

WEST HYDE PARK PROPERTY OWNERS ASSOCIATION, INC.

REGULAR MEETING OF THE BOARD OF DIRECTORS

MAY 21, 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, May 21, 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
- Sheila Myer, Treasurer
- Ron Brooks, Secretary, via conference call
- Bob LaVigna, Director at Large, via conference call

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

The following Unit Owners were in attendance:

- Kady Pownall, 15A & 15E
- James Grapes, 17E

APPROVAL OF MINUTES

A motion was made by Chuck Ostendorf, seconded by Sheila Myer, and unanimously approved that the minutes of the February 20, 2004, Regular Meeting of the Board of Directors be approved.

It was noted that the November 7, 2003, Special Meeting of the Board of Directors was a budget meeting and minutes were not recorded. A letter was sent to homeowners regarding the outcome of the meeting.

FINANCIAL REPORT

Al Cremen presented the financial report noting that approximately \$46,000.00 is in the Operating Account and \$130,000.00 is currently in the Reserve Account. The April Financial Statement was not available at this meeting due to a coding error on chimney repairs. Adjustment is to be made before sending out the report.

Bill Moore stated, with Board approval, that the contingency fund should be used when additional money is needed for a particular repair. He noted that the Board would like the financial report to show the amount of funds transferred to and from that account.

KPMA REPORT

KPMA Board meeting was held on February 21, 2004. The financials were discussed and it was noted that CCMC management fees doubled from the previous year. The reason given was that there was an error in the unit count and the fees had to be adjusted appropriately. Charles Collins, President of KPMA, stated that the budget was based on a percentage of persons, not on number of units. CCMC agreed with this finding and the overpayment is to be refunded.

Grounds

KPMA has extended the contract with Starwood by four (4) years. The contract is limited to a 4% increase every two (2) years. The contract was extended to allow Starwood to invest in more equipment. Starwood is willing to come into the regimes that have brick chips and to refresh, rake, groom, etc., as part of the renewal contract at no additional expense. They will replace brick chips where there were chips originally and will place mulch in other areas. The brick chips are to be maintained daily by Starwood. It was noted that colored rock might be an alternative to the brick chips.

There was a long discussion regarding the use of the brick chips.

Terminix:

A letter from Mark Risher, Branch Manager, Terminix Service, Inc., was presented to the Board and attached to these minutes as Exhibit "A". He referenced that when re-landscaping, stone, rock or crushed brick are the materials of choice. Mr. Risher also noted that if soil is removed, or added, around the foundation or if the baiting stations are disturbed that Terminix should be notified prior to such an event and will purchase the additional treatment required by the incurred changes. Failure to do so would terminate the agreement.

Miscellaneous:

The roadway dips have been repaired. Repair and renovation of the guardhouse was discussed and approved.

Last year, CCMC provided two parking stickers to each owner. The Safety Committee recommended that the number should be at least five stickers per owner. This recommendation is being tabled at this time. This issue will be discussed later this year. CCMC was instructed to send out stickers to those owners that requested them and to refund any money paid out for additional stickers.

The Executive Committee met with Hank Specht, KPMA Auditor, with respect to an article in the local paper. After discussion, a request was made and approved to select a new firm. The new auditor selected is Mark Quigley with the firm Moore-Kirkland and Beauston.

KPMA Annual Meeting:

KPMA Annual meeting was held on May 15, 2004. The new accounting firm was ratified. They also ratified the Starwood contract. The Board indicated that the insurance quotes came in lower than expected. It was mentioned that additional coverage was not available under the Felcor umbrella. Representatives from the regimes expressed interest in the possibility of full coverage for the regimes under the Felcor umbrella. CCMC will be following up on this matter.

At the February KPMA Annual Meeting, Charles Collins indicated that he would step down as President but would continue to serve as a Board member. There was an election and the slate of officers is as follows:

- Bill Williams, President
- Hess Davidson, Vice President
- Bill Moore, Secretary/Treasurer

OLD BUSINESS

Painting:

We are scheduled to paint six more buildings this year.

Roofs:

A scope of work was submitted to the contractors. This scope would allow contractors to bid the same work and allow the Board to compare bids. At this time, four bids have been received. If additional work is required, the scope can be changed and revised bids will be requested. Concern was expressed about the use of ridge vents in relation to West Hyde Park's proximity to the ocean. Bids were requested for 30-year shingles because most of the contractors had stated that there is about a 15 - 20 year roof life in this environment.

It was recommended that an engineer look at the specs for the roofing to insure the correct repair is being done in order to protect our investment. A recommendation on ridge vents should be obtained and based on that recommendation, a revised quote may be necessary. Discussion followed on the impact cost for 40-year shingles. Also, it was noted that pricing should be obtained on roofing eight buildings as opposed to six buildings. Installation of gutter guards was also discussed.

Litigation:

A letter from Luther McCutchen was sent to all Board members regarding the law suit and is attached to these minutes as Exhibit "B".

NEW BUSINESS

Auditor:

West Hyde Park is now using the same auditor as KPMA, which is Moore-Kirkland and Beauston. The preliminary audit is completed for 2003. Marc Quigley of Moore-Kirkland and Beauston will be at the Annual Meeting. The contract is about the same as the prior auditor.

A motion to contract Moore-Kirkland and Beauston as auditor for West Hyde Park for 2004 was made by Bob LaVigna, seconded by Chuck Ostendorf, and unanimously approved.

Insurance:

The insurance rate for 2004 was reduced by approximately \$15,000.00. It was noted that Terrorism insurance is not recommended at this time.

E-mail:

Addresses are sufficient at this time.

Maintenance:

Currently, one maintenance person is working four hours per day, five days per week. He has been working on repairing and painting garbage bin doors. He has replaced one of three utility doors. He is also cleaning gutters that are accessible and pressure washing some areas of the buildings. He has repaired some of the pickets on the porches and is doing miscellaneous clean up around the buildings. A work order summary will be kept to track maintenance work performed at West Hyde Park.

Improvements:

Painting at Buildings 1 - 6 is completed. Chimney repairs on Buildings 1, 2 and 8 are completed. Approximately fifteen garbage bin doors have been repaired. One utility door has been repaired. There is picket repair on some porches as well as minimum power washing. Accessible gutters have been cleaned at some locations. Repair work on the underground water leak at Unit #8 is completed. RCB contractor has checked and secured all chimney caps. There has been discussion about replacing the chimney caps. The estimated cost would be around \$150.00 per chimney cap plus labor for installation.

Homeowner Responsibilities:

A copy of the homeowners' responsibilities will be sent to all homeowners with a letter emphasizing that the homeowner is responsible for cleaning balcony decks, steps and railings. Repair of these items is the responsibility of the Association. It was noted that it may be beneficial to the Association to include balcony cleaning in the budget next year to possibly reduce some of the repairs.

Property Tax Information:

Information was sent to all homeowners stating that they should check with the Tax Assessor's office in regard to the proper identification of their unit. There is the possibility that units are being assessed as a three bedroom unit instead of a two bedroom unit. It is the responsibility of the homeowner to correct this problem.

Conference Calls:

The last conference call that West Hyde Park experienced cost approximately \$400.00. The Board is currently looking into other alternatives. Study has been done as to how other Boards deal with this matter. In some cases there was reimbursement. The Master Deed specifies what is appropriate. There was discussion regarding Board members paying out-of-pocket cost to attend a meeting at West Hyde Park and the Association paying \$300.00 to \$500.00 for other members to attend the meeting via conference call. There appears to be some imbalance in this procedure. Research should be done for a less expensive conference call rate. If possible, the Board should try to meet four times per year with the management company updating the Board with items of concern prior to the each meeting. Thus far, email has been working well to inform everyone.

Storage Area:

West Hyde Park's maintenance equipment is currently being stored at North Hampton because there is no storage area at West Hyde Park. The Board discussed the possibility of placing a storage shed in one of the isolated parking spots but that would require prior approval by Kingston Plantation. Starwood may also be contacted regarding storage at their facility. It was suggested that Canterbury might have space available for rent as a storage area in their parking garage.

It will be necessary to place a dumpster on property for disposal when work begins on minor repairs.

Golf Cart:

West Hyde Park owns a golf cart in conjunction with the other regimes at Kingston Plantation. CCMC has stated that they would pay West Hyde Park \$400.00 for their interest in the cart. The Board is considering this offer and contemplating using the money as a down payment on a cart for West Hyde Park, exclusively.

Maintenance Personnel:

The Board will review the budget to see if a second maintenance person can be added to the payroll for a short period to assist the current maintenance person. Most jobs require two people to perform the work efficiently. A daily maintenance ledger should accompany the financial report.

Future Miscellaneous Repairs:

The Board will look ahead to see what repair work will be needed for the rest of the year, plus, review the work to which it is has already committed. They will take into consideration that the insurance premium was less than expected and allow a buffer for unexpected repairs. Determination should be made as to how much money was over budgeted and redirect that money into additional roofing or painting. Board members need to study the financial statement to determine if funds will be available for future repairs.

The plywood being used on the chimney repairs is not treated. The contractors have indicated that the stucco is a protection barrier for the plywood and it is not necessary to use treated wood.

House and Grounds:

Jim Graves reported that bids were accepted for lake management and Southern was awarded the contract to treat the lakes. Many plants are either missing or dying and they will be replaced. When these plants are replaced, brick chips will be put back in place. Personnel have been working very hard on improving the sprinkler system. All the common bridges will be steam cleaned and sealed.

The roads will be resurfaced in the near future. There is concern about the sidewalk around Building #9. The cost of the repair is approximately \$1,500.00. Alternatives are being considered for the repair.

Concern was expressed about the speed of the lawnmowers in the area. Landscape employees have been asked to go slower due to safety concerns. Starwood is working to resolve this problem.

ADJOURNMENT

A motion was made by Bob LaVigna, seconded by Ron Brooks and carried for the meeting being adjourned. The meeting was adjourned at 1:15 P.M.

Al Cremen
Recording Secretary

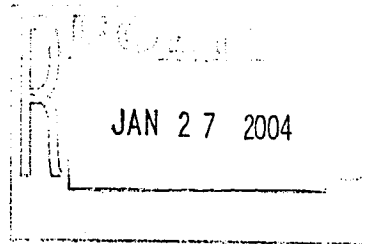
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January 21, 2004

CCMC
9776 Kings Road Suite H
Myrtle Beach SC 29572
Attn: Nora



Re: Letter of conformance to contract

Dear Nora;

First, I would like to apologize for the slow response time of my letter. I had a vacation at the end of December and I am just now getting caught up on my paperwork.

As for the question of what is the best thing to use when re-landscaping; stone, rock, or crushed brick are the best materials to use. These materials contain no cellulose material. Wood chips are not recommended. These contain cellulose and provide termites a food source around the buildings. Pine straw, though not usually eaten by termites, provides a perfect habitat for termites.

In the terms and conditions of your contract, it states that under Section 4 (Additions & Alterations.) In the event soil is removed or added around the foundation, or if Terminix termite-baiting stations are disturbed, purchaser will notify Terminix prior to such event and will purchase the additional treatment required by the changes incurred. Failure to do so would terminate this agreement. Also in Section 6 (Disclaimer) it states that this agreement does not cover and Terminix will not be responsible for damage resulting from or service required for termites entering any rigid foam, wooden or cellulose containing component in contact with the earth and structure, regardless of whether the component is a part of the structure. These conditions state you must give prior notice before altering the soil around the exterior, which you have. If the stations are disturbed, there will be a charge to replace the stations and there should never be any cellulose containing materials touching the buildings.

It is my professional opinion that the Cumberland Terrace Regime should refurbish the crushed brick or replace it with rock or stone around the buildings. I hope I have been of assistance to you in this matter. If you have any questions, please feel free to call me.

Sincerely;

Mark Risher
Branch Manager Terminix Service Inc.

MR/cb

Cc: file

Terminix Service, Inc. is an independent business licensed to serve
South Carolina, western North Carolina, & CSRA Georgia by The Terminix International Company, L.P.

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May 11, 2004

To: **West Hyde Park Property Owners Association Homeowners**

Re: **West Hyde Park Horizontal Property Regime and West Hyde Park Property Owners Association, Inc. v. Dodson Bros. Exterminating Co., Inc.**
Civil Action # 00-CP-26-4502

Dear Homeowners:

This letter will serve to update you as to the status of the above litigation. As you are aware, the Property Owners Association brought an action against Dodson Bros. Exterminating Company, Inc. for termite damage and consequential and related problems sustained at the property. The Complaint against Dodson has a number of causes of action and Dodson, in the last six months, has made an effort to bring in certain other parties as prospective Third-Party Defendants in the case. Motions related to these prospective Third-Party Defendants are being set for the second week of June, after which final depositions will be taken to complete discovery. All document production has been completed and it is anticipated that mediation will be set as soon as the Motions are heard, which are scheduled for the second of June.

In addition, at the Motion hearing, a Status Conference setting time frames for the final mediation and if unsuccessful, the timing of the trial of the case will be set by the Presiding Circuit Court Judge. It is anticipated that mediation would occur within forty-five (45) days after the Motions and Status Conference in early June and if the mediation is unsuccessful, the case will be set for trial at the earliest possible time allowable on the trial roster beginning in late Summer or early Fall. Information gained in other cases that have been brought in Kingston Plantation that had termite damage have been, and will be, of assistance in supporting the claims we have made in our Complaint. Prior to any mediation of the case, the undersigned will meet extensively with the members of your Board and will advise them as to all facets of the case, including the delivery of portions of depositions and

McCUTCHEN, MUMFORD, VAUGHT, O'DEA & GEDDIE, P.A.
ATTORNEYS AT LAW

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certain documents. The Board will be fully advised as to all issues related to the Complaint prior to undertaking any mediation of the case.

Respectfully,

McCUTCHEN, MUMFORD, VAUGHT
O'DEA & GEDDIE, P. A.



Luther O. McCutchen, III

LOM:sjr

GOLF CART RULES

1. All Golf Carts on Kingston Plantation Property must prominently display a CURRENT Permit Decal issued by the DMV.

Per SC State Statute 56-3-110 **Vehicles Required to be registered and licensed.** Every motor vehicle, trailer, semi-trailer, pole trailer and **special mobile equipment** vehicle driven, operated or moved upon a highway in this State shall be registered and licensed in accordance with the provisions of this chapter. It shall be a misdemeanor for any person to drive, operate or move upon a highway or for the owner knowingly to permit to be driven, operated or moved upon a highway any such vehicle which is not registered and licensed and the required fee paid as provided for in this chapter.

SC State Statute 56-3-115 **Golf carts; permit to operate on highways and streets.** The owner of a vehicle commonly known as a golf cart, if he has a valid driver's license may obtain a permit from the department upon payment of a fee of five dollars and proof of financial responsibility which permits him to:

- (1) Operate the golf cart on a secondary highway or street within two miles of this residence during daylight hours only; and
- (2) Cross a primary highway or street while traveling along a secondary highway or street within two miles of his residence during daylight hours only.

2. The OPERATOR of a golf cart on Kingston Plantation Property must be a LICENSED DRIVER and have proof of Financial Responsibility in their possession during operation. **EXCEPTION:** Hotel Employees who operate Hotel Golf Carts will have a driver's license from either South Carolina, another state or country, or be certified through a Hilton Driving Program.

SC State Statute 56-1-480 **Unlawful to permit unauthorized person to drive.** No person shall authorize or knowingly permit a motor vehicle owned by him or under his control to be driven upon any highway by any person who is not authorized to do so by this article or in violation of any of the provisions of this article.

SC State Statute 56-1-490 **Unlawful for parent or guardian to permit unauthorized minor to drive.** No person shall cause or knowingly permit a minor child or ward to drive a motor vehicle upon any highway when such minor child or ward is not authorized under this article or in violation of any of the provisions of this article.

3. All Homeowner owned golf carts must be registered with KPMA, licensed with the state and display the KPMA golf cart decal on the lower left side of the windshield or on left front of the body of the golf cart.
4. Hotel Personnel, Homeowners, and/or Renters who plan to operate a golf cart on KPMA Property must sign a HOLD HARMLESS FORM at the front security gate, before bringing the Golf Cart onto Kingston Plantation property. Owners who already keep a cart on the property have 30 days from the date of this Rule Revision to Sign the HOLD HARMLESS. Failure to comply will result in an order to immediately remove the Golf Cart from the property.
5. Homeowners, Hotel Personnel, and Renters using golf carts are responsible, at all times, for his/her own conduct, that of all members of their family, and that of any guest, tenant, lessee, renter or invitee, while within the perimeter of Kingston Plantation Property.
6. Homeowners, Hotel Personnel, and/or Renters who utilize Vendors to temporarily rent Golf Carts must register their intent to rent and sign a HOLD HARMLESS prior to delivery of the cart onto the premises.
7. It is the responsibility of the Homeowner and/or Renter renting the cart to insure that the Vendor has registered the cart with the DMV and that the proper decal is on the cart.
8. Vendors attempting to deliver carts either without or with expired DMV decals, or without prior Hotel, Homeowner/Renter notification or signed Hold Harmless having been place on file will be denied entry into

Kingston Plantation Property. Such Vendor will not be allowed to enter until all proper paperwork and notification are complete.

9. All injuries and/or accidents involving Kingston Plantation common property (including but not limited to roads, walkways, paths, and parking lots), must be reported to the KPMA Security Office located at the front entrance of the community within 24 hours. KPMA will not be held responsible for any accident or injury in connection with the use of any facility or common area by Hotel Personnel and/or Guests, Residents, their Family, Guests, Invitees, Tenants and/or Agents.
10. Golf cart operation is subject to the same rules and regulations of other motorized vehicles. These rules and regulations include but are not limited to the following: posted speed limits, stop and yield signs, turn signal use, operation in the flow and not against the flow of traffic, and use of the vehicle only by licensed drivers.
11. Golf cars must be equipped with proper operating headlights if they are operated during the evening hours. All rented Golf Carts must be equipped with operating headlights. SC State Statute **Section 56-5-4450 Times when vehicles must be equipped with lights.** Every Vehicle upon a street or highway within this State shall display lighted lamps and illuminating devices, excluding parking lights, from a half hour after sunset to a half hour before sunrise
12. A one-seat golf cart shall carry only one passenger, in addition to the driver.
13. A two-seat car is shall carry no more than five passengers in addition to the driver.
14. A three-seat golf cart shall carry no more than seven passengers, in addition to the driver.
15. Golf cart parking is permitted in lined parking spaces only – never on sidewalks landscaped areas, or patio areas.
16. Golf carts will be operated only on streets and in parking lots, never on sidewalks, boardwalks, bridges, or landscaped areas. EXCEPTION: Carts used by KPMA, it's Agents', Landscape and/or Maintenance Staff Personnel.
17. All Golf Carts while on Kingston Plantation property which will be parked for over 12 hours, of any 24 hour period, must be moved to an area, (parking space within any and all Regimes), not **NORMALLY** occupied by cars.
18. When not being used, golf carts are to be stored in garages or lined parking spaces only. They may not be parked on landscaped areas, streets, decks, patios, walkways, trash areas, or driveways.
19. Failure to comply with these Rules and Regulations, in their entirety, which are provided for the safety of the operator, passengers, homeowners/renters and guests, will result in the rescission of the vehicle KPMA registration permit, and implementation of the Violation Policy of KPMA and/or the individual Regimes.
20. KPMA Towing Polices shall apply to Golf Carts illegally or improperly parked.