

**SUMMER HOUSE  
HILTON HEAD ISLAND  
CONDOMINIUM ASSOCIATION, INC.**

Board Meeting Date: Thursday, November 17, 2016

**Board of Directors Meeting Minutes**

*Meeting commenced at (Time: 3:05 PM)*

**Attendance:**

**Board Members: Richard Schulman, Fernando Fiumara, Dave Benedict, Greg Roberts, James Kroll, Kevin Quat and Jamie Bastian**

**Homeowner: Keith Josefiak**

**Voting:**

- ✓ A motion was made by the At Large, Greg Roberts and seconded by the Vice President, Dave Benedict to approve the minutes from the October meeting. Approved by all.
- ✓ A motion was made to approve the bill from FCC: Home Improvements, LLC for repairs to the concrete and buildings in the amount of \$15,245 (Summer House Projects #7 & #8). Approved by all.

**Discussion:**

The homeowner, Keith Josefiak, requested in writing to be at the Board Meeting to discuss: “email the meeting agenda to all owners 48 hours prior to the meeting.”

The President, Richard Schulman, began by asking Mr. Josefiak to explain why he was asking for this change.

Mr. Josefiak explained, “ First and foremost, last year Scott Wild inquired to post the agenda 48 hours in advance which has not consistently happened in the last year, especially last October when the agenda did not get posted until the morning of the meeting. Which I think was a very, very, very important meeting that owners should have been able to go to. So that’s that side of the fence which there’s no accountability to the agenda being posted. I think, looking around the complex, that numerous amounts of people don’t live here. I just think it would be a professional thing to do to have the agenda emailed to them 48 hours in advance. ... And then my question back to the meeting minutes, which you all just approved, what is the criteria. When will those meeting minutes be posted on the Summer House website for someone like me to read? Is there a timeframe? Is there a legal timeframe? They don’t seem to be posting them in a very consistent manner so that’s basically my agenda. ... We can go on and talk about other things but I am only allowed to discuss what I put on the agenda; so that’s my request.”

The board members discussed the issue at hand noting that the October minutes that were just approved have been posted to the Summer House website and are posted within 48 hours of their

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approval. The response to the issue is to post the agenda to the Summer House website and near the mailboxes 48 hours prior to the meeting.

Mr. Josefiak's response: "I can prove that meeting minutes have not been posted 48 hours after a meeting. ... I had to ask when the September meeting minutes were going to be posted and they were posted after my request but that was like a month after the meeting. ... I agree with putting the agenda on the website but I think you gotta send out an email blast to all the owners, all 193 ... let's move forward and send out an email blast to all the owners saying, moving forward, we had the meeting, and if you want to read the agenda for future meetings, go to the website. I think the meetings should be posted 90 days in advance which day the meetings are."

The Board responded that the meetings are always the same; third Thursday of each month.

Mr. Josefiak stated: "Not everyone knows that, ... And, if you're going to have an Executive Meeting which you are allowed to have according to Scott Wild (Summer House attorney) then let's post that there's going to be an Executive Meeting."

Board responds that there is always an Executive Meeting with no owner's attending because there are things discussed that are personal and may include an owner's financial situation.

Mr. Josefiak's response: "So what you're saying, every third Thursday of every month there is a board records meeting that there's an agenda and every owner is allowed to attend it."

The Board stated that for the last five years, the meetings have been on the third Thursday of every month at 3pm. Now besides putting the agenda by the mailbox, we're going to put it on the website. Any homeowner can go to the website now and look at the agenda and can attend the meeting.

**ISSUE RESOLUTION:** The agenda will be posted to the Summer House website and near the mailboxes, 48 hours prior to the meeting. The meeting minutes will be posted to the Summer House website 48 hours after approval at the next meeting.

AIM will send out a blast email to remind owners that the Board Meeting is every third Thursday of every month at 3pm; the agenda will be posted on the Summer House website 48 hours prior to the meeting and advising the owners to call the office if they have any questions. There will also be a request that the owners add the email address for the Summer House Newsletter or check their spam folder if they haven't received it. The Newsletter is also posted on the Summer House website. Add to the email a warning that we are in the process of calculating the total cost of the damage due to the hurricane.

**Action & Priority Sheet**

1. D Building Sidewalk damage due to storm – The estimate was received and this item can be removed.

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2. Drains for D & E Buildings – The estimate was received and it was approved. This item can be removed.
3. Roof estimate due to storm – The estimate was received. This item can be removed.
4. Amendment to homeowners – An email was sent out to all owners. The response was 118 proxies returned. We need 129 for 2/3 vote. This item can be removed. **Action Item:** Follow the status of the Amendment until there are enough votes to approve.
5. Insurance budget amount – The amount left at the end of the year has been determined. This item can be removed.
6. HVAC insulation – AIM has been paid for all the work done. This item can be removed.
7. Compactor contract – The contract has been approved. This item can be removed. **Action Item:** The receipt of the new compactor and its installation.
8. Summer House Christmas Party – The date has been selected and the item should stay on the sheet until after the party.
9. Pine straw and plant estimate – The estimates were received. This item can be removed. **Action Item:** Get the work done that is agreed on.
10. Remove concrete work from roof estimate – The estimate was received. This item can be removed. **Action Item:** Follow the work that needs to be done according to the estimate.
11. Tree cleanup due to storm – The invoice that was received from Bartlett, who initially started the cleanup, covers removal of trees in front of D Building, the trees that were kind of leaning on D Building that did the gutter damage as well as the tree that was laying on E Building. They also removed, at another point, the large piles that were in the parking lot and then they didn't come back. They kept saying that Summer House was on a rotational basis. At that point, another company was brought in because the work had to be completed. The invoice from Bartlett in the amount of \$24,000 is the final bill. The invoice from Action Tree Service in the amount of \$41,000 covers the first initial push of what they have completed. They are also trimming all of the trees around the buildings. They are taking the canopy up and clipping anything off of the buildings helping with preventative maintenance. The final bill has not been determined yet but it should be substantial and may require an assessment. Now that the hazardous trees have been removed the other damaged trees are exposed and need to be removed. The total cost may be upwards of \$150,000 and it doesn't appear that the majority of the work will not be covered by insurance. The debris will be placed at the road for FEMA to pick up that will save approximately \$30,000.
12. Holiday Party – This is not finished yet and will remain on the list.

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13. New security company estimates – AIM is getting information regarding a security company to provide a pool monitor and security guard at night. The security guard will walk the property and provide AIM with reports on any lights that are out, they are to tag any vehicles that do not have parking permits, etc. The issue with the current company is their billing. When a bill is received and the records pulled, they often don't match.
14. Litigation paperwork copies – This is an ongoing item.
15. Parking Passes - This is an ongoing item.

**Summer House Projects**

1. Property Tree Cleanup for Safety from Storm Damage – There are some items on the bill that are being disputed. They should be resolved shortly and the bill paid.
2. Sidewalk Repairs – This has been completed and paid for.
3. Clubhouse Painting – This has been completed and paid for.
4. Replace Camera 7 – This has been completed and paid for.
5. Drainage at D & E Building – The estimate was received and approved. This should be paid out of an account called Site. The work can proceed.
6. Property Tree Cleanup for Preventative Maintenance - storm damage
7. Bldg. D Concrete Repair - storm damage
8. Roof Repairs - storm damage
9. Landscaping before end of 2016 – We have a large positive variance for landscaping. The estimate of \$14,929.75 includes pine straw and replacement of damaged bushes. The President asked if this bill could be reduced by around \$2,000 and if we can, then go ahead and do the work. Since Building C is unique, can it be delayed until early 2017? Maybe put 25 Azalea bushes in in 2016 instead of 51 and next year fill it in with the rest and that should save us \$2,000 this year. AIM to get revised estimate, Board approved at approximately \$13,000 and then have the work done.

**Hurricane**

All of the bills from the storm damage will need to be separated out from everything else and added up to get a total cost. There will need to be an assessment of approximately \$500 per unit for every \$100,000 and it's a one-time assessment. The money will have to come out of the Reserve Account and be paid back from the assessment. There will need to be a hard date by which the assessment will have to be paid or there will be a fine. Once the total cost is calculated the President, Richard Schulman is planning to write a notice that will be sent to everyone explaining the fact that there was damage to the buildings. We had significant damage to the trees and explaining also the situation in respect to insurance. In our case, the

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insurance deductible is not being met by any of the damage to the buildings so we probably won't get any money from insurance. The homeowner should check with their insurance company because it is possible that their HO6 policy may have a \$1,000 assessment coverage. How assessments are normally handled at Summer House is by how many bedrooms a unit has. This was discussed and the Master Deed will be reviewed to clarify. A percentage of the total bill will be used to show the amount that applies to repairs to the buildings and other things. The President will not send out the notice until the total cost is known. Summer House should have a final bill within the next 3 to 4 weeks. The President will write the notice to the homeowners and email it to the Board for approval. How do we pay this bill in the meantime while we wait to get it from the homeowners? Give them 30 – 45 days at the most to pay the assessment so it can be put back wherever it was taken from. We may have to cash in a CD or two to pay this amount of money. Summer House Projects from the hurricane #6, #7 & #8 will be taken from CDARS account. Initially get \$100,000 to pay bills.

**Lawsuit**

The President has been involved over the last several weeks with our lawyers on the final work on the lawsuit. The Board needed to sign off on the final agreements with all of the litigates. The President was unavailable so the documents were sent to the Vice President for signature. When the President returned, he received an email that the documents were not signed. The Vice President did not receive the documents and, now that the President was available, they were sent to him and he signed them. These two documents were the final summary documents for all of the litigates that were not cleaned up before. One document covered about 10 different litigates and the other one covered one special one. Now all documents have been signed. The total amount of money that was collected, before all our expenses were paid, is \$7,020,000. After Attorney and other bills, they didn't give a final number yet. They said they will be sending us a detailed summary of all the expenses to show exactly where all the money went but they were guessing that, after they pay all the remaining bills and everything, we are going to wind up with approximately \$4,200,000. The final paperwork is being put together to submit to the court which will be done in the next few weeks closing out the lawsuit. Once the court gets the paperwork, they will issue a document that says the lawsuit has been settled. Asked the lawyers, since this is basically done, and a buyer goes to the bank and they send us a document to indicate whether or not there is a lawsuit in process, can we say that the lawsuit has been settled? Their answer is yes. If there is a problem with that, tell them to call our lawyer for an explanation. We received two checks so far; the first check that set up the CDARS, approx. \$1,300,000 and a second check we just received was \$1,430,000. That adds up to \$2,700,000 approximately so they owe us a check for approximately \$1,500,000. We should receive that check within the next few weeks. As soon as we get the final paperwork, I will be writing a notice to all homeowners advising them that the lawsuit is over and summarizing where we stand with everything.

In January, the President would like to have a meeting with the entire Board and invite our lawyers so we can now discuss what we are going to do as the next step. What we have to do to get people in to give us estimates; first of all to tell us what has to be fixed and how much it's going to cost. At next month's Board Meeting select a date in January as the next step in

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getting all the repairs done. Maybe have someone from the Preserve attend the meeting since they have just gone through a similar situation. Hire someone to manage the repairs.

**Asset Account.**

Next month's Asset sheet will show a bunch of new CDs from CDARS. There is a CDARS SWEEP account 2378, what we want to do is take that \$100,000 initial amount and put it in this account so it's available for paying bills.

**Reserve Account**

Everything looks good.

**Variance Report**

Everything looks good. We now have a positive variance on the telephone bill.

A motion to close the meeting was seconded at 4:53pm.