

Special Board of Directors' Meeting
April 12, 2022

MINUTES

A Special Meeting of the Myrtle Beach Resort Homeowners Association, Inc. was held on Tuesday, April 12, 2022, in person and via zoom. It was determined that there was a quorum to hold the meeting and it was called to order at 6:05 PM, and presided over by Brent Whitesell, Association President with Nancy Moore serving as Secretary.

1. Attendees

Board Members Brent Whitesell, Nancy Moore, and Kenneth Moss attended in person. Lori Niedzwiecki attended via zoom. John Harrington attended via zoom representing A Building in the absence of the A Building Board Representative, John Kenney. The A Building did not notify the MBR HOA Board in writing in advance of the meeting that John Harrington was appointed, and therefore he was not permitted to vote but was entitled to state the A Building position. Also present in person was Barbara Johnson, Association Manager from Empress Management and Robert E Lee, Association Attorney. Nick Rivera MBR HOA Insurance attorney was present via zoom.

Jim Perkins, B Building Representative, attended in person. The following Board Members were in attendance by zoom: Renee Cypher, RT Board Representative; Mark Borman, B Building Representative; Robert Rosencrans, Five Seasons Representative, Mari Garcia, Five Seasons Representative. Joe Domagala, Five Seasons Representative, joined via zoom at 7:00 PM.

2. Reports

A. March 2022 Financial Report

Barbara Johnson reviewed the financial report for the period ending March 31, 2022. She reported that there was \$185,866.06 in Operating and \$16,725.83 in the Insurance Escrow. In addition, she reported there was \$584,508.21 in the Reserve Account.

Barbara Johnson reported that the Association was under budget \$18,090.77 for the month and \$32,276.52 over budget year to date.

3. Business

A. Ratify Insurance:

The Board reviewed the insurance proposal from the incumbent insurance agent, CWS Insurance Company. Upon a motion by Kenneth Moss, seconded by Nancy Moore and unanimously carried (Kenneth Moss-yes, Nancy Moore – yes, Lori Niedzwiecki – yes, Brent Whitesell – yes, John Harrington – A position yes), it was:

MOVED; to bind coverage for the 2022 renewal period with CWS Insurance, and further to purchase the wind buy down to a flat \$5,000 and the \$25,000,000 umbrella policy. The Board directed Empress to see if there is a less expensive option for the umbrella policy that could be provided prior to

binding the policy and report back to the Board. The 2022 renewal premium would be \$70,118.78.

B. Securitas Settlement:

Kenneth Moss discussed the Securitas agreement to settle the lawsuit for an additional payment of \$39,112.72. He stated this would make the Securitas settlement total \$135,000. Discussion ensued, and upon a motion by Nancy Moore, seconded by Lori Niedzwiecki and unanimously carried (Nancy Moore – yes, Lori Niedzwiecki – yes, Brent Whitesell – yes, Kenneth Moss – yes, John Harrington – A position yes), it was:

MOVED; to pay the additional \$39,112.72 to Securitas from Reserves. The Board further directed that it be verified that the excess operating funds had been moved to reserves. If the funds were not moved to reserves, the settlement check should be cut from Operating.

C. Budget Discussion Due to Reduced Funding:

It was discussed that Charley Jordan, Attorney for the A Building and Five Seasons advised the Board in writing that both the A Building and Five Seasons would be withholding the dues collected from their owners from April 1, 2022, on. Kenneth Moss stated that this would cause a reduction of 41% in MBR monthly operating funds, and the HOA would have to find areas to reduce their monthly expenses by 41%. He stated that by his calculations \$480,784.55 would have to be shaved from the operating costs. Lori Niedzwiecki stated that Five Seasons is going to pay their portion of cable, phone, internet and insurance directly to the vendors. John Harrington stated that the A Building will do the same. Robert Lee stated that the vendor contracts are with the MBR HOA and can't be renegotiated, and he further stated that the MBR HOA will not accept partial payments. He stated that according to section 5.2 of Article 5 gives the Board the authority to switch the billing method and he recommends that the Board invoice the individual owners directly. Discussion ensued and upon a motion by Kenneth Moss, seconded by Nancy Moore and passed by majority (Kenneth Moss – yes, Nancy Moore – yes, Brent Whitesell – yes, Lori Niedzwiecki – no, John Harrington – A position no), it was:

MOVED; to implement direct billing immediately to all the owners for the 3rd and 4th quarter of the year based on 5.2 in the documents.

Further discussion ensued, and upon a motion by Kenneth Moss, seconded by Nancy Moore, and passed by majority (Kenneth Moss – yes, Nancy Moore – yes, Lori Niedzwiecki – no, Brent Whitesell – yes, John Harrington – A position no), it was:

MOVED; that no partial payments would be accepted, and Attorney Robert E Lee would be hired to proceed to collect the outstanding delinquent dues directly from the A Building and Five Seasons owners in the manner described in the HOA documents, and all owners should be notified of this change in policy.

The Board determined that there will be no reduction in services at this time, but the financial status will be revisited in July to determine if any actions are needed.

Barbara Johnson reported that due to weather delays, the lazy river will not be ready to open on Friday. They are now looking to be completed Wednesday, April 20th.

D. Beach Access Stair Replacement Between A&B Building:

The Board reviewed three quotes for replacement of the beach access stairs between A and B building. Upon a motion by Nancy Moore, seconded by Lori Niedzwiecki, and unanimously carried (Nancy Moore – yes, Lori Niedzwiecki – yes, Brent Whitesell- yes, Kenneth Moss – yes, and John Harrington – A position yes), it was:

MOVED; to hire Quality Construction at a cost of \$4,220.80 to rebuild the beach access stairs between A and B Buildings.

Kenneth Moss expressed concern over the replacement of these stairs as the boardwalks are supposed to be done next year. Ms. Johnson advised that the stairs can be incorporated with the new walkways.

E. Rope Lighting on Boardwalk

The Board has tabled this issue until next meeting when pricing can be obtained for volt lighting.

F. Mulch for Property:

The Board wants to see if the mulch to be purchased can be reduced. This is tabled until the next meeting.

Lori Niedzwiecki mentioned that the island on the left after coming through the guard house could be filled in with concrete and should not be mulched. Barbara Johnson will obtain a quote from Quality Concrete for the upcoming meeting.

G. Other:

Ms. Johnson reported that the gas company found leaks in the existing gas line for the waterpark. The Board reviewed the three quotes obtained to replace all the gas lines and upon a motion by Lori Niedzwiecki, seconded by Nancy Moore, and unanimously carried (Lori Niedzwiecki - yes, Nancy Moore -yes, Brent Whitesell-yes, Kenneth Moss – yes, John Harrington – A position yes).

MOVED; to hire Sir Flush A Lot to install new above ground gas lines at the Lazy River Waterpark at a cost of \$1,477.

Nancy Moore questioned the status of the fountain in the B Building pond street front side. Ms. Johnson stated that pricing for the replacement of the electrical wires was previously distributed to the Board. Nancy Moore requested that these be provided again for discussion at the meeting on April 24.

4. Schedule Next Board Meeting

The next Board meeting is the Annual Member’s Meeting scheduled on Sunday, April 24, 2022, at 9:00 AM at the General Reed Recreation Center in Market Commons.

5. Adjournment

Upon a motion by Kenneth Moss seconded by Nancy Moore and unanimously passed the meeting was adjourned at 8:23 PM.

Meeting Commenced: 6:05 PM

Meeting Adjourned: 8:23 PM

Prepared by Empress Management and
Submitted For:

Nancy Moore, Secretary

Approved By:

Brent Whitesell, President