

WEST HYDE PARK PROPERTY OWNERS ASSOCIATION, INC.

**SIXTEENTH ANNUAL MEMBERS' MEETING
MAY 22, 2004**

MINUTES

Pursuant to call, the Sixteenth Annual Members' Meeting of the West Hyde Park Property Owners Association, Inc. was held on Saturday, May 22, 2004, commencing at 9:00 A.M. at the Laurel Terrace Meeting room at Richmond Park, 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
- Bob LaVigna, Director at Large

Also in attendance was Al Cremen of Chicora Development, Managing Agent for the Association, who served as Recording Secretary. Bill Moore served as Chairman. Chuck Ostendorf served as the Proxy Agent for those members of the Association not present for the meeting.

For the meeting to be official, it is necessary that a quorum of at least fifty-one (51%) percent of the membership be present. The Recording Secretary announced the following:

Members represented in person	11.0%
Members represented by proxy	44.1%
Total members represented	55.1%

Approval of Minutes

The minutes of the Fifteenth Annual Members' Meeting of May 10, 2003 were presented. Upon a motion by Chuck Ostendorf, seconded by Sheila Myer, and unanimously approved, the minutes were approved as written.

Election of Directors

At this meeting, it was necessary to elect three Directors, each to serve a two-year term. Two of the incumbents, Ron Brooks and Bob LaVigna, had agreed to serve again, if elected. Kathleen Pownall was the only owner who submitted a nomination for the 2004 Board of Directors. There were no nominations from the floor. Upon a motion made

by Ron Brooks, seconded by Bob LaVigna, and unanimously approved, the following members were elected to the Board of Directors by acclamation:

- Ron Brooks 2 year term (2004-2006)
- Bob LaVigna 2 year term (2004-2006)
- Kathleen Pownall 2 year term (2004-2006)

President's Report

Bill Moore, President, presented an update of the activities for West Hyde Park. The Chairman explained the Board's philosophy of the last few years regarding maintenance and construction. With all the big items that we have been working on, we have tried to find the best value for the dollar. The annual budget was held to a minimum. It was not increased from last year. We have tried to do more with what we have. We tried to do more internal work by hiring our own maintenance personnel. Lastly, if it is a choice between putting our resources to something that is cosmetic, versus something that is functional to part of the operation, we have gone with functional.

Board Activities

The Board met six (6) times throughout the year for regular Board Meetings, Budget Meetings and several Special Meetings. We were involved in the KPMA selection of the Management Company and also the Management Company for West Hyde Park. We now have a new Management Company, Chicora Association Management represented by Al Cremen. We now have a new audit firm, Moore, Kirkland and Beauston, replacing Hank Spect. We also have a new garbage disposal company, Waste Industries, who replaced RSI. Insurance negotiations have been completed. We were able to reduce the premium by \$15,000.00 this year. We did not opt for Terrorism coverage but did continue with flood insurance. A letter was sent to homeowners in reference to their 2004 tax assessment. The letter in general stated that owners were not being taxed for the actual size of their unit. Some people were being taxed on 3BR-2B unit when, in fact, they had a 1BR-1B. If you have any questions about your particular unit, you need to check on it quickly because there is limited time.

Email

The Board and KPMA rely heavily on email. We still send out critical notifications and information, which was always provided to homeowners by regular mail, which we will continue to do. General information will be sent out by email. If you are a new homeowner and have an email address, or if you have changed your email address, please notify the Management Company so they can update their records.

Loan

The question is always asked how much we borrowed and how much did we spend. This is in regards to the termite problem, which we have been working on since 2000 doing all the repair work. In June of 2000, we borrowed \$500,000.00. In July of 2000, there was a special assessment to the homeowners for \$750,000.00. In August of 2001, the amount of money required to complete the renovation and repairs, along with rolling over the Centura loan, was put together into a \$1,250,000.00, 5-year loan at 7.75% interest. In 2001, right after we took that loan out, we paid off the Centura loan. Our current loan is for 5 years, adjustable in August. In 2002 it dropped to 5.75% and last year it dropped to 5.0%. The balance, as of this meeting, is \$615,000.00. Our payment is \$23,600.00 per month and we have 27 months remaining.

Work in Progress

- The rakes have been completed at a cost of a little over \$100,000.00.
- Roofing repair is an on-going project.
- Storage doors are in the process of being replaced. We are experimenting with three types of doors to see what is the best for replacement.
- We have delayed the replacement of the chimney caps, which is cosmetic. When we do replace the caps, it will be with a lower design.
- The gutters are currently being worked on.
- Currently working on the garbage bin doors.
- We have repaired some of the chimneys.
- Painting on Buildings 1-6 is completed.
- Currently working on gutter cleaning, pressure washing and cleaning out trash bins and sweeping steps.

2004 Plan

- Chimneys are being inspected and repaired as needed.
- Roofs are over 15 years old and are in bad shape. We are looking at about \$350,000.00-\$400,000.00 to replace all the roofs. Three bid packages are in. We are looking at putting in ridge vents for better ventilation. The vent boots will be replaced. Current plans, with our current level of reserves and current budget, are to do roofs on at least six (6) buildings this year, Buildings 19-24.
- Painting has been completed on Buildings 1-6. Current plans are to do Buildings 7-12. The Board will determine at the September meeting, based on where we stand with the budget and final quotes that we have on the roofs, to either do more roofs or more painting.

Homeowners Comments

- There are some concerns of the maintenance person's limitation and ability to perform the tasks that are asked of him. There are some buildings that have mold that has not been addressed, and there are some decks that are in need of repair

that have not been addressed. It is almost impossible to handle that much work with a 20-hour work week. Bill Moore responded that the Board has looked at the current budget and decided to add on a second person, at least through the summer, and maybe to the end of the year. Most of the jobs require two people to accomplish the job efficiently and in a timely manner. Also, Bill pointed out that power washing decks, balconies, stairs, handrails, etc., is not the Association's responsibility. The maintaining (cleaning) of these areas is the responsibility of the homeowner. The maintenance (repairs) of these areas is the responsibility of the Association.

- It was suggested that all the buildings be powerwashed to prevent further damage to the balconies and decks.
- The lights above units are the responsibility of the Association. They have been a problem for quite some time. This problem is being addressed on a case-by-case basis. If you should have a problem with the lights, contact the Association manager. At this time it could cost up to \$40,000.00-\$50,000.00 to repair the lights. The Board has decided that at this time it is not worth the expenditure to repair the lights while we are trying to pay down the outstanding loan. When we get financially healthy, then we can address this and other issues.
- The gutters in the entire development are in much need of cleaning. This has been discussed for the past three years with nothing being done. It was suggested that we look at gutter guards as a preventative measure. Board member Bob LaVigna suggested that a survey be sent out to the homeowners with specific items, i.e., lights, gutters, power washing, door repair, etc., with an estimated cost and let the homeowners decide what should be done.

Litigation Update

In the handout, there is a letter from our attorney, Luther McCutchen, on the current status of the lawsuit, attached to these minutes as Exhibit "A". While several other regimes have settled their lawsuits, WHP is still in the process. The Board is basing its budget and operations on current revenues and expenses and not trying to anticipate amounts which might be received from the lawsuit. Any information that the Board receives that is non-confidential will be forwarded to the homeowners.

KPMA Report

The KPMA Annual meeting was held on May 15, 2004. The Starwood landscaping contract has been extended for another four years. The regimes are very positive on the work performed by Starwood. They have addressed the brick chips and mulch, and as part of the contract renewal the brick chips at West Hyde Park are going to be replenished, groomed, cleaned and kept that way.

If there should be any questions or suggestions, Jim Grapes is West Hyde Park's representative on House and Grounds for KPMA and our direct link to Starwood. You may contact Jim at WHP extension 4500 or (843) 450-8213.

C.P.A Firm

The new C.P.A. firm for West Hyde Park and KPMA is Moore, Kirkland & Beauston.

KPMA Projects

There has been an ongoing KPMA project for replacing the overhead lights. They are also repairing some of the big dips in the pavements. KPMA has on their agenda to do all the roads at Kingston Plantation. KPMA is also addressing the raised sidewalks throughout the Plantation.

Everyone should have received copies of the parking regulations and the new golf cart regulations, attached to these minutes as Exhibit "B". They are being enforced. There was some discussion about the golf cart regulations. It was agreed that there is not enough parking spaces during the prime season. It was also agreed that a renter who brings a golf cart must follow the same golf cart regulations as the homeowner. There should be no special privileges awarded to anyone by KPMA or West Hyde Park.

Biker Week

Biker week is next week and it seems to have improved over the last few years. Extra security and staff are added during Biker week at the expense of the hotel. We are fortunate and have experienced minimal problems during that week.

Insurance

KPMA has chartered CCMC to do a study regarding collective coverage of the regimes under Felcor. We attempted this on a regime basis but were unsuccessful. A large part of the coverage, such as flooding and fire insurance, has not been available because of the level of rental vs. non-rental properties. There would be considerable savings if coverage could be obtained under that umbrella. It was noted that KPMA saves money each year with this type of coverage.

KPMA Meeting

KPMA had their meeting last week and their new slate of officers is as follows:

- Bill Williamson – President
- Hess Davidson – Vice President
- Bill Moore – Secretary/Treasurer
- Jim Grapes – House & Grounds
- Bill Moore – Audit Committee

Financial Report

At present there is approximately \$15,000.00 in the Operating Account. We have approximately \$130,000.00 in our Restricted Reserve Account. There is a \$619,000.00 outstanding loan with First Southern Bank.

Physical Property

One problem that West Hyde Park has is the lack of storage area. All materials being used are being stored at another location. We are trying to find or rent space to store materials closer to the property for improved efficiency with our maintenance person. Some activities currently taking place are:

- Pre-cutting plywood for garbage bin doors.
- Repair of some garbage bin doors.
- Replaced one utility door.
- Cleaned some gutters on a few buildings.
- Some power washing around the garbage bin area.
- Repaired some pickets on a couple porches.

Should anyone have any concerns or problems, please do not hesitate to contact Al Cremen at his office (843) 272-1123, extension 290.

Accountant

Marc Quigley represents the accounting firm of Moore, Kirkland & Beauston. This is the firm's first time working with the West Hyde Park Board and Chicora. Their office is located in Hartsville, South Carolina, just outside of Florence.

A Draft Audit report has been given to the Board of Directors. The final Audit report should be available within the next two weeks. A copy of the final report will be attached to the minutes of this meeting.

Tax Resolution

Resolved that any excess of membership income over membership expenses, for the year ended December 31, 2003 as defined in the Internal Revenue Code Section 277, shall be applied against the future expenses, as provided by IRS Section 528.

A motion was made by Ron Brooks, seconded by Sheila Myer, and unanimously approved, to accept the Tax Resolution.

Miscellaneous

A plaque was presented to Ms. Sheila Myer for recognition of her outstanding work for the homeowners of West Hyde Park.

Adjournment

Sheila Myer moved to adjourn the meeting at 11:00 A.M. Chuck Ostendorf seconded the motion. The motion carried.

Al Cremen
Recording Secretary