

WEST HYDE PARK PROPERTY OWNERS ASSOCIATION, INC.

REGULAR MEETING OF THE BOARD OF DIRECTORS

August 20, 2004

MINUTES

Pursuant to call, a Regular Meeting of the Board of Directors of the West Hyde Park Property Owners Association, Inc., was held on Friday, August 20, 2004, commencing at 10:00 A.M. at the Arrowhead I Meeting Room at Arrowhead Court, 9800 Queensway Boulevard, Kingston Plantation, Myrtle Beach, South Carolina.

The following persons, Directors of the Association, were in attendance:

- Bill Moore, President
- Chuck Ostendorf, Vice President, via conference call
- Kathleen Downing, Treasurer
- Bob LaVigna, Director at Large

Also in attendance were Al Cremen and Jan Rollins of Chicora Development, Managing Agent for the Association. Al Cremen served as Recording Secretary.

The following Unit Owners were in attendance:

- Marion Dyer, 10E
- Mr. Bruce Rhoads, 9E
- June Lattanzio, Unit 8B

APPROVAL OF MINUTES

A motion was made by Kathleen Downing, seconded by Chuck Ostendorf, and unanimously approved that the minutes of the May 21, 2004, Regular Meeting of the Board of Directors be approved.

FINANCIAL REPORT

Al Cremen presented the financial report noting that approximately \$32,616.00 is in the Operating Account as of August 17, 2004. The reserves account has \$145,905.97. The loan balance as of this month is approximately \$550,000.00. Due to a reduction in the insurance premium, there is a surplus of approximately \$43,000.00 in the insurance budget.

Kathleen Downing, Treasurer, reviewed portions of the financials. She distributed the Treasurer's report along with a draft spreadsheet, attached to these minutes as "Exhibit A". Discussion ensued on various accounts and how they should be set up. The

President noted that the spreadsheet prepared by Chicora's accounting department was in detail representing what was paid relative to what was budgeted. The spreadsheet placed each expense in the month it was anticipated to occur. Mr. Cremen stated that Mike Fanelli of Chicora Development would need to be consulted concerning requested changes to West Hyde Parks' account reporting. Questions on accounting expense, administrative expense, and legal expense will be researched by Chicora and reported to the Board.

KPMA REPORT

KPMA meeting is scheduled for August 21, 2004. President Moore noted that KPMA is responsible for clean up and tree work related to Hurricane Charley. KPMA has a budget overrun of approximately \$70,000.00-\$80,000.00 which is primarily due to tree work. He noted that KPMA had a special assessment for clean up after Hurricane Hugo. With Margate coming on line two months early and other areas under budget, hopefully, no special assessment will be necessary at this point in time.

The parking sticker issue will be revisited at the Saturday meeting. There has been discussion regarding adding additional parking spaces across from Buildings 18 and 19. According to email from Jim Grapes, the House and Ground Committee is in favor of doing this, but West Hyde Park must make the request to KPMA before they can go forward. The Board did not support adding additional parking spaces at this time. Discussion ensued regarding other modifications made at Kingston Plantation.

Litigation Status

President Moore stated that he had spoken with Luther McCutchen and that he had indicated that the Defendant had moved to bring third parties in on the suit and that the third-parties had moved to have actions against them dismissed. Hearings were held in June but we are still waiting to hear the judge's ruling. There is no timetable. This is a complex decision due to possible ramifications in the case.

OLD BUSINESS

Painting:

We are scheduled to paint six more buildings this year. The trim, decks, balconies and stairways on buildings 7-24 need painting. Buildings 1-6 were painted last year with Buildings 7-12 scheduled for this year. However, there was a miscalculation in the number of units resulting in an \$8,400.00 budget deficit. (There are three nine-unit buildings in Buildings 7-12.) The following scenario was discussed regarding painting of the buildings. At the same price per unit as was paid for Buildings 1-6 last year, paint Buildings 7-24 by the end of this year. Upon signing work order, we would make a down payment of 10% of the contracted amount and a \$20,000.00 payment by the end of the year with the balance to be paid in payments spread over next 3 years at no interest. The

end result in all this is that there would be no increase in the WHP budget and all buildings would be painted. This would also allow a contribution of about \$8,000.00 to reserves. All buildings would then be in same shape and we could go back on a painting schedule.

It was noted that the WHP reserve account does not lock in specific deposits and balances to specific reserve items. While the Board does maintain and publish a schedule of such items with their cost, estimated lifetime, etc., this is for planning purposes only. IRS regulations control what items may be on this list and monies accumulated to support these items. Without following these regulations, we would either be forced to not build reserves or show monies collected beyond current operating expenses to be profit.

Discussion was entered into regarding the amount that would need to go into reserves in order to have the full amount in reserves when the time comes again to paint. If the budget stays the same until 2008-09, we would have \$86,621.00 to do repainting. Concern was expressed on sticking with a schedule that goes out five years. The painter has indicated that there is a 5-7 year life for paint. It was noted that we need to have funds in reserve for this project. There was also discussion of going with a more disciplined maintenance approach that should make the buildings last longer. There will be some miscellaneous repair work prior to painting, including replacing or repairing some siding, fascia board, and gutters. There may also be some rotten wood. The approximate cost should be \$20,000.00 - \$25,000.00.

A motion was made by Kathleen Downing, seconded by Bob LaVigna and carried, to let the contract to paint the remainder of the buildings (7-24) by the end of the year, barring inclement weather, with the understanding of 10% down payment and \$20,000.00 at end of year with balance to be spread over next three years at no interest.

The contractor has indicated that he could start mid-September.

Powerwashing:

Powerwashing was completed as of August 16, 2004 on all buildings. It was noted that the company did a good job.

Gutters:

All gutters were cleaned out about two weeks prior to the storm. Unfortunately, it will need to be done again. Al has spoken with the contractor and he has agreed to do the gutter clean-out for the same price of \$60.00 per building. The maintenance person could do lower gutters. There was a suggestion to have a preventative maintenance schedule for gutter clean out twice a year.

Discussion was then entered into regarding gutter size and replacement.

Mr. LaVigna noted that he has a gutterguard system at his home and that it has worked well for five years.

The Board questioned the cost and type of gutterguard system the painter had indicated that he would furnish at his cost. Discussion was tabled until further research is obtained by Chicora.

Roofs:

The last roofing quotes obtained were \$89,000.00 for Buildings 19-24. It is the general consensus that ridge vents will help and are included in the price. Some "soft" spots were found that might need repair. The quote of \$89,000.00 is for a regular roof job. Some additional costs may be incurred for repairs. It was noted that approximately 30% cost for unexpected repair should be anticipated.

The contractor, RCB, inspected some roofs after the storm. Buildings 23-24, 3, and 12 need patching with Building 12 being the worst. They were also asked to inspect the other twenty buildings. They should have an estimate next week on damages.

Discussion was entered into on how reserves will be used to re-roof based on today's prices. The basic cost of roofing at today's rates will likely increase based on the assumption that we will be doing roofing for the next four years.

Three things were noted:

1. Make sure that the Board maintains an operating contingency.
2. Proper inspection reporting to the Board, by building, plus AI's monitoring.
3. Have a true full set of specifications that are reviewed and approved for beach environments.

It was noted that there had been two low bids with a 5% difference between the two. RCB has responded well in the past and has gone beyond the call of duty. They also do work for the Embassy. The roofer should have a list next week of the roofs that need immediate repair.

This discussion was tabled until further research is obtained. Motion can be done by email at a later date.

Storage:

Storage is a problem at West Hyde Park. Chicora has been working with Joyce at CCMC trying to find available storage space. The Board discussed the possibility of a metal shed painted to match the buildings, or adding an attachment to the pump house or perhaps creating storage under one of the decks. With further discussion, it was the consensus that KPMA would probably not approve any of these items just discussed.

Chicora noted that KPMA would not give approval for a small dumpster for limbs and other debris.

Storage room door replacement was discussed. The Board noted that the Association had gone to metal doors as replacement many years ago.

NEW BUSINESS

Manpower:

The Board acknowledged that the maintenance person, Lisa, has done a good job. If she can continue at this same pace, doing small maintenance repairs, it may not be necessary to hire another person. When painting begins, there may be additional maintenance that she will not have time to do.

Lisa's priority is to check garbage bins, check steps for any obstructions and then proceed with maintenance projects. Her work hours are five hours per day in the afternoon, Monday through Thursday. After Hurricane Charley she came in during the mornings. Lisa reports to Al and Al reports to the Board.

House and Grounds:

The Board discussed the issue of pets on the property. KPMA and Embassy Suites have a no pet rule but it is not enforced. West Hyde Park allows pets for owners only. Joyce from CCMC has said that it was left up to individual regimes as per rules.

The President noted that he is personally aware that renters are being allowed to have pets. He noted that these incidents need to be documented. There was discussion as to owners having some type of pet identification.

Management noted that shrubs in some locations on the property are in a depressed state and that the chips are in need of attention. There is an aging tree population on the property. Joyce Sorensen has stated that the trees are being trimmed. Safety issues with the trees will be taken care of first; then the cosmetic issues will be addressed.

President Moore will review the hurricane procedure memo with the KPMA Board at tomorrow's KPMA Board meeting. There are questions as to who is responsible for securing the property when a hurricane warning or evacuation notice is issued. He noted that there is no policy set up to identify workers who need to get into the property after a storm.

There has been spillage from the trash trucks during the busy summer season. Liquid spilling from the back of the trucks has been causing a bad odor. The trash disposal company has stated that water stands in the truck beds due to the amount of rain,

which causes spillage. It was strongly suggested to the company that they should wash out their trucks each morning before starting their routes.

Discussion was entered into regarding placing edging in some areas to keep the brick chips in place. There is a possible danger of people tripping or falling where the chips are on the sidewalk. This discussion was tabled as it was felt that West Hyde Park should not do this as a project.

Owner Correspondence

There has been a considerable amount of correspondence from homeowners in response to storm damage information. Pictures of the damage should be available soon.

ADJOURNMENT

A motion was made by Bob LaVigna, seconded by Kathleen Downing, and carried, for the meeting to be adjourned. The meeting was adjourned at 12:45 P.M.

Al Cremen
Recording Secretary

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ADDENDUM

The Master Association Board for Kingston Plantation held their Regular Meeting on August 21, 2004. As everyone was aware, there was extensive clean up required following Hurricane Charley. It was estimated that the cost of the clean up would be approximately \$100,000. The KPMA Board approved a one-time Special Assessment of \$75.00 against each homeowner to cover the cost. Individual regimes will be billed for their portion of the assessment and be responsible for the collection of the \$75.00 assessment from each homeowner.

Parking sticker procedures were finalized by KPMA. As it now stands, each homeowner will receive 2 stickers automatically in November. An additional 3 stickers can be obtained at a minimal charge. Requests for more than 5 stickers must be made in writing and approved by the KPMA Safety and Security Committee. More information will be forthcoming with the parking stickers that each homeowner should receive in November.

Judicial response to the litigation motions was received in late August. We anticipate an update and status from our attorney shortly and will provide information as it becomes available.