

Minutes  
**TREETOPS – OCEAN BREEZE, HPR**  
2007 ANNUAL MEETING  
JUNE 16, 2007  
10:00 a.m.

- I. Roll Call / Call to Order – Bob VanSchelvan, chairman, called the meeting to order at 10:02 a.m. He asked for first time attendees and new owners to introduce themselves. He then turned the floor over to Ron Fenstermaker, who introduced the Board of Directors. Ron announced the format of the meeting is a business meeting and that the agenda as required by the Master Deed and By Laws would be followed.
  - A. Officers & Directors present – Bob VanSchelvan, President; Stephen Gold, Vice President; Merle Brown, Secretary / Treasurer; Peggy Edwards, Director; Stan Stolarczyk, Director
  - B. Owners represented – A quorum was achieved with 55.5550% of the ownership represented.
    1. In person – 13.14%
    2. By proxy – 42.415%
  - C. IMC Resort Services, Inc. representatives – Ron Fenstermaker, President; Craig Fenstermaker, VP Operations; Bryan Dorshimer, Property Manager; Scott Walters, Assistant Property Manager; Jaime Fenstermaker, Sign In; Melissa Fenstermaker, Minutes.
  - D. Invited Guests – Bill Thomas, President of Carswell Insurance Services
- II. Proof of Notice of Meeting or Waiver of Notice – Bryan Dorshimer reported that the notice of the 2007 annual meeting was mailed to the owners of record on May 3, 2007.
- III. Reading of Minutes of Preceding Annual Meeting – **Bob Cleaver (4802) made a motion to waive the reading of the minutes from the 2006 annual meeting and accept them into record as written. Larry Gollob (5002) seconded the motion. The motion passed without opposition.**
- IV. Reports of Officers
  - A. President – Bob VanSchelvan thanked everyone for coming and the owners who were absent and sent in their proxies. He also extended his gratitude to Bryan Dorshimer and Scott Walters for their exhaustive efforts to achieve a quorum. He thanked the Board members for their dedication to the community and IMC for their financial guidance and cost-saving efforts. He recognized Bill Thomas for coming on a Saturday morning to help the owners get a better understanding of their insurance. Bob then covered the list of completed capital improvements, general maintenance

items and possible, future capital improvements that was prepared by Bryan Dorshimer (see the attached list). Mr. VanSchelvan noted that in instances when a villa is regularly over-occupied, it proportionately affects the budget line item for water. The Board and management are going to begin monitoring villas that are suspected of being over-occupied and pass the costs on to the owners who habitually disregard the rule of 2 adults per bedroom per villa. Bob closed his report by saying that the property is in great shape and hopes the owners continue to respect and maintain it in that manner. He thanked Craig Fenstermaker and IMC for their efforts in getting the best possible insurance coverage for the money.

- B. Vice President – Steve Gold spoke of the property values, which continue to rise at Treetops ~ Ocean Breeze, HPR. He also applauded the security program that is currently in place. He reminded owners to contact the Beaufort County Sheriff's Dept and file a report if they should have an incident that is outside of the scope of management's contract. If there is a report on file, management has a better chance of fining the owner responsible and getting the situation resolved.
  
- C. Treasurer's Report – Merle Brown reiterated that owners need to be mindful of their water usage / over usage in an effort to help save money in the budget. Merle also asked that owners take advantage of the service of direct draft so that the regime gets operating funds in a timely fashion. She thanked the 5 – 6 owners who pay their fee in advance at the beginning of the fiscal year. Receivables continue to be a constant battle and are currently higher than normal; it appears to be related to the insurance assessment. Ron Fenstermaker noted that in spite of the high number of delinquent owners, the bills are being paid on time. An owner asked about the notice in the newsletter about the delinquent owners and what is being done to collect the past due amounts. Ron explained the procedure for collecting past-due accounts and expressed confidence that the amount of receivables will reduce with time. Merle reminded the owners that the annual pet fee billing would soon be going out to the pet owners. Siobhan Stolarcyk asked that the pet fees collected, go toward purchasing some "poop" stations to be placed throughout the property. The Board will take it under advisement. Some of the owners were in agreement that only owners should be allowed to have pets, but management pointed out that the South Carolina HPR Act does not allow regimes / associations to discriminate between owners and tenants.
  
- D. Insurance - Ron Fenstermaker began by saying that he knows that the burning question on everyone's mind is "will we be assessed for insurance during the next fiscal year?" Ron stated, most definitely, however at this time there is now way to what that amount will be. Some time in January 2008, there should be some indication of where the market will be, at which time the first ½ of the assessment will be billed to the owners.

When the actual renewal numbers are known, closer to the time of renewal in March 2008, the balance of the shortfall will be billed to the owners. Colleen Cavanaugh asked about co-insuring. Bill Thomas noted that the deductible is 5%, which is already self-insuring a significant portion of the total risk. Karen Marts asked about what if there was a loss in the community; where would residents live? Craig informed the owners that this is something covered by each owner's individual HO6 policy; owners should check their homeowner's policy for Loss of Use/Loss of rent coverage. Craig and Bill spoke of the total Insured Value (TIV) as it relates to the insurance; many properties on the island do not have a current replacement value appraisal. This is a dangerous game. By keeping values low you can keep premiums falsely low but the owners are left at severe risk due to the property being grossly underinsured. This also puts the Board at risk because the Master Deed and By-Laws require the Board to insure the property to 100% replacement cost value, which is what the Treetops/Ocean Breeze Board has always done. These values are updated annually by a professional appraisal firm out of Florida. In addition to the rate increases that were minimized at TT/OB due to the work of the Board and IMC, the Total Insured Value (TIV) of the property increased by almost 50% over the last two years. Bill Thomas recognized that insurance is an emotional issue as a lot of owners don't fully understand what is involved with purchasing insurance. He explained that it is very difficult to compare apples to apples because values/coverage limits, deductibles, construction type, proximity to the ocean, building age, etc. are rarely all similar on two different properties. He went on to describe how property/wind rates are based on building age, type of construction, proximity to the ocean, loss history, etc. Mr. Thomas acknowledged the Board and IMC for being proactive in changing the property/wind renewal date from May 31 to March 31 in 2006, which in turn saved the ownership an exorbitant amount of money over the last two years. Mr. Larry Gollob thanked the Board for their pro-activeness and getting the best rates for the association. There was a round of applause, echoing the comments of Larry Gollob. Ron Fenstermaker added that insurance is a 12 month job, and is not just worked on around renewal time; this is all done in an effort to purchase the best coverage for the money. Another important factor in helping to keep Treetops/Ocean Breeze's insurance rates lower is that IMC tries very hard to get the word out to owners of what they are responsible for as it relates to their villa maintenance (monitor the age of water heaters, replacing washing machine hoses, replacing guts in toilets, etc.), in an effort to minimize damages / claims. Jackie Pitts asked if other bids were obtained. Craig reported that several agencies were approached but the most competitive rates were about 15-20% higher than the renewal. Bill Thomas thanked the owners for their time and reminded them that he works for the owners of Treetops/Ocean Breeze and not the insurance companies.

- D. Buildings & Grounds – Stan Stolarcyk spoke of a program he is researching that would help the community to minimize their costs for certain utilities (such as electricity and water) by using natural resources. See Mr. Stolarcyk's attached report for the complete information. Stan closed his comments by asking for volunteers to assist with his efforts.
- E. Newsletter – Peggy Edwards asked for input from the owners for suggestions / articles for the newsletter. She also noted that she is on the Maintenance Committee and asked for volunteers to serve with her to walk the property with Bryan and her on a regular basis.
- V. Reports of Committees – See above
- VI. Election of Inspectors of Election – Ron Fenstermaker explained this portion of the meeting. The Inspector of the Election should be a non-owner, such as a represented of IMC. **Carol Davis (7204) made a motion to elect Craig Fenstermaker to serve as the inspector of election for the 2007 election. Bob Cleaver (4802) seconded the motion. The motion passed without opposition.** Craig Fenstermaker asked for a homeowner representative who is currently on the Board or running for a position on the Board to oversee the counting of the votes. Mary Wysocki volunteered to do so.
- VII. Election of Directors – Ron Fenstermaker announced the slate of candidates for the 2007 election. He reported that there were seven (7) candidates for two available seats. Ron asked for each of the candidates to say a few words about themselves and reasons for wanting to serve on the Board. Stan Cooke, spoke of his desire to maintain the investment and his background in construction; Nick Inman was not present; Jeff Martyn, spoke of bringing a fresh mind to the Board and maintaining the investment; Sharon Owen spoke of her background in construction and how she believes that three (3) bids should be collected for any job, no matter how small; Jackie Pitts spoke of her desire to work for the community to maintain the property sufficiently to protect the owners investment. Ron then asked the incumbents to speak: Merle Brown is interested in continuing her service to the community and her position as treasurer to monitor the funds and keep the spending of the community efficient; Steve Gold spoke to his years of service and how far the property has progressed and improved. Ron thanked all the owners in attendance, the Board and previous Boards; he also thanked the seven candidates for their interest in the community. There was a brief recess while ballots were collected and the votes were tallied. The meeting came back to order at 11:59 a.m. The successful candidates were Steve Gold (97OB) with 31.5650% of the vote and Merle Brown (25OB) with 31.6260 % of the vote. The remaining candidates got the following percentage of votes: Stan Cooke 15.0680%; Jeff Martyn 7.3580%; Jackie Pitts 5.1520%; Sharon Owen 5.3690%; and Nick Inman 3.6290%.

VIII. Unfinished Business - None

IX. New Business

A. Parking issues – **Larry Gollob (5002) made a motion to change the number of parking passes permitted to 1 pass per bedroom instead of a maximum of 2 passes per villa. Jackie Pitts seconded the motion.** The floor was open for discussion. Peggy Edwards noted that there are only 1.2 parking spots per villa for 246 villas (295 spots) available in the community. Mr. Gollob would be willing to amend the motion to have the Board look into other options to improve the parking. Another option would be to have designated passes that only allow parking at the tennis courts. **The owners agreed to table the discussion for the Board to come up with a resolution and report back to the owners with the plan forward.**

B. LeMoyne Ave – Jackie Pitts (45OB) commented that the road is scheduled for re-paving in 2009, which she believes is unacceptable. Jackie asked that the Board of Directors and owners lobby the Town with calls, letters, etc and possibly writing letters to the editor. The Board and management mentioned the numerous efforts in speaking with Town officials about the poor condition of roadway and have not gotten any results; however it was agreed that the efforts would continue. Jackie closed her comments by asking of the Board could ask to move up the paving date.

X. Adjournment – **John Newcomb (68 OB) made a motion to adjourn the meeting at 12:20 p.m. Stan Stolarczyk seconded the motion. The motion passed without opposition.**

## **Long Range Planning Greening of TT~OB**

We are investigating the possibility of reducing our community's reliance on electricity and water. This would result in lower operating costs, increased property values, and freeing up resources to pay for other improvements.

Some of the things we are looking at are ---

Rainwater collection system/cisterns for landscape irrigation, this would reduce our water consumption and lower our costs significantly over time.

Install a solar panel electricity generating system for common area electrical supply. This would reduce our common area electric usage, resulting in lower energy bills. This program could be expanded to heat the swimming pools during the winter months, as maybe if successful enough, provide some power for individual units.

Construct a recycling center, with composting capability. If all permanent residents and renters recycled, we would reduce the amount of garbage that is removed from the property and dumped into Jasper County Landfills. Fewer trips equal fewer dollars spent by us. The compost generated would be used by our landscaping crews to enrich our sandy soil so our plantings would benefit.

These environmentally friendly upgrades to our property could possibly be paid for by obtaining grants from community development organizations, and corporations that specialize in retrofitting existing construction to become more energy efficient.

# TT/OB Insurance Premium History

Insured Year

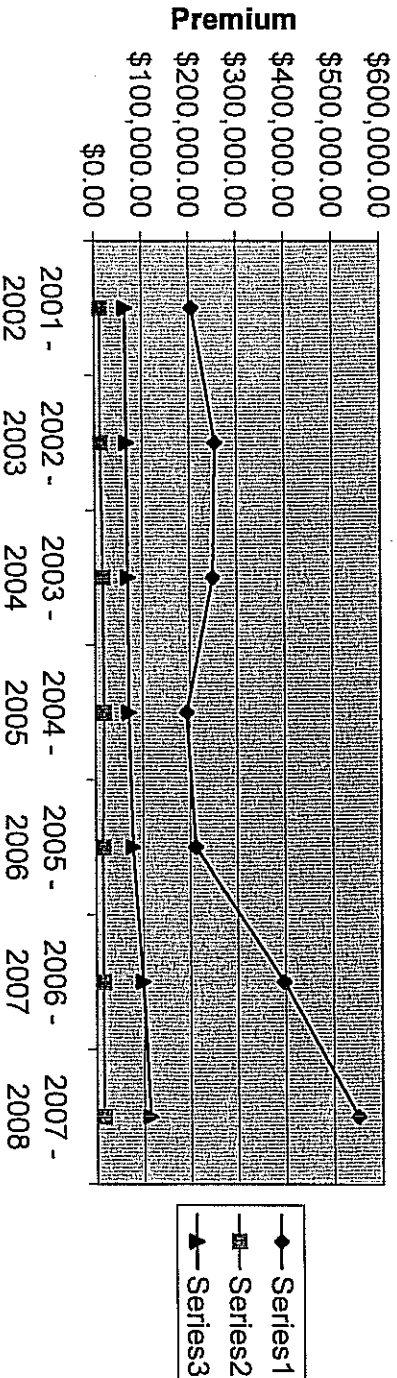
Insurance Type	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006	2006 - 2007	2007 - 2008
Property	\$205,905.00	\$254,141.00	\$249,137.00	\$193,354.00	\$211,372.00	\$397,052.00	\$550,358.00
Liability	\$11,134.00	\$12,282.00	\$15,854.00	\$17,740.00	\$14,571.00	\$14,603.00	\$14,572.00
Flood	\$65,000.00	\$67,000.00	\$69,238.00	\$70,815.00	\$77,929.00	\$98,586.00	<b>\$113,043.00</b>
<b>Total Premium</b>	<b>\$282,039.00</b>	<b>\$333,423.00</b>	<b>\$334,229.00</b>	<b>\$281,909.00</b>	<b>\$303,872.00</b>	<b>\$510,241.00</b>	<b>\$677,973.00</b>

Property/Wind rate per \$10	\$0.79	\$0.98	\$0.94	\$0.65	\$0.71	\$0.96	\$1.25
Prop/Wind rate HHI comp.	\$1.10	\$1.25	\$1.00	\$0.90	\$1.15	\$1.90	\$1.65

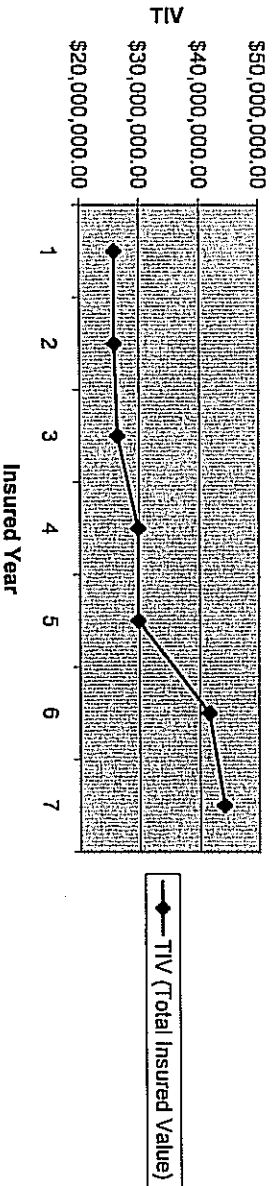
<b>TIV (Total Insured Value)</b>	<b>\$25,900,000.00</b>	<b>\$25,900,000.00</b>	<b>\$26,389,445.00</b>	<b>\$29,810,314.00</b>	<b>\$29,810,314.00</b>	<b>\$41,567,308.00</b>	<b>\$44,104,854.00</b>
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BOLD Number denotes an estimated value for the 7/1/07 renewal

## Annual Insurance Comparison



TIV (Total Insured Value)



**TREETOPS/OCEAN BREEZE****March 31, 2007 to March 31, 2008**

TOTAL INSURABLE VALUES	\$41,567,308
*PREMIUM	\$551,266.72
RATE	1.25

**COMPARABLES-SIMILAR TIV, CONSTRUCTION, AGE, PROXIMITY TO WATER**

- A. 1.65
- B. 1.47
- C. 1.75
- D. 1.63
- E. 1.60
- F. 1.45
- G. 1.40
- H. 1.82

\* INCLUDES TAXES AND FEES

**TREETOPS/OCEAN BREEZE****March 31, 2006 to March 31 2007**

<b>TOTAL INSURABLE VALUES</b>	<b>\$41,567,308</b>	<b>39% INC.</b>
<b>*PREMIUM</b>	<b>\$397,052</b>	
<b>RATE</b>	<b>.90</b>	

**Decision was made to move effective date to March 31, 2006 to move further away from hurricane season and renewal prior to April 1 reinsurance treaties.**

**Three clients decided not to move their effective date and stayed at May 31 with the following results:**

**Client A: Rate increased to 2.17**

**T/OB PREMIUM WOULD HAVE BEEN \$956,631**

**Client B: Rate increased to 1.70**

**JOISTED MASONRY  
CONSTRUCTION  
T/OB PREMIUM WOULD HAVE BEEN \$749,542**

**Client C: Had to be placed in SC Wind Pool**

**\*INCLUDES TAXES AND FEES**

**TREETOPS/OCEAN BREEZE****May 31, 2005 to May 31, 2006**

<b>TOTAL INSURABLE VALUES</b>	<b>\$29,810,314</b>
<b>*PREMIUM</b>	<b>\$202,417</b>
<b>RATE</b>	<b>.639</b>

**\*INCLUDES TAXES AND FEES**

**Bryan**

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**From:** Bryan  
**Sent:** Wednesday, June 13, 2007 7:08 PM  
**To:** 'Rcvans@aol.com'; 'Peggy Edwards'; 'Stan Stolarczyk'; 'Steve Gold'  
**Cc:** Ron  
**Subject:** Treetops and Ocean Breeze

**2006/07 Capital Improvements:** no assessments needed

- Roofs for Ocean Breeze villas 34 thru 66; \$77K
- Property wide tree trimming, removal and replanting; \$13K
- Property wide landscape enhancements; \$13K
- Removal of old and installation of new fence behind Ocean Breeze villas 43 thru 47 and in front of 66; \$6K
- Thorough crawl space inspection of Ocean Breeze, Delta and Z sections; \$1K
- Corrected deficiencies and replace entire fire panel per fire inspection; \$3K
- Removed tree roots and repaired parking lot in several locations; \$2K
- Complete common element cleaning of Treetops 7100 thru 8006 and Ocean Breeze 1 thru 103; including all monument entrance signs; \$11K

**2006/07 General Maintenance:** consists of but certainly is not limited to

- Common element painting; handrails, siding, landings, decks, parking lot, etc.
- Common element wood rot repair; hand railings, siding, decks, steps, lattice, etc.
- Roof blowing and inspections
- Roof and window leaks as well as all associate interior repairs
- Common element plumbing problems
- Sidewalk repairs and leveling
- Common element electrical problems

**2007/08 Possible Capital Improvements:**

- Complete common element cleaning of Treetops stucco and Z sections; \$11K (\$ amounts are approx.)
- Roofs for Treetops stucco buildings; \$10K/building
- Pinestraw property wide; \$11K
- Pool renovations; between \$25 and \$30K/pool
- Property wide tree/palm trimming and removal; \$15K