

Sea Cabins on The Ocean I

DBA Sea Side Villas I

Council of Co-Owners

Forty-Fourth Annual Meeting

March 23, 2024

1:30 pm at the Yacht Club of Hilton Head

1. Registration and validation were conducted by Susan Sutton of Seacoast Property Management.
2. Call to order was made by President Mona Kiessler.
3. Susan Sutton confirmed a quorum of 67%.
4. The minutes of the Forty-Third Annual Meeting on March 25, 2023 were approved.
5. Mona Kiessler introduced the Board of Directors and acknowledged their contributions. Present were the following members: President Mona Kiessler, Vice President Martin Sauer, Treasurer Pat Rositani, Secretary Coral Amspaugh-Topolski, Director Derek Morgan and Director Nick Tallent. Gary Fons, Steve Heron and Susan Sutton of Seacoast Property Management were also in attendance.
6. President's Address-2024– Taken from Mona's Notes & Presentation: 2023 brought an abundance of challenges! I am happy to say we overcame them and continued to move forward.

Financially:

We definitely took a huge hit in January , 2023 with our insurance increase, which resulted in an increase of HOA fees after holding flat for nine years. It also resulted in an additional insurance premium for ten months. But through the efforts of the Board, our Management Company, advice from our professionals and every owner that paid their fees each month, we have come through the turmoil.

The Board takes financial accounting of all of our monies very seriously. We continue to fund our reserve account for future projects needed to sustain our complex. We have planned for reasonable contingencies and ensure we have money to care for and improve our property so that it will be appealing to owners and guests. All improvements and repairs have been paid in full at the time of completion and we have not incurred any debt.

We conducted a Financial Review of 2023, through our CPA Firm in order to be fully transparent in how your and our monies are used in Sea Side Villas I. Pat will be giving you a full report shortly.

Capital Projects and Maintenance:

Maintaining our building structure and integrity is our top priority. In November 2022 we began a wood replacement and painting project on our 45-year-old building. The project would not be fully concluded until April 2023. A significant amount of rotten wood was anticipated, but after full discovery of the entire building, it exceeded everyone's expectations. When you start this type of project and every piece of wood is examined for wood rot, you cannot stop until the entire building is complete. In the end, two-thirds of the outside wood was replaced, several stair towers required major repairs, including interior stairwells and landings. This was not a cosmetic project, but one required to keep our building structurally sound. Because of all the wood replacement, the building was painted with a new updated modern color. The price tag was hefty, coming in higher than originally budgeted, but you must complete a project of this importance and necessity.

All of the costs were paid from our capital reserve. The monies are part of our life cycle plan of the building.

A. Beach Gate:

The beach gate, fencing and lock has been installed. This was a huge sense of frustration for Owners and Board Members throughout the year! When a contract was signed in November of 2022, no one anticipated the problem that occurred.

Technology Solution of Charleston was awarded the contract, as they had installed the software, upgrades and serviced our drive through gates. After numerous delays, phone calls, emails, lack of communication and legal intervention, it became apparent they were not going to fulfill the contract to our expectations.

In October, we secured the gate and fencing that had been purchased. We hired another company to complete the project. A mechanical lock was installed. A new code, which you have been given today will become effective May 1st. The new code will also be on our website and included in an email blast. To operate the lock, the numbers need to be pushed firmly, followed by the ENTER button, then push handle down and pull gate.

It is our suggestion to post the code in your condo and inform your guests and rental agents.

Please, do not post the code on Face Book or share the code with non Sea Side I visitors.

B. Drive Thru Gates:

Not only did Technology Solution of Charleston not follow through with the Beach Gate, but they stopped responding or providing service for our drive thru gates.

Last fall, we experienced a lightning strike to both gates. After a power outage, the Shorewood gate did not open due to a faulty battery which created a potentially dangerous situation.

TSC, did not return our calls for service, multiple calls were made to other gate vendors without success to repair our software. Champion, which provides service to our security cameras, was found to be a viable option. The battery backup on the Shorewood gate was faulty and needed to be replaced. A quote was given to repair the battery and service the system going forward.

A new mother board was required to install the battery backup. We now have an updated version of the old board that is no longer manufactured. The new board uses an eight-digit serial number to allow access for a FOB. The old version only used four digits, making our FOB system obsolete. The access clickers continue to work.

The new system on the Shorewood gate was changed from 220 volts to 110, which will make it easier to acquire replacement parts when needed in the future. In addition as part of the repair, both closing arms were replaced, a new control board, battery back-up and weather tight boxes have now been installed. The gates code will work for a period of two months, with an overlap of two weeks. This will allow for the change over from one code to another.

You should have received the codes for the next two years, they are also posted on the website. Again, please do not post them on Face Book.

C. Garage Ceiling Replacement Project:

Last fall, upon observation it was noted that the garage ceiling between stacks 09-14 was in need of repair. A preliminary evaluation was done and the decision was made by the Board to ensure the integrity of the building, a garage ceiling replacement plan needed to begin. Nick will be providing more information on this capital plan.

D. New Landscape Company:

Carolyn's has been our landscape company for over fifteen years. Over the past eighteen months, myself, Gary and Board members have expressed our dissatisfaction with the service we were receiving. After meeting with the President and much discussion, we reached the conclusion they were no longer meeting our expectations and it was time to part ways.

The Board interviewed and received quotes from three additional landscape companies in January. A new contract has been signed with Bright View. They will begin April 1st. To enhance our property for guests and owners, we are requesting a three year landscape development plan.

Phase I will be the planting of new sod for the ocean front lawn. Bright View provides a written guarantee of their plantings, including the sod for as long as they maintain the property. Payment for the sod will be broken into twelve monthly, no interest fee payments. The new sod will be installed after Labor Day.

A second debris blowing day has been added for May through October to keep the grounds looking neat. An irrigation audit of our sprinkler system will be performed at no charge.

New up-lighting was placed in the interior hallways and Coral will be sharing information on this project.

E. Other – Smaller Project and Enhancements:

New navy umbrellas were placed at the pool. The pool grout has been repaired and tile has been cleaned.

The floor in the elevator has been replaced.

In summary, we have continued to make major capital improvements to maintain our property's structural integrity and enhancements for the enjoyment of our guests and owners, during this challenging year! As the

Board weighs each project, we evaluate safety, property values and rental appeal.

The remainder of work completed this year was normal maintenance and repairs. Sea Coast Property Management does a good job managing and taking care of our property on a daily basis and we will be hearing from them shortly.

Another issue that continues to come up is the request for an Assistance Animal. Sea Side Villas I is a pet free property. Many owners bought at Sea Side because it is stated “pet free” in our by-laws.

In 2018, the Board hired legal council in order to navigate the law concerning emotional support or comfort animals.

Our policy was developed after extensive research by our attorneys and approved by the State of South Carolina. We will comply with all applicable state and federal laws, but at the same time, we want to protect our pet free environment.

I urge you to become familiar with the policy and procedure. It is in your Owner’s Handbook and is posted on our Website. It is applicable to all owners, long term and short term rentals. Owners are responsible for their rental property managers and their guests. We use the policy when the Board receives a request and it makes a difficult situation much easier. Requests must be submitted and approved before the animal is brought on property.

Lastly, I want to remind all Owners, you are responsible for your short and long-term guests’ behavior. Unfortunately, we have had several instances on property in which workers, whether construction, painters, landscaping or housekeeping have been harassed. Their tools have been unplugged, screamed at or treated disrespectfully. Without these workers, tasks would not be

completed, nor do we want to find ourselves in a position in which workers refuse to come to our property. If a worker files a complaint to Sea Coast Property Management, the Board of Directors or the Beaufort County Sheriff's Dept., it will be investigated and the owners may ultimately be found responsible.

7. Property Insurance Update:

Presented by Mark McDonald, President of Assured Partners

Assured Partners specializes in Condo and Coastal property coverage. Mark reviewed the process of insurance coverage. Our renewal date is May 31, 2024. In mid to late April they will begin to lock in our coverage.

Mark addressed the need for HO6 Insurance Coverage, Gary also commented and handed out information on the importance of having HO6 coverage.

8. Treasurer's Report was given by Pat Rositani. Pat recapped 2023 and talked about 2024 and beyond.

2023 was a difficult year financially for all east coast regimes due to the hurricane activity in 2022.

In addition to the insurance expense we had 3 other issues that impacted our cash: Higher than expected repairs to the building, Refinance of our insurance on June 1 and Locking in 3 CD's January 2023 right before notification of our huge insurance premium.

Liquidating the CD's before maturity and paying for the insurance premium would have cost us approximately \$6,000. and would have been more expensive than accepting the insurance company's payment plan. This was a **payment plan** that the insurance company offered, it was not a loan, and the building was not collateralized.

We spent more cash on insurance up front to benefit later. The net effect is we were able to add 4 months of coverage for \$30,000. And reduce our annual premium from \$690,000 to \$400,000.

Because we were able to lower our insurance premium last year in June and anticipate no large capital expenses, we are able to cover a 15% increase in premiums.

The Board's position is \$1 million is a reasonable number to have in excess funds for the following reasons: Anticipation that insurance will not be significantly lower in future years, Impact that cash balances (or lack) has on property values and future unexpected expenses without the need to increase fees.

We entered 2023 with \$1,048,000. in cash and at the end of 2023 we had \$1,141,000. Assuming no major unexpected financial surprises our cash balance should remain at current levels through 2024.

Capital expenditures were \$223,000 in 2022 and \$226,000 in 2023. Bob Baroni our Building Consultant estimates aside from the repair of the garage ceilings; which we plan to complete one section a year for 5 years; there are not major repairs expected for about 4 years.

Our Capital forecast of expenditures shows we should have sufficient funds for the 10 year period.

All insurance assessments have been paid.

Our 2023 Financial Annual Review has been completed.

9. BOD Vice President Martin Sauer gave the update on the Spectrum Contract. We have renewed at the same price for 5 years. The current boxes will continue to work. A Zoomo box is available at no additional charge.
10. BOD Secretary Coral Amspaugh-Topolski gave an update on lighting. As you know last year we were able to update the lighting in the interior hallways and new led fixtures in the open hallways. This year due to financial constraints we only replaced what was necessary. The lights at our entrance in the Celtic Wall landscape area were broken and in disrepair. Anytime we need to replace items we look at updated designs. As you see we replaced the old lights with a Chinese Hat design that adds a more current look to our entrance.

11. Director Nick Tallent reported on the Garage Ceiling Project.
The ceiling was in serious need of repair. Due to the fear of it falling, it was roped off to prevent parking in the area. One of the contributing factors was there were 3 toilet wax rings leaking which caused serious ceiling damage. One section will be repaired a year as the budget allows.

12. The Website Overview was given by Director Derek Morgan.
Derek has recently taken over as Web Administrator and in addition to the regular updates hopes to add a monthly newsletter.

13. Sea Coast Property Management Report was given by Gary Fons and Steve Herron.
The building is in very good condition with the wood replacement project, painting and updated elevator.
 - Owners are encouraged to replace hot water heaters that are ten or more years old. The first four numbers of the serial number on a hot water heater indicate its date of manufacture. Palmetto Electric offers programs that make it easy to replace you water heater and will add the cost to your monthly bill.
 - Supply lines should be mesh to prevent cracking and leaking.
 - Smoke Detectors are required by law to be replaced once they reach 10 years old.
 - Each unit is required to have a fire extinguisher.
 - Owners planning renovations to their units must first check with Sea Coast Property Management. In addition to the approval process for renos put in place by the BOD, Sea Coast can answer questions about the units and recommend licensed professionals. Information is on the website.
 - Owners are encouraged to have HO6 Insurance coverage. It is a bit difficult to find carriers and Gary Fons can provide companies to contact for coverage.
 - Toilet wax rings should be replaced every 5 years to prevent leaking.

- Auto locks on doors can frequently go dead. Sea Coast Property Management needs your door code as well as a physical key. It is important that SCPM have access to you unit in case of emergency and also for pest control.
- Pest control treats each floor quarterly and each month they treat the outside.

14. The Nomination of directors was presided over by BOD President Mona Kiessler.

- Mona Kiessler presented the following nominees: Scott Bailey, Ryan Fitts, David Guyton, Andrew Hensley, Nancy Keebler, Nick Tallent, Pat Rositani and Martin Sauer.
- Each nominee was given 3 minutes to speak. Scott Bailey, Nick Tallent, Pat Rositani and Martin Sauer each spoke. Ryan Fitts, David Guyton, Andrew Hensley and Nancy Keebler were not present.
- Mona Kiessler asked for nominations from the floor three times. There were none.
- A motion to close the nominations by Kathy Roman and seconded by Ken Seaman
- Volunteers were asked to help Susan Sutton with the ballot tally. Carter Phillips, Ken Seaman and Greg West volunteered.

15. Ballot collection and tally votes was handled by Susan Sutton with Sea Coast Property Management.

16. Co-Owner Comments and Questions

- Jayne Phillips #334 asked if we could get an updated Elevator inspection certificate placed in the elevator. Steve Heron responded that the inspection was passes 1 year ago last January and they have been trying to get an updated certificate. They are hoping to receive the new certificate within the week. Jayne also asked if the fire doors could be painted as they are beat up from, the luggage trolleys.
- Gene Topolski #227 asked when the Premium TV channels would be available. Martin Sauer responded that they should be available with the next 60 days.

- Cynthia Owensby #126 had several questions and comments. She is experiencing dropped phone calls and her Wi-Fi has been turned off to get phone service.
- Cynthia has planted plants in the walk way next to her unit and people still walk thru the area. Could she put up a sign? Mona responded that it would be better to let the existing bushes grow together or install additional bushes to fill the space and prevent people from walking thru the area.
- Cynthia said that there are pipes under the building that leaks on her car and cover and they are hard to remove. The leaking is parking space under 127, 128 & 129. Gary Fons thinks it's caused by condensation and Sea Coast Property Management will check it out.
- Cynthia asked if air fresheners could be placed in the hallways, there is often an odor when the ceiling fans aren't running. Gary Fons responded that the fans should remain running.
- Rebecca Dumas #138 & #217 is speaking on behalf of Kendall Kline that there is mold on the ceiling near unit # 315. Gary Fons responded that Sea Coast Property Management will handle the issue.
- Martin Sauer asked if the extermination company could move the stickers from a cabinet door to another location. And the extermination company doesn't always sign the sticker that the unit has been treated. Sea Coast Property Management Company receives a monthly report of all units that were treated.
- Andrea Grayson # 119 asked if the interior doors and down stair doors could be painted. Mona responded that due to finances it was not in the budget this year.
- Dave Guyton # 213 asked where the cash was held. Pat responded that it was held in Money Market accounts at a rate of 3-4%. Pat also explained that the two parts of the financial statements are the profit and loss statement and balance sheet.
- Eric Bastian #107 asked when the \$17,000 a month payment was completed. Pat responded that it ended in May.
- Nancy Keebler #111 asked why we did the payment plan. Pat explained that the penalty to cash in the CD's was more than the cost associated with the payment plan. The CD's are a financial cushion.

- John Grayson #119 asked if Security Guards were going to be hired for the season. It was explained that we have installed cameras for Security surveillance. The cost for hiring guards is \$30,000-\$35,000 per season. Additionally, seasonal security people are very difficult to find.
- The question was asked if we could install a change machine in the laundry. Sea Coast will handle installing a change machine.

17. The Forty-Fifty Annual Meeting Preview was presented by Coral. In 2020 we had planned a 40th anniversary celebration. Due to Covid that annual meeting was cancelled. We had several events planned, including raffle items. When we were hit in 2023 with the insurance premium increase, we felt it prudent to cancel the dinner following our annual meeting. This year we made the same decision. However, next year we are hopeful that we can return to hosting an evening meal followed by our traditional game of Left/Right/Center. We plan to add a drawing for those owners present at the meeting. Additionally, we are looking at pre-dinner activities. The meeting date for next year is March 22, 2025.

18. BOD President Mona Kiessler announced the newly elected Directors. They are Pat Rositani, Martin Sauer, Nick Tallent and Scott Bailey.

19. BOD convened to elect officers. They are as follows:

- President: Mona Kiessler
- Vice President: Martin Sauer
- Secretary: Coral Amspaugh-Topolski
- Treasurer: Pat Rositani

20. The meeting adjourned at 4:15 p.m.

