



HARBOURMASTER VILLAS

REGIME ONE

MINUTES OF THE ANNUAL MEETING - APRIL 09, 2011

The Annual Meeting of the Harbour Master Villas Regime was held on Saturday, April 09, 2011 at the Shipyard Beach Club in Shipyard Plantation, Hilton Head Island, South Carolina. In attendance were Larry Rubenstein, Joy McNeil, Stephen Allen & Gloria Henninger representing the Board of Directors. In attendance and representing Association Services, Inc. (hereinafter referred to as "ASI") were Patrick Thompson and Maureen Marvin. Brett Pruehs represented McNair Law Firm for legal advice.

ROLL CALL: The roll call of members established that a quorum was reached with owners present in person or represented by proxy. The proof of meeting notice was verified.

MINUTES OF PREVIOUS MEETING: A motion was made and seconded to approve the minutes of the 2010 Annual Meeting as presented. The motion passed unanimously.

REPORT OF OFFICERS:

FINANCIAL PRESENTATION - Mr. Thompson reviewed the Balance Sheet for the period ending February 28, 2011. He reported that the Operating Account Balance is \$9,292.37; the Money Market Account balance is \$77,831.74; the Insurance Reserve Account balance is \$113,887.04 and the Carolina First Insurance Account balance is 11,558.47. Mr. Thompson reported that the insurance renewal is April 15th and two proposals were being obtained.

Mr. Thompson reviewed the Income and Expense Statement for the period ending February 28, 2011 noting variances. He reported that for the year HMR is under budget by \$4,491.09. He reviewed each line item in detail. He noted that the regime had purchased a \$500 Building Permit from Shipyard for the property which is available to all owners. He reported that the Reserve Transfer of \$3,500 is being made monthly along with the Insurance Transfer.

2012 Budget – Mr. Thompson reviewed the approved budget and reviewed any changes. He noted that there was an increase in Management Fees due partially to increased requirements in delinquency processing. He advised that there will be additional DHEC requirements in the coming year. He reported that the Insurance fee will remain in the budget and the Reserve Transfer was increased from \$3,500 to \$5,800 monthly. Mr. Thompson advised that the total monthly budget is \$28,753 which is a 1% increase. It was reported that there would be a slight increase in regime fees for all units ranging from \$4 to \$7. A motion was made and seconded to approve the 2012 Budget. The motion passed unanimously.

Common Grounds – The prior year was discussed. It was reported that substantial tree trimming was done on the property, decks were completed behind the 200 Building and the ongoing roof cleaning and irrigation repairs were performed. It was noted that work is currently being done on the erosion issue along the creek behind the 400, 800 and 1200 Buildings. It was advised that discussion had occurred with the golf course and Shipyard Plantation regarding whose responsibility the lagoon is. The work that is being done is a temporary solution until further determination can be made regarding ownership of the lagoon. It was

reported that new entrance lights were installed, the driveway repairs were completed, the parking spaces were lined and major shrub trimming was done around the property.

It was noted that the power washing will be done in May on all the short walls including the service yard walls, the kitchen walls and the sidewalks. It was advised that additional lighting is being researched to be installed around the 100 Building.

ELECTION OF BOARD OF DIRECTORS: It was advised that Steve Allen and Gloria Henninger would not be running for another term and Mr. Tingle had resigned and will not serve another term on the board. Jeff Covinsky and Elwood Bish are on the ballot and a third candidate will be needed. The floor was open to nominations and a nomination for Sue as a candidate for the Board of Directors. A discussion occurred regarding whether the candidate was eligible to serve on the Board based on residency requirements. Further discussion occurred regarding residency requirements and the Master Deed and By Laws. It was advised that the Board of Directors voted at a prior meeting and determined that Sue was not eligible to serve on the Board due to not meeting the residency requirements.

A volunteer was solicited to serve as a monitor for the ballot counting. The ballots were distributed, the votes were counted and the proxies were assigned. The ballots were tabulated and the results indicated that Jeff Covinsky and Elwood Bish were elected to serve terms on the Board of Directors.

New Business:

Insurance – It was reported that the insurance prepay has gone well.

Reserve Study – It was noted that the Reserve Study will be reviewed and potentially updated.

Governing Documents – It was reported that the Master Deed and By Laws will be closely reviewed by the new Board of Directors. Additionally the Rules and Regulations will be closely reviewed.

Open Discussion:

An owner questioned if the new DHEC requirements were due to Harbourmaster being a commercial property and Mr. Thompson advised that this was accurate. A discussion occurred regarding the ability to convert the property from commercial to residential. The Board will obtain an attorneys opinion regarding the matter.

Mr. Thompson advised that new DHEC requirements are in place that will require monitoring the cyanuric acid levels. This will require switching from stick chlorine to liquid or switching the pool to a salt water system.

An owner questioned the dark area located near the entrance to the 800 parking lot before the 1000 building. A discussion occurred regarding lighting.

An owner questioned insurance regarding renters and the Health Institute. Mr. Thompson will question the insurance agent for further information.

An owner questioned the federal regulation for allowing wheel chair access to the pool. It was noted that DHEC would not be enforcing this regulation. Further discussion occurred.

An owner questioned replacing sod in some areas of the property. A discussion occurred regarding the ability to grow grass in these areas due to the tree coverage and high root elevation.

Vote on By-Law Amendment:

The ballots were distributed for the By-Law amendment. It was noted that the By-Law change required that any board member delinquent more than 60 days will not be allowed to serve on the board. The ballots were tallied and it was advised that the vote passed with 56% approval.

Date of Next Annual Meeting: It was advised that the BOD meetings are held on the third Wednesday of every month at the ASI offices. He reported that the meetings were open to any owners who cared to attend. It was reported that the next BOD Meeting will be held this Wednesday, April 13, 2011.

It was reported that the next Annual Meeting was scheduled for Saturday, April 13, 2012 at 9:00 a.m.

There being no further business, the Meeting was adjourned.

Respectfully submitted,

Patrick Thompson

Community Manager

Note: Meeting minutes are independently transcribed from a digital recording and are intended to provide only a reference summary of the proceedings and not a verbatim record of it. Associations Services, Inc. does not retain copies of meeting recordings.