting using zoom.

Litus-To Let recently sent out a notice to all homeowners regarding their consideration to hold what they are calling a zoom **Town Hall Meeting**. The purpose is stated for all owners to talk about the Capital Projects recently completed, the mechanics lean, the special assessment as well as the rest of our 2021 plans.

We are not sure if the board is intending for the Town Hall Meeting to serve as the Special Meeting. If they are, it will be another violation as the SC code "Notice of Meeting" specifically states:

***Only those matters that are within the purpose or purposes described in the meeting notice required by Section 33-31-705 may be conducted at a special meeting of members.***

The purposes of our special meeting per our petition is as follows:

- 1) To require the Board of Directors to provide the following information:
  - a. How the special assessment will be spent, including an itemized breakdown of expenditures and amounts in the reserve account.
  - b. A detailed description of the emergency that allowed the Board to bypass Article IV, Section 4.7 of the Master Deed ("the HOA may levy, at any time and from time to time, upon affirmative vote of at least fifty-one (51%) of the total votes of the HOA, special assessments [higher than 10% of the prior year's budget]. .")
  - c. Why the Board decided not to inform members before it attempted to levy the special assessment.
- 2) To require the Board of Directors to address the members' questions about the special assessment (including financial justification to support the \$1,828,234.80 special assessment) and the status of the construction project.

We will continue to update the homeowners as we get information. We remain hopeful the board and management company will begin to do the right thing. We need them to be transparent regarding; our financials, project and financial management of the waterproofing/painting project, violations of our Master Deed, Bylaws and SC codes, board

meeting minutes not posted, and financial information to support an unapproved special assessment of more than \$1.8M on a project we were told would not require a special assessment.

Tom & Lynn Leonti 1109