

THE ESTATE AT WESTBURY
ANNUAL MEETING
WEDNESDAY, DECEMBER 10, 2014

REGISTRATION AND CALL TO ORDER

The Estate at Westbury Annual Meeting was called to order on Wednesday, December 10, 2014, at 7 p.m. at 85 Kensington Boulevard, Bluffton, SC.

INTRODUCTION OF BOARD MEMBERS, STAFF MEMBERS AND REPRESENTATIVES

Board members Jennie Krogulski, David Gauvin, James Kreicher, Warren Johnson and Guyla Daley were present. Jeff Corry and Amanda Pfeiffer represented ASI. Attorney, George Mullen and Peter Sherratt also attended.

PRESENTATION BY MULLEN WYLIE REGARDING BUILDING LITIGATION SETTLEMENT

Construction litigation lasted almost 4 years because the original contractor filed bankruptcy. Mr. George Mullen and his law office represented the Estate at Westbury. Mediation took place at the end of October 2014 and the property received a settlement of \$9.5 million. It is one of the largest settlements received in our area. The law firm will receive a third of the settlement. Mr. Mullen informed about details of the case. He stated that major problems with the building that were discovered were roof to wall intersection at 28 locations, windows, decks, and shear wall. \$3.3 million has already been received and is kept in attorneys' trust account. Remaining funds will be received in January 2015. It is not exactly known how much was borrowed from the property's Reserve for the lawsuit. The Board plans to repay \$250,000 into the Reserve account. The rest of the funds will be protected and used solely for repair of the buildings.

Mr. Mullen stated that no major plumbing issues were discovered except for several areas where nails were driven into PVC pipes. Mr. Sherratt informed owners that air handlers' plumbing and condensate line problems were found but no issues were discovered with design of utility closet in relation to water lines. There are no individual water meters for each unit. Installation of individual meters would cost \$1,000 per unit. The association cannot currently afford this expense.

Mr. Jeff Corry explained the water billing process. Each unit has a sensor that is read daily. The information is electronically sent to Utility Billing Services in Clarksville, TN. The company charges \$3.36 per unit to monitor water usage and send billing to owners. The company informs the association management about the amount billed.

Rusted bathtubs inside the units are not common elements. The money obtained from the suit can be used only for repair of common elements.

APPROVAL OF MINUTES FROM 2013 ANNUAL MEETING

Ms. Krogulski stated that only 46% of the owners were present in person or by proxy. The quorum was not established.

2013 Annual Meeting minutes were not approved due to lack of quorum.

APPROVAL OF TAX RESOLUTION

Resolution will be mailed to all owners. It was not approved at the meeting due to lack of quorum.

REPORTS

Financial Report/Collection Efforts – Ms. Daley accepted the treasurer position earlier this year. As of October 31, 2014, delinquencies totaled \$138,000 and 26 owners were in arrears. Unpaid water charges were \$19,000, not including late fees. Cash balance at the end of 2013 was \$148,885, including CDs. Current cash balance is \$35,500. Outstanding accounts payable include \$16,700 for burst water pipe repairs, \$7,300 for repair of building 300 breezeway and \$22,000 litigation expenses.

\$7,488 is paid monthly to Plantation Properties for Kensington Road use. The Board made all attempts to make the obligation void but was unsuccessful. Discussion ensued regarding possible solutions, such as building a bridge over a lagoon and creating another entry gate. The Board can obtain estimates and let owners vote. However, even in the case of a separate gate, the obligation towards Plantation Properties might not be annulled.

2015 Budget and Regime Fee – Per Master Deed, income from garages and storage units will have to be recorded separately from the operating budget. Regime fees will increase by 17% due to raising cost of property operation. A Reserve Study will be prepared next year to plan for capital improvements and funding. No capital transfers will be done in 2015. The Board hopes to resume capital transfers in 2016. Further dues increases are probable. A full accounting audit is planned for February 2015.

Operations Update – According to the Board, Associa’s services were unsatisfactory. However, Ms. Krogulski noted that the Board was pleased with a new property manager hired in October, Mr. Jeff Corry, and an administrative assistant, Ms. Amanda Pfeiffer. The Board signed a contract with a new management company, High Tide Associates. Mr. Jeff Corry and Ms. Amanda Pfeiffer and maintenance crew are ASI’s employees and will no longer be servicing the Estates at Westbury.

Current late fees are \$40 per month. It was recently discovered that according to the Master Deed, late fees should not exceed 5% of the monthly dues. The Board authorized the new management to closely examine each account. Every owner will receive an e-mail with an update about the results of their account’s audit.

The Board created a new collection policy in May but Associa has not implemented it to date. After 30 days, a delinquent owner will receive an e-mail, phone call and a certified letter. After 60 days of delinquency, pool and gym privileges will be suspended and parking decals cancelled. After 90 days, a legal action will be taken.

A new landscaper was hired. The Board considers landscaping budget of \$60,000 to be adequate for the size of the property. Currently the budget is significantly lower. There are no funds for grass replacement. The Board agreed to add \$8,000 to landscape budget every year, until a desired level of \$60,000 is achieved.

New Rules and Regulations – A noise ordinance will be imposed. Loud car radio will have to be turned down as soon as property gates are reached. Smoking in breezeways and on common property is now prohibited. Owners installing hardwood floors in 2nd and 3rd floor condominiums must place an adequate sound barrier. Carpeting is highly recommended. Visitor parking will be handled through an online electronic parking registration app. Visitors are limited to 24 hrs. in a 7 day period. Owners must contact the management office for a special pass for guests exceeding the above-mentioned limits. Parking around the Club House does not require registration. Notification about new parking system will be sent to all owners. No further warning will be given and unregistered vehicles will be towed.

Community Goals – Ms. Krogulski stated that the Board hopes to improve communication through quarterly newsletter and monthly e-mails. Volunteers are highly desired. Community building events are planned.

OPEN FORUM

Several owners voiced their concerns regarding the new rules, especially objections to quiet hours, hardwood floor installation requirements and pet issues. The Board was open for suggestions. The owners would like to be notified about the upcoming Board meetings in order to be able to attend.

ANNOUNCEMENT OF DRAWING WINNER

Multiple owners were awarded prizes from a coupon drawing.

ADJOURNMENT

There being no further business, a motion was made and seconded to adjourn the meeting.