

**DRAFT ONLY**

To be approved at the next annual meeting.

**CAROLINIAN RESORT HOMEOWNERS' ASSOCIATION, INC**

**SIXTH ANNUAL MEETING MINUTES**

**FEBRUARY 12, 2010**

The sixth annual meeting of the Carolinian Resort Homeowners' Association, Inc. (HOA) was held on February 12, 2010 at 2:00 p.m. at Magnolia's at 26<sup>th</sup> Restaurant Conference Center in Myrtle Beach, South Carolina. All present received an agenda, minutes from the last annual meeting, copies of the annual audit report, and an insurance information packet.

Mr. Paul Lohman, of Resort Association Management welcomed all present and introduced the head table. Those introduced were: Patrick Lowe of Strand Capital, Loyd Daniel of Strand Capital, and Jack Green. Also introduced were Ray Harter, General Manager of the Carolinian Resort and Frans Mustert, President of Oceana Resorts. Mr. Lohman stated that Bert Anderson was not able to attend the meeting.

Mr. Lohman presented the "Proof of Notice" of the mailing of the notice to the membership of the annual meeting. The "Proof of Notice" will be maintained in the HOA's corporate records. Mr. Lohman stated that there was not a quorum for the meeting since only 46.662% of the ownership was represented in person or by proxy. Mr. Lohman stated that official business could not be conducted at this meeting because there was not a quorum.

Mr. Lohman proposed an approval of last year's minutes and a motion to suspend the reading of the minutes. Mr. Lohman asked for a motion for the minutes to be approved. A motion was granted, seconded, and passed.

Mr. Lohman turned the floor over to the independent auditor, Aaron Harrison, for his presentation of the audit of the financial statements as of December 31, 2009. Mr. Harrison presented his report and also

explained that there was a 2010 and 2009 comparative budget for owners to look over. An owner asked a question regarding the funding of the reserve account. Mr. Lohman stated that it was 68% funded and he was pleased with that amount as compared with 2008. Mr. Harrison concluded his report. Mr. Lohman stated that the dues increased 5.86%. Mr. Daniel stated that a policy change on billing for the telephone and internet service explains the increase. Previously, those charges were not included in the dues. The telephone and internet cost approximately \$62,000. An owner asked if the HOA had signed a new cable contract. Mr. Daniel replied that the HOA had and it is provided by Time Warner Cable. Mr. Mustert stated that the building is now hardwired and wireless and the cost is approximately \$1 more per unit per month.

An owner asked a question about the corridor care cost going down. Mr. Lohman stated that volume efficiency with Oceana resulted in renegotiated rates. An owner asked a question about parking deck rent. Mr. Lowe responded that this cost is with regard to the code required number of parking spaces now located in the 2600 North HOA parking deck. The Carolinian HOA pays its pro rata costs based on the number of spaces it is allocated in the parking facility.

At this time Mr. Lohman gave a property report.

**2009 repairs and upgrades:**

1. New pool furniture.
2. New outdoor furniture.
3. Installed new pool drains. (DHEC regulation)
4. Acid bath for lazy river.
5. Replaced lazy river motor.
6. New pool heater.
7. Installed two new pool gates.
8. Pool enclosure expense.
9. Pool gates repaired.
10. Plumbing leak fixed.
11. Windows cleaned in elevators.
12. Laundry and trash chutes inspected and repaired.
13. New signage.
14. Installed new foot showers.
15. Lighting replaced.
16. New canopy lighting.
17. New garage lighting in stairwells.
18. Rebuilt wooded garage ramp.
19. Replaced copper in boiler room.

20. Pest removal service for pigeon problem.
21. Corridor hallways painted.
22. Seasonal landscaping.
23. Contributed \$5,000 for legal fund lawsuit requiring the removal of all pool enclosures.

**2010 budgeted repairs and upgrades:**

1. Pool pavers.
2. Parking deck gate.
3. Tile elevators and elevator lobbies. (1/2 to be completed in 2011)

At this time Mr. Daniel gave a summary of the insurance packet information distributed to all in attendance. Mr. Daniel stated that Wells Fargo surveyed approximately 52 markets for quotes. Mr. Daniel stated that the insurance was part of a captive, which allows for negotiation of the best rate possible with reinsurance carriers. Mr. Daniel stated that the HOA policy includes wind driven rain. Mr. Daniel stated the HOA budgeted for a 5% increase in the cost of insurance but remains optimistic that the rate will be flat.

Mr. Lohman stated that RAM's website: [www.ramresorts.com](http://www.ramresorts.com) contains pertinent HOA information including: Master Deed, audit reports, Annual Meeting minutes, insurance information, and contact information for RAM.

At this time Mr. Lohman opened the floor for owner questions and comments and reminded owners that rental questions do not pertain to the HOA meeting. Mr. Lohman stated that Mr. Harter would be available after the meeting to answer rental questions.

**Q:** Are unit owners responsible for damage done to their unit by another unit leaking into it?

**A:** HOA is not responsible for the inside of any units; HO6 policies cover the inside of units. The HOA is discussing the possibility of a common HO6 policy to reduce the rates for all homeowners.

**Q:** How soon could a common HO6 policy be implemented?

**A:** Potentially, around June 1, 2010.

**Q:** Outside lighting around building is on during the day wasting electricity and causing the bill to go up.

**A:** Outside lighting is on a timer set to go off at 7:00 a.m. The timers will be checked to ensure they are not set incorrectly. All outside lighting except for the flood lights are now CFL.

**Q:** The pool towels smell bad.

**A:** The HOA will follow up with the pool towel supplier.

**Q:** Is contract labor decreasing due to the economy?

**A:** The HOA seeks competitive bids for outsourced projects and we have noticed a general reduction in labor rates.

**Q:** What progress has been made on the property tax appeals?

**A:** Strand Capital Group, LLC offered this option service to owners. Other owners choose to appeal their values directly without representation. The Board believes the appeals decisions are still pending processing by the Horry County Assessors Office.

**Q:** How many units are for sale or being foreclosed on?

**A:** An Oceana representative reported that 15 units are on the market.

As there was no other business to discuss the meeting adjourned at 3:07 p.m.

Respectfully submitted:

X \_\_\_\_\_

Secretary

Acknowledged:

X \_\_\_\_\_

President