

**WEST HYDE PARK PROPERTY OWNERS ASSOCIATION, INC.**

**REGULAR MEETING OF THE BOARD OF DIRECTORS  
FEBRUARY 11, 2005**

**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, February 11, 2005, commencing at 10:00 A.M. at the Dover Meeting room at Brighton Towers, 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
- Kady Downing, Treasurer
- Bob LaVigna, Director at Large

Also in attendance was Al Cremen of Chicora Association Management, Managing Agent for the Association. Al Cremen served as Recording Secretary.

The following Unit Owners were in attendance:

- Marion Dignan, Unit 10E
- Joe and June Lattanzio, Unit 8B
- Jeff Meek, Unit 18B
- Jim Spring, Unit 20C

Bill Moore opened the meeting stating that Ron Brooks would not be able to attend this meeting. Ron Brooks gave Bill Moore his voting power. Bob LaVigna questioned if this was legal and asked Al Cremen to check.

***APPROVAL OF MINUTES***

A motion was made by Kady Downing, seconded by Bob LaVigna, and carried that the minutes of the November 12, 2004 Regular Meeting of the Board of Directors be approved as written with note being made that recording of votes be consistent in the future. Minutes will reflect actual votes.

**Financial Report**

Al Cremen presented the financial report noting that approximately \$20,091.00 was in the Operating Account as of February 7, 2005. There is approximately \$82,000.00 currently in the Reserve Account. The Association owes approximately \$400,000.00 on the loan. The Association paid \$90,650.00 out of Reserves for the roofs on buildings #19 – #24 and approximately \$32,000.00 for pre-painting repair work on buildings # 7 – #24.

Bill Moore posed the question about how the excess money from the previous year is moved around. It was noted that the Tax Resolution that is voted on at the Annual Meeting states that excess money is rolled over into the next year's Operating Account.

Kady Downing asked if the accounting of the funding for Hurricane Charley was being tracked. Management stated that all monies for the Special Assessment have been received and payment to KPMA made.

## **KPMA Report**

The last KPMA meeting was held on November 13, 2004 and was primarily a budget meeting. They did approve one new policy. That policy is that CCMC, a representative of KPMA, will inspect the property prior to any major work being performed, such as roofs. CCMC will then inspect the property after completion of the work to determine if any damage has occurred. If there was damage, the Association would then be required to repair damages or be assessed for the repairs.

One continuing item that will be brought up at the KPMA meeting concerns the conversion of the Laurel Court Meeting Room into office space for KPMA support staff (currently 1/2 person). It has also been suggested that the converted meeting room will serve as office space for other "CCMC" employees who support other regimes. At this time there is no intention to provide space for other management companies operating at Kingston Plantation (Chicora and Litus). Additionally, the Laurel Court Meeting Room is currently an income producer for KPMA but when converted would become an expense generator. To date, Bill Moore has opposed such an action and asked for the Board's concurrence for this position when and if it comes to a vote at KPMA meetings. Bob LaVigna agreed that all this is not consistent treatment for all regimes.

A motion was made by Kady Downing, seconded by Bob LaVigna, that should the Laurel Court Meeting Room be converted to office space it be made available to every regime's management company staff and not be limited to any one specific company. Chuck Ostendorf commented that the Board should be clear on their position, either for or against the Laurel Court Meeting Room being converted to office space. The possibility of KPMA hiring their own manager has been discussed over the past couple of years. If that were the case, KPMA might have to provide offices space for this person. An agreement was entered into over a year ago with Embassy Suites under which the hotel would trade the cost of repairs to the meeting room (estimated at between \$20,000 and \$30,000) in exchange for exclusive use of the room for a two-year period. It is currently unclear the status of those repairs (if any) and the amount of possible ongoing revenue. With the level of uncertainty about the various aspects of this conversion, it was apparent that the WHP Board would be premature in stating a position for or against the conversion, but would emphasize in any and all debate on the matter that WHP will only support an action that provides equitable treatment for all regimes. The motion, not voted on or withdrawn, was thus tabled for future action.

The KPMA budget for 2005 had been approved. While the budget increased by roughly \$180,000 over 2004, the per unit assessment actually decreased by some amount under a \$1.00 due to the increase of the number of units within the Margate coming online.

## **House and Grounds**

Jim Grapes was unable to attend the meeting so there is no report at this time.

Al Cremen has compiled and presented a chart of all 24 buildings indicating four categories where repairs are needed: storage doors, storage door lights, outside dryer vents and chimney caps.

Bob LaVigna reported that he spent about three days walking around the property and has compiled fifteen pages of notes. He is very concerned about some of the trees. Bob stated that he would compile a list so that the necessary action may be taken on items that need attention. He also stated that he is very concerned about flashing around some of the chimneys, especially on some of the building that have new roofs. Management will get with the contractor to insure there is flashing in the appropriate areas. Bob indicated that there are still problems with the trash. He indicated that it is not because of Roger, but is because of the maid service. Also, the garbage doors are still being left opened. Bob recommended applying a door closer or latching system (similar to the ones used on storm doors) on one building (#9) to see if it would help alleviate the door-closing problem.

Bob LaVigna mentioned that in seven years the buildings would be twenty-five years old. Even though the Association is currently maintaining the buildings, a plan should be in place that addresses future replacement of the doors and windows. This is something that should be brought up at the Annual Meeting to make the homeowners aware of the situation, and is something the homeowners should be thinking about.

## **Insurance**

At the last KPMA meeting last November, representatives from Marsh/McClelland and Puckett, Sheetz and Hogan Insurance agencies made presentations on the types of insurance written for KPMA and the regimes and the annual coverage process. They indicated the insurance rates could possibly go up as much as 5% to 15%.

Addendum: Following the KMPA meeting, Bill Moore and Al Cremen discussed insurance issues and alternatives with Puckett, Sheetz and Hogan. One possible action was to change the renewal date from May 2005 to December 15, 2004. This could have been done at the rate in effect in December without a penalty. This action would also enable the Association to have the exact insurance premium information at budget time.

The Board had at a previous meeting approved a motion, as suggested by our CPA, to write off the \$128,000 Due to Reserves entry from Operating and Reserve Accounts. Bill Moore suggested that if we pulled up our insurance renewal date to December 15, 2004 we would have surplus insurance collections over the course of the year that could be used to reduce the write-off. Bill Moore further suggested that the Board not attempt to re-do the 2005 budget at this late date, rescind the motion for the write-off entry, and actually move any surplus collections to the Reserve Account to at least partially satisfy the bookkeeping entry. This action would have the end effect of funding the roofing Reserve Account to a level allowing for a pull up in the roof replacement schedule by at least 6 months. On December, 4 2004, Chuck Ostendorf made motions that we pull back our insurance renewal date to December 15, 2004 and that we rescind the motion on the bookkeeping entry. Kady Downing seconded both motions and the Board unanimous approved each motion. Bill Moore subsequently received the renewals, signed them and our insurance now has an annual renewal of December 15, except for flood, which is paid at different times throughout the year.

It was noted that at one time consideration was being given to having all the regimes covered under one insurance policy. This is still being researched. Two years ago Embassy Suites, through Felcor, had tried to cover the regimes under an umbrella policy. There was a problem because some of the regimes ratio of rentals to owner occupied was too high and the insurance companies did not want to handle it. This last year they did not want to do it either. It was also mentioned that WHP might not want to tie in with another regime because we are not sure how well they are maintaining their buildings. If they should have a major problem this would affect us as well.

## **OLD BUSINESS**

- The gutter clean out is being done on buildings #7 – #24 by the painters. They are also installing the gutter guards along the way. Management will have Roger clean the gutters on buildings #1 – #6 as much as he can without putting him in harms way.
- The painting of buildings #7, #8 & #9 is completed, except for a couple of doors. The trim on buildings #10, #11, #12, #14 & #16 is in progress. Spraying of the main building has not been possible due to weather conditions.
- Roger Van Houter is our new maintenance person. He has been given specific items to work on. Also, he will be painting the garbage bin doors on buildings #1 – #6.
- We have completed the roofs on buildings #19 – #24. Management will do another walkabout to look at the items that Bob mentioned.
- Management talked with the person from State Wide who has the print for the low profile chimney caps. His price is \$654.00 installed.
- We have the five storage bin doors to do. Management has located a provider that has indicated that he could get to the doors in a couple of days.
- The lights over the storage bin doors are still a major problem. Roger has identified which lights are good and which are bad. Management has a contractor that will look at one building to see exactly what it will cost to repair the lights.

## **Litigation**

Dodson has brought in third parties, Rank and Chancel. Although they have been involved in lawsuits by other Kingston Plantation regimes, they are new to the WHP lawsuit and are allowed time for discovery and depositions. This causes everything to be delayed. On December 30, 2004 WHP was named in a lawsuit by Rank and Chancel. There is some area of disagreement as to who can sue Rank and for what. Rank's contention is that WHP agreed not to sue them and if someone else sued them then WHP would defend them. Rank is asking that we provide the defense against Dodson for them.

A homeowner comment was made that everyone should be kept up-to-date about the status of the lawsuit. If homeowners should sell their unit, they are required to disclose any litigation at the time of sale. Question was raised as to if a settlement or judgment was obtained this year, other than paying off the loan, would the Board consider lowering the association fees immediately or would they wait until the following year. It was noted that this would depend on the settlement and where WHP stands financially. WHP has spent a lot of money on repaying the loan and doing the termite repairs that would normally have gone into the reserves for roofs, door replacement, and replacement of chimney caps. All of this work would have been completed and our fees would have been less if the termite problem had not happened. If WHP receives a big check next month, the Board will likely move forward with the roofing project instead of scattering the roofs replacement out over the next few years. We may also proceed with the replacement of the chimney caps that will cost approximately \$45,000. The number one priority will be to pay off the loan. The second priority would then be to catch up on the things that we have put off. Then we need to see where we are as far as replenishing the reserves or if there is a chunk of money left we could either refund it or reduce the association fees.

Another comment was about when the 2005 budget was sent out with the break down it showed that approximately \$198.00 of the association fees was for the repaying of the loan. The homeowner might therefore be under the assumption that the \$198.00 would be removed from the association fees. The Board would have to see the exact amount received.

Addendum: Bill Moore made a trip to Myrtle Beach on March 31, 2005 to meet with Luther McCutchen and was deposed as President of WHP on April 1, 2005 for 2 1/2 hours by attorneys representing Dodson, Rank, and Chancel.

## **Other**

Bob LaVigna mentioned that his deck (building #6) has not been power washed and he doesn't think that any of the decks in buildings #1 – #6 have been power washed. Decks in buildings #7 – #24 have been power washed as part of the painting project. It was believed that it was not the case for buildings #1 – #6 when they were painted.

One other legal item, which was brought up about a year ago was about the deeds on buildings #19 and #20. Bill Moore, with the assistance of homeowner Linda Nordell, has been working with Pete Vanzant of Nelson, Mullins. Pete is preparing a letter and the necessary paperwork to amend our Master Deed to correct a Scrivener's error that apparently was made in amendment #10. While buildings #19 and #20 were initially identified correctly, somehow in amendment #10 their configuration was switched. In the actual deed, if traced all the way back to the type units defined in the Master Deed, indicates Unit #19D is 3 bedrooms/3 baths, when in fact Unit #19D is 2 bedrooms/2 baths. The tax office has it listed as 3 bedrooms/ 3 baths. One open question relates to whether or not this amendment can be simply filed by the attorney or if it requires Board approval.

### **New Business**

- The Board has two roofing quotes from RCB Construction, one is for \$13,575/5-unit building using a 30-year shingle and the second is for \$14,795/5-unit building using a 40-year shingle. Bob LaVigna stated that he felt very strongly that before we even went into the original contract for the roofing last Fall, that we should have had more information about the 30-year versus the 40-year shingle. Bill Moore suggested that while the 40-year shingle costs an additional \$1,220/5-unit building, it was an upfront expense that would show no benefit for possibly 30 years. The benefit would be a possible 10 years of extra wear. In other words, an investment of \$1,220/5-unit building would return nothing for 30 years. Bob LaVigna contended that the savings will actually begin on day one, as we have to budget for our roof reserves, instead of putting in \$100 per month we may only have to put in \$90 per month. There is another factor involved that has to do with the wind. The wind factor on a 40-year shingle is about 35 mph more than a 30-year shingle. This could make a difference during a hurricane. On a GAF roof you have a 10-year warranty on material and labor and it is not pro-rated. The pro-ration starts after 10-years and is backed by a bond by GAF if it is installed properly. It is not backed by the company that installs the roof. The warranty applies as long as the company is licensed and qualified by GAF. Bob feels the extra cost is worth it. Bob's breakdown was: Take \$1,000 per building, equals \$200 per unit. If you spread \$200 per unit over 10-years it is \$20 per year. Bob feels \$20 per year per unit, is worth it for the 40-year roof.

Since the quote from RCB on 40-year shingles was NOT for the highest level premium shingle with 110 mph wind coverage, was NOT GAF shingles, and was NOT for 10-year non-prorated warranty, it was suggested that we obtain additional information from RCB and that each Board member individually research and collect information from various sources that they may have available.

The Association had approximately \$90,000 reserve balance that could provide funding for the next phase of roofing (buildings #13 – #18) before Memorial Day. The Board will closely monitor available funds to determine the feasibility of

doing the third phase (buildings #7 – #12) in the fall. This is the most expensive group of buildings since it contains three 9-unit buildings.

Addendum: Conference call on March 11, 2005, Board members Brooks, Downing, LaVigna, and Moore in attendance. After some discussion and deliberation on 30-year versus 40-year shingle and the realization that the quoted 40-year shingles provided only an extension in warranty length, Bob LaVigna moved that we proceed with the 40-year shingle, Ron Brooks seconded. The motion failed with a tie vote: LaVigna and Brooks for and Moore and Downing against. It was requested that all members go back and do more research on shingles and meet again either by conference call or email.

After more research, financial analysis, and interviews with roofing contractors, Bill Moore entered a motion on March 24, 2005 that we proceed with the roofing of buildings #13 – #18 utilizing the same roofing materials and the same contractor as did for buildings #19 – #24 with the stipulation that the work begin immediately and be completed by Memorial Day. The motion was seconded by Kady Downing and approved on a 4-1 vote with Bob LaVigna voting against.

- On insurance, when we had the hurricane, KPMA said that if a tree falls on our building, we are responsible for the repair of the building. Bob LaVigna stated that he has checked into this and the responsible party is the party who owns the tree. We need to check for ourselves to see who is responsible. If we find that KMPA is responsible maybe they would be more interested in the pruning and trimming of trees.
- Travel Reimbursement for Board members was again discussed. The Master Deed states that while Board members cannot be paid for their services, they can be compensated for expenses. It was decided at this time that there would not be any reimbursement for the Board members.
- We cannot paint the electric meters boxes outside the buildings. They are the property of Santee Cooper and Santee Cooper is responsible for maintaining the boxes. Addendum: Further investigation by homeowner Jim Grapes and followed up by Al Cremen determined that we can paint the boxes if we chose to do so. We are currently in the process of starting the painting task.
- Kady asked if any homeowner had any complaints with security. The response was no problem at this time.
- It would be nice to send out a newsletter along with the minutes.
- There are potholes throughout WHP.
- The Annual Meeting will be held on Saturday May 28, 2005. Time and location to be announced. Addendum: The meeting will be in the Laurel Court meeting room at 9:00 on Saturday, May 28, 2005.

The next scheduled Board Meeting will be held May 27, 2005 at 10:00 A.M. Location will be announced. Addendum: The nest Board Meeting will be held in the Dover Room of the Brighton at 10:00 on Friday, May 27, 2005.

**Adjournment:**

Bob LaVigna made a motion that the Board of Directors meeting be adjourned, Kady Downing seconded the motion. The motion was carried. The meeting was adjourned at 1:30 P.M.

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Al Cremen  
Recording Secretary