Po Box 334 Edisto Island, SC 29438



February 24, 2021

Dear POA Members;

Greetings from Edisto. This will be my last official act as outgoing President of The Hammocks POA, sending out this annual letter to all POA members. I am stepping down from the Board after 6 years of service. Keith Martinko, Board member and current treasurer has been elected by the Board to assume the role of President.

2020 has now come to a close and there is much to share with you regarding The Hammocks. The community continues to deal with the impact of the COVID-19 pandemic, as with everyone else around the world.

All-in-all, life continues in our community with many homeowners keeping up with the challenges living in the Lowcountry and building The Hammocks community into a strong and vibrant place to live. We currently have 28 properties developed of the 59 lots in the community with 2 properties under construction and possibly 3 properties due to start within 2 years. Needless to say, the community is growing and there is great interest in The Hammocks as evidenced by the real estate transactions over the last two years.

It is important to re-iterate that we are a self-contained community, responsible for all aspects of operation (road infrastructure, community common areas, public boat ramp and dock, wastewater treatment plant) that allow for all of us to enjoy the lifestyle that is The Hammocks. While the details of the topics below will be covered during our annual POA meeting on March 20, it is important to provide you with an overview of 2020 activities.

The Hammocks POA Board Members

Dan Ellis – Past President (term expired 2020) Keith Martinko – President & Treasurer (term expiring 2022) Tony Hemphill – Secretary (term expired 2020) Rebecca Williams – Officer (term expiring 2022) Pat Redder – Officer (term expiring 2022)

The Hammocks ARB Members

Dan Ellis - Chairman Corey Merritt Dusty Benedict

Note: The terms for Board Members Dan Ellis and Tony Hemphill expired at the conclusion of the 2020 thereby vacating those seats. We therefore, have two open seats on the Board. Candidates for the two vacant Board positions have been fielded. They are Dr. Richard Davis Lot 19; Karen Dang Lot 12; and Kyle Osteen lot 25. Candidate bios are provided for your review.

Maintaining the integrity of the current Board is important given the current community issues that we

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face. Voting will be conducted via secure online voting platform to be concluded prior to the March 20, 2021 Annual POA Membership Virtual Meeting and will be outlined in a separate email to the membership. Results will be ratified at the March 20 virtual meeting. Instruction for voting will be communicated to the membership via email.

Proxies for members not attending the March 20 virtual meeting will also be executed via secure online voting platform. Instructions for proxy designation will be communicated to the membership via email prior to the March 20 virtual meeting.

A Growing Neighborhood

We now have 28 homes and 15 full time residents in The Hammocks. The Merritt's on Hammocks Way and Neeces have started construction of their homes and will be taking up residence within the next year.

We are excited to welcome recent new property owners to our community; Frank and Theresa Miley Lot 3; James Garvin Lot 4; Tom Paolucci lot 6; Al and Anne Corsetti Lot 21; Corey Merritt Lot 22; Bear and MaryAlice Woodrum Lot 26; Charlotte Heaton Lot 34; Jeff and Kathy Allen, Alan MacDonald Lot 35; Danny and Amy Kneece Lot 36; Jon and Kelli Rogers; Lot 37Richard and Maryanne Foote Lot 40; Kathryn Stevenson Lot 46; Paul and Barbara Hardy Lot 57; and Mac and Helen Tolar Lot 58. We look forward to helping them to enjoy the lifestyle of The Hammocks.

The Hammocks is now over 26 years old. We have a unique place that we can be proud of and with careful planning and diligent maintenance, will remain beautiful for years to come.

Treasurers Report

As you can see in the 2020 EOY statement, we were under budget by about \$17,488. This is fantastic and is reflected mainly as savings in the following three categories ... Legal, Road Maintenance and Security Gate ... and the lack of any major capital expenditures due to storm events or infrastructure breakdowns.

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The Legal expenditures were lower since we did not incur the anticipated legal costs of dealing with The Hideaways planned development (outside of our gate) due to Fraternal Properties delays. We expect these charges will start to show up in 2021 as activity has increased. Road Maintenance and Security Gate costs were held down significantly based on the in-kind donation of labor by members of the community. This budget windfall has allowed us to increase our reserves to approximately \$57,000.

As far as the 2021 budget is concerned, the numbers essentially the same overall (\$78,150 revenue - \$76,900 expenditures). We have asked our accountant to expand some of our existing accounting categories (e.g., Grounds Maintenance, Road Maintenance, Telephone and Utilities) to provide greater detail into how these costs apply to Jan Savage Road and the Wastewater plant specifically. This breakdown is important to do to show actual costs incurred in these areas to anticipation of a shared services agreement with Fraternal Properties that outlines the annual fees for The Hideaways lots outside of the gate.

Community Waste Water Treatment Plant

The waste treatment plant is now over 25 years old and, up until February of 2021 has been operating with original equipment. While the plant facilities were state-of-the-art when constructed, selected equipment was upgraded in 2015 and the plant has been operating to current standards of expected reliability and confidence. In 2018, a failure was detected in one of the 8 zones in the distribution (leaching) field. The failure was identified in the electronic switching mechanism within the zone transfer complex. The distribution system was brought back on line by bypassing the troubled zone in the field. We are now operating on seven out of eight zones for leaching. This can adequately handle the current flow demand of the community. The Board is exploring options/expense to repair Zone 3 of the leaching field. The Board is also considering the capital expense for reconditioning the pump house building.

Please be advised that the SC waste water permitting authority, DHEC, sets forth requirements in our permit for the treatment plant that all property owners accessing the facility should pump out their individual property solid waste holding tank every 10 years. This is to prevent any blockage that may occur when solid waste enters the effluent flow into the lines leading to the system holding tanks and ultimately pumped into the distribution field.

In September of 2020, we experienced a major issue at the sewage treatment plant that required immediate attention. Significant debris in the form of rocks, dirt and organic materials entered the pumping system via the sewage lines to the plant causing damage to the mechanical system. Additionally, foreign objects described as rubber gloves and possibly wipes have been drawn into the pumps impacting their operation. A recently installed pump required a complete tear down and rebuild to correct.

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The seriousness of these issues had the potential to cause a complete failure of the system. In the event of system failure, the community faced both the long-term costs of replacing the system as well as short term costs to pump the 30,000-gallon holding tank frequently.

Immediate action was taken by the Board to require all built property septic systems to be inspected by a qualified septic service. The inspections served to verify residential pump operation and properly sealed tank lids. Homeowners could opt to have their tanks pumped at the time of inspection.

The immediate problem was resolved through the overwhelming cooperation of homeowners with 95% compliant effort to resolve the problem and avoid potentially costly repairs to the system. Our wastewater consultant, Jim Houser, has advised that we have been trouble free for approximately sixweek inspection intervals. In addition to the filters remaining free of debris, our back up pump is back in service and fully functional.

Members are advised that The Hammocks DHEC permit to operate the water treatment plant will require renewal in 2023. The governing agency requires documented proof of pump out for each home owner's septic system within the previous 10 years. Knight septic (who conducted the built property septic tank pumping) is providing The Hammocks with a blanket letter listing all households that were recently inspected/pumped. We are requesting the same from Island Septic. For the few who did not address their systems recently, please forward the required proof on your preferred septic service letterhead in advance of permit renewal to Pat Redder, Board member responsible for wastewater treatment facility 607-327-0496. New builds after 2014 will be exempt.

This issue is a stark reminder of the importance of routine and preventative maintenance. Not only to the plant but to our individual septic systems. We achieved approximately 90% compliance to our request that individual homeowners inspect and/or pump their tanks. A reminder will be given during the March 20 virtual meeting that proof of pump out within the last ten years will be required for each homeowner as a condition of our wastewater permit renewal in 2023.

The pump house is in need of some minor siding repairs and exterior painting, including the badly rusted entry doors. I think they can be salvaged with a little effort and a couple coats of paint. We will be tackling that project when the weather breaks.

A first pass was made on trimming the perimeter of the leach field last fall and we should anticipate this expenditure at least once a year if not twice.

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Roads

Annual maintenance of Jan Savage Way continues to hold the conditions of our road system both inside and outside the gate at an acceptable standard. We have had significant rainfall and flooding this year and the condition of our roadways, both outside and inside the gate, were impacted requiring additional maintenance and repair.

This included spot filling pot holes and other low areas on the road with gravel mix as needed. Much of the shell sand surface on Hammocks Way, Tranquility Lane, Moon Rise Point and Moon Fever Court has continued to shift, yet no significant damage or long-term impact was experienced. Many thanks to Dan Ellis, Keith Martinko, Pat Redder and Vic Ketchman for volunteering much of their time to repair and maintain the road system.

Almost all of Painting Bunting Trail is showing significant erosion due to rainfall and flooding and will require additional attention and maintenance moving forward. This includes frequent scraping and filling of pot holes with gravel mix. The Board continues to evaluate a five-year community development plan to address the need for care and maintenance based on the growth forecast and development of the community. The Board expects to present this plan to the POA members sometime in 2021.

Community Boat Ramp and Dock

Tide changes continue to cause significant pluff mud build up on the boat ramp. Resident volunteers power-wash the ramp on a quarterly basis to stay ahead of problem. We apologize for any inconvenience incurred by boat owners using the ramp.

Security Gate

No major issues were encountered with the Security Gate system in 2020. Gate hardware, software and electronics are generally functioning as needed and we have a stock of replacement electronics if we experience any lightning related issues. Gate stabilization arms were replaced to take the stress off of the gate opening arms and hydraulic system. A special thanks to Pat Redder and Keith Martinko for using their creativity to manufacture, fit and install a set of replacement stabilization arms (since they are not readily available).

A refresh was performed on the resident database to remove previous lot owner information and add new lot owner information. The gate resident directory was adjusted to assign lot number to database index number aid in searching and updating in the future. Due to the influx of new lot owners, an additional 20 gate clickers were purchased during 2020 to keep up with the demand. Clickers that were not returned or transferred to new owners and gate access codes assigned to previous owners were

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disabled in the system as part of refresh activities.

One of our new owners in 2020, the Merritt family (Lot 22) has graciously offered to strip and repaint the entry gate on behalf of our community. This will be performed in two stages ... first the outer sections (non-movable) sections of the gate followed by the interior movable sections. The second phase will result in our gate being open temporarily during the work and we will make sure to inform the community in advance of the date and time. Thank you very much to Corey and his family for the generous offer and we look forward a fresh new look.

Discrete access codes and digital clickers are distributed to all POA Members. If you are not in receipt of a new digital clicker or need a code programed in for your property, please contact at Keith Martinko at 608-628-6704.

Landscape Debris and Trash Removal

A major ongoing operational expense for The Hammocks community is household trash, grounds maintenance, and landscape debris (yard waste) removal. We have negotiated a fixed fee services contract with New Island Landscaping. Services include regular household trash pick-up, grounds maintenance and grass cutting, and normal blow down yard waste removal.

Our sanitation service is running smoothly, thank you. For our new property owners, homeowners, and as a reminder to all who have rental properties our guidelines for garbage pickup. Household trash must be bagged and placed in garbage cans and is picked up on Monday mornings. Unbagged trash will not be picked up. Trash is hauled off and deposited in an 8-yard dumpster which we lease from Republic Services which is emptied every Tuesday. Household trash volume must not exceed the limits of your 95-gallon garbage can. If you need another can, please contact Rebecca Williams (917) 991-5194. Large household items (boxes, furniture, electronics, etc.) will not be picked up and are the responsibility of property owners to transport these items to the recycling centers on the island (Town of Edisto Beach and HWY 174).

Additional services outlined in the contract are grounds maintenance, lawn cutting of common areas, wastewater treatment facility, road sides, and normal yard waste removal. **Normal** yard waste resulting from blow down of tree debris should be staged curbside of your property for pick-up. This will be hauled off by our contractor contractors to their dump site. **Removal of yard waste resulting from contracted or individual clean-up of any lot will not be picked up and is the responsibility of the property owner to transport a yard waste recycling center or have said contractor haul off to their own dump site.**

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It's been a challenging year for the POA. Yet, we remain positive about our prospects for the future. Your Board looks forward to seeing you at our annual virtual meeting in March 20, 2021.

Details for logon for the virtual meeting will be communicated via separate email.

Best regards,

Dan Ellis

Dan Ellis Past President, The Hammocks at Jeremy Inlet POA