

**KINGSTON PLANTATION MASTER ASSOCIATION, INC.**

**REGULAR MEETING OF THE BOARD OF DIRECTORS**

**SATURDAY, OCTOBER 19, 2019**

**PALLADIUM A – BRIGHTON TOWER**

**MINUTES**

**1. Call to Order**

President White G. Watkins called the meeting to order at 9:00 AM.

KPMA Officers:           President, White G. Watkins  
                                  Vice President – Sherry Love  
                                  Secretary – Fred Fellows  
                                  Treasurer – John Taylor

**Delegates:**

Brighton Tower – Sherry Love	Market Place – Jim Robinette
Canterbury Court – Dennis Marcello	Margate Tower – Harvin Bullock
Canterbury Court III – Jane Fellows	North Hampton – Jim Gryck
Cumberland Terrace – Seth Smith	Richmond Park – Chris Bramlett
Declarant / Dev. - Bob Barenberg	South Hampton – Dave Puckett
Declarant / Dev. – Simon Mais	St. James Park – Mike Krause
Gloucester Terrace – George Hanna	West Hyde Park – Ron Bicicchi
Kingston Lakes – Joe Flesch	Windermere by the Sea – Bill Kolibash (Absent)

**Alternates:**

Brighton Tower – Gail Coffey	The Market Place – Lorene Paragallo (Absent)
Canterbury Court – White G. Watkins	Margate Tower – Colby Reeves (Absent)
Canterbury Court III – Larry Tucker (Absent)	North Hampton – Bill McCormick
Cumberland Terrace – Jeffrey Johnson (Absent)	Richmond Park – Joe Misiak (Absent)
Declarant / Dev. – TBD	South Hampton – Don Matheson
Declarant / Dev. – TBD	St. James Park – Joan Fischer (Absent)
Gloucester Terrace – Jim Elliott	West Hyde Park – Roy Sizemore
Kingston Lakes – David Straub	Windermere by the Sea–William Elmore (Absent)

Representing LITUS\* To Let were Douglas A. Millar, Leslie A. Styles, Pauline M. Carrig and Sarah Kjosa.

**2. Introduction of Mr. Simon Mais**

Mr. Barenberg explained that in June 2019 EOS Investors purchased the declarant's majority interest in Kingston Plantation from RLJ Lodging Trust. He introduced Mr.

Simon Mais, the declarant's representative on the KPMA Board of Directors and noted that Mr. Mais would provide an EOS update under New Business.

### 3. **President's Report**

For the benefit of the new Board members and owner attendees, President Watkins reviewed the protocol for cell phones and recording devices. He stated that all cell phones should be silenced or turned off and that no recording devices were permitted. Attendees who needed to accept a phone call were requested to step outside of the meeting room to do so. He reminded Board members to please raise their hand, when they wished to be recognized and speak.

### 4. **Approval of Gloucester Terrace Alternate**

Mr. Barenberg reported that the Gloucester Terrace alternate to the KPMA Board of Directors had not been seated at the May 2019 meeting and that the Declarant would like to appoint Mr. Jim Elliott. Upon a motion made by Mr. Barenberg, seconded by Mr. Bullock and unanimously approved; it was:

**MOVED; to approve the appointment of Mr. Jim Elliott as the Gloucester Terrace Alternate to the KPMA Board of Directors for 2019 – 2020.**

### 5. **Approval of Minutes**

- **Regular Meeting of the Board of Directors – August 17, 2019**

President Watkins stated that the minutes had been emailed to Board members and that we could read them aloud or dispense with the reading and entertain a motion to approve. Upon a motion made by Mr. Barenberg, seconded by Mr. Bullock and unanimously approved, it was:

**MOVED; to dispense with reading of the minutes and approve the minutes as written.**

### 6. **Reports**

#### A. **Audit Committee Report**

- **Financial Position for the Period Ending September 30, 2019**

Chairman Taylor called on Ms. Pauline Carrig who reported on the financial position for the first nine (9) months of 2019. She reviewed the operating balance sheet (**EXHIBIT A**). She stated there was a current year net income of (\$69,894) which was expected as a result of the approved \$116K expenditure for the landscape architect. She shared that of the approved \$116K, \$88,420 had been paid leaving a balance due of \$27,580. She stated that there were excess funds currently in the insurance escrow account to

pay the remaining balance because the cost of the insurance came in lower than had been allocated in the budget. She next reviewed the operating income statement (**EXHIBIT B**) and explained that maintenance contract was \$32,472 under budget and noted that the variance would continue through the end of the year. She explained that contract landscape maintenance was over budget by \$35,206 and included the monthly adjustment to spread mulch instead of pine straw around the buildings. She reported there was a \$9,142 positive variance in insurance expense because the cost came in lower than budgeted.

She reviewed the reserve balance sheet (**EXHIBIT C**) and reported there was \$1.7M in cash and CDARs in the reserves. She reviewed the reserves income statement (**EXHIBIT D**) and reported that \$538,968 had been spent on reserve projects during 2019 and noted that the largest reserve project expenditure was resealing of the roadways. She confirmed that all reserve funded projects were included in the current reserve study. She explained that reserve studies were guides and that projections could vary based on when the study was completed and when the work was done. Mr. Millar stated that KPMA was scheduled for a new reserve study at the end of 2020.

- **Funding for Plant Replacements**

Mr. Taylor reported that as a result of the two landscape inspections completed to date, approximately \$70K in needed plant replacements were identified. KPMA would spend \$33K in 2019; \$13K would come from Starwood's annual agreement for plant replacement budget. He next shared that sod replacement was not planned at this time because there were still areas where trees needed to be cleared out and areas irrigation needed to be repaired. Mr. Millar confirmed there was money in the 2020 budget for tree work, irrigation repair, plant and sod replacement.

Mr. Love stated that he believed a motion to approve spending up to \$20K out of reserve funds for plant refurbishment was needed because this expenditure was not included in the 2019 reserve spending plan. On behalf of the KPMA Audit Committee, Mr. Love made a motion to utilize up to \$20K out of the reserve funds for refurbishment for plant replacement in 2019, seconded by Mr. Bullock and unanimously approved, it was:

**MOVED; to approve utilizing up to \$20K in reserve funds for plant replacement in 2019.**

## **B. Architectural Standards Committee Report**

- **Landscape Architect Update**

Chairwoman Fellows provided an update on the status of the landscape redesign project. She reported that Mr. Duckworth still had work to do on the redesign and that a total price for the project was not yet available. She shared that this project would be brought back to Board members for a vote in 2020.

She next reported that the KPMA ASC had voted not to overseed the grass this winter to prevent cinch bugs and fungus.

Mr. Barenberg thanked the Blue Ribbon Committee for the hours of their personal time they had spent working with the landscape architect on the Board-approved redesign project. He encouraged Board members who disagreed with the direction of the project to bring their concerns before the full Board for discussion, rather than participate in invitation-only tele-conferences.

Mr. Hanna inquired if he could share with Board members the landscape feedback he received from a guest who stayed in his unit. Mr. Hanna was encouraged to forward the information to the KPMA ASC.

In response to Board members' concerns, if the redesign program was delayed, Chairwoman Fellows stated that Starwood would work with the landscape architect to identify the type of plants which would replace any dead / dying plants.

- **Sub-Association Requests**

Chairwoman Fellows reported that the ASC had approved a request from Canterbury Court III to replace rotten wood on the buildings and around the windows.

- **2019 Holiday Decoration Dates**

Chairwoman Fellows reported that volunteers were needed on November 20, 21 and 22 to decorate the Plantation for the holidays. She noted that volunteers would stage in the Laurel Court meeting room at 9 a.m. She asked that Board members please share the call for volunteers with the homeowners in their Subordinate Association.

### **C. Security Committee Report**

- **Security Statistics**

Chairman Fleming reported that 5,397 saturation patrols and 2,577 vendor checks had been completed through September 30, 2019. He explained that during saturation patrols ASG officers walked around the exterior of the buildings. He noted that during these patrols, ASG officers had reported open unit doors, torn window screens, water leaks and light outages.

- **South Carolina Code of Laws – Golf Carts**

Chairman Fleming reported that in South Carolina operation of golf carts after dark was prohibited. He noted that this information would be shared with golf cart owners during the 2020 golf cart registration process, due to the fact that golf carts were driven from the Plantation onto Kings Road.

- **Non-Commercial Use of the Back Gate**

Chairman Fleming reported that use of the back gate exit by owners and guests continued to be a problem. Board members were asked to please remind owners that use of this exit was prohibited and could pose a danger in an emergency. He reported that discussions were ongoing on how to stop use of the back gate exit and that an update would be provided at the February 2020 Board meeting. Mr. Love reminded all that the back gate road was owned by the developer and noted that KPMA and hotel management were working together to find a solution. It was reported that there were gated communities with guardhouses where the public was not allowed in unless someone had called their name in to the guards. It was noted that this may not be possible to accomplish with a hotel on the Plantation.

Mr. Millar reported that there were cameras at the guardhouse and roundabout gates; however, they were not monitored 24/7. Contractors entered the Plantation through the main gate. Large delivery trucks were admitted onto the Plantation through the back gate via a call button to the guardhouse.

- **Plans for 2020 Bike Weeks**

Chairman Fleming reported that planning for 2020 bike weeks had begun and KPMA had taken the lead. KPMA will work closely with hotel management, the Horry County Sheriff Department, A-Services Group and Club Status management.

- **Incident Report Summary**

Chairman Fleming stated that the summary of incidents (**EXHIBIT E**) included those that were responded to by police, fire or emergency personnel since the August 17, 2019 KPMA Board of Directors meeting.

- **Security Committee Member / Resignation**

Chairman Fleming reported that Mr. Russ Riedell was moving from the Plantation and had resigned from the Security Committee, effective immediately. He next stated that Mr. Jim Gryck had volunteered to replace Mr. Riedell on the Security Committee and requested that the Declarant appoint Mr. Gryck to the Security Committee. Upon a motion made by Mr. Barenberg, seconded by Mr. Love and unanimously approved; it was:

**MOVED; to appoint Mr. Gryck to the KPMA Security Committee effective immediately.**

**D. Manager's Report**

- **KPMA Reserve Study**

Mr. Millar reported that neither the State of South Carolina nor the KPMA Amended and Restated documents indicated a timeframe for completion of a reserve study. He noted that five (5) years was too long a period of time and asked for a motion, to include in the minutes as a mandate, that KPMA will complete a reserve study every three (3) years. Upon a motion made by Mr. Bullock, seconded by Mr. Barenberg and unanimously approved; it was:

**MOVED; to approve that KPMA have a reserve study completed every three (3) years by a professional reserve study engineer.**

It was noted that KPMA did not know when Sub-Associations had reserve studies completed and did not have direct knowledge whether sub-associations were properly funded in their reserves. Mr. Barenberg stated that it was the duty of Sub-Association board members to fund their reserves properly and in the most financially responsible manner. Mr. Millar offered to schedule a meeting with a reserve study engineer for Board members.

- **Owner Golf Cart Registration**

Mr. Millar stated that Board members had discussed numerous times the number of golf carts on the Plantation. He reminded all that one (1) golf cart per unit could be registered during a calendar year.

Mr. Millar stated that the date for the bulk trash container would be published once a date had been identified.

## **7. Unfinished / New Business**

### **A. Proposed First Amendment to the Restated CC&Rs**

Mr. Millar stated that trailer parking on the Plantation was prohibited per the CC&Rs. He further stated that legal counsel had encouraged KPMA to set rules in compliance with the CC&Rs. To accomplish this, a first amendment was being proposed.

He shared that HOA Rules and Regulations had to be recorded and posted. KPMA needed to amend the CC&Rs to permit trailer parking. After approval of the first amendment, proposed rules and regulations for trailer parking, motorcycles, towing, fining back gate violations, etc., could be drafted and then be brought back before the Board in February 2020 for approval.

Mr. Barenberg confirmed that the current documents prohibited trailers and that KPMA was in conflict with the documents when trailers were permitted. He next shared that in the past trailers were parked in the health club overflow parking lot, which was not located inside of Kingston Plantation. Mr. Biccichi noted that West Hyde Park and Richmond Park would be affected by trailer parking in the overflow area across from Arrowhead Court and beside West Hyde Park.

Mr. Millar explained that two motions were needed. The first motion waived any irregularities in the notice of the meeting; a Scribner's error. Upon a motion made by Mr. Love, seconded by Mr. Robinette and unanimously approved; it was:

**MOVED: to waive any irregularities in the notice of this meeting.**

The second motion would approve the proposed first amendment and authorize the KPMA president to execute the amendment on KPMA's behalf. Mr. Love noted that the second motion would allow KPMA to create rules and regulations for trailer parking, timeframe and establish fees in connection with parking trailers, etc. The rules and regulations would come to the Board as a recommendation from the KPMA Security Committee. Upon a motion made by Mr. Love, seconded by Mr. Robinette and approved; it was:

**MOVED; to approve the First Amendment to the Amended and Restated Covenants, Conditions and Restrictions for Kingston Plantation and authorize the KPMA President to execute on KPMA's behalf.**

Mr. Bramlett stated that in light of the possible negative impact on Arrowhead Court he had to vote Nay. Mr. Barenberg requested a roll call vote on this motion, (EXHIBIT F). The roll call vote tally was: 14 votes in favor of and 2 votes against. The Motion was approved.

## **B. 2020 Proposed Operating Budget**

Mr. John Taylor highlighted the significant reductions and increases in the proposed 2020 budget. Mr. Love explained the proposed increases to landscape replacement, landscape drainage, irrigation maintenance, tree maintenance and contract landscape maintenance. He explained that the 5% increase in general reserves to get the reserve funding in line with what had been recommended in the last reserve study. He next explained the \$30K for landscape architect fees would cover drawings and the cost for a marketing initiative to share the architect landscape plan with the homeowners. He stated that the \$15K revenue in Overnight Trailer Fees included the anticipated revenue to be collected for short-term trailer parking. He shared the decal and sticker income line reflected a small increase for vendor and owner golf cart decals. He next shared that the cost to park a motorcycle trailer at Club Status during bike week will increase from \$50 to \$75 in 2020 and increase to \$100 in 2021. It was noted that the proposed 2020 operating budget reflected a 6% dues increase, or \$8.49 per door, per month. Upon a motion made by Mr. Love, seconded by Mr. Robinette and unanimously approved; it was:

**MOVED; to approve the proposed 2020 operating budget as discussed.**

## **C. 2020 Proposed Reserve Projects**

Mr. Taylor next reviewed the list of 2020 proposed reserve projects. Ms. Carrig noted that the listed projects came directly from the reserve study and that the biggest expense would be for refurbishment of light poles and fixtures. She shared

that KPMA staff had met with and discussed Santee Cooper's rental lights (all sizes). the biggest expense would be for replacement of light poles and fixtures. Mr. Barenberg recommended that the Blue Ribbon Committee look at the different types of lighting on the Plantation and identify an all-encompassing look. Upon a motion made by Mr. Love, seconded by Mr. Krause and unanimously approved; it was:

**MOVED; to approve the 2020 reserve projects as submitted and recommend that the Blue Ribbon Committee identify an all-encompassing look for lighting on the Plantation.**

Mr. Simon Mais, Executive VP Operations with EOS Hospitality, shared with Board members the vision that EOS had for the hotels and Kingston Plantation, including a full renovation of the Hilton hotel guest rooms, outside public spaces, Embassy Suites and Embassy Suites pool amenity. He shared that EOS planned to invest \$50 million and stated that concepts were still being finalized.

President Watkins stated there now was a matter to be discussed regarding the managing agent and asked for a motion to move into Executive Session. Upon a motion made, seconded and approved; it was:

**MOVED; that the KPMA Board of Directors enter into Executive Session.**

#### **8. Executive Session – KPMA Management RFP and Recommendation**

LITUS\* To Let staff and non-KPMA Board members were asked to please exit the room at 11:35 a.m.

*For documentation purposes, the following was provided by the KPMA Vice President to be made a part of the official minutes of the meeting:*

*President Watkins pointed out that due to a family emergency the St. James Park Delegate had to leave the meeting and that the St. James Park Alternate was also unavailable due to a family emergency. During Executive Session Mr. Barenberg noted that in order for St. James Park to be represented in the vote Mr. John Taylor, as a homeowner in St. James Park could be appointed as the St. James Park Alternate for this meeting only. Upon a motion made by Mr. Barenberg, seconded and unanimously approved; it was:*

*MOVED; to approve Mr. John Taylor as the Alternate representative for St. James Park for this meeting only.*

*Upon a motion made by Mr. Sherry Love, seconded by Mr. Jim Robinette and approved; it was:*

*MOVED; to select Mr. Doug Millar and LITUS\* To Let as the KPMA managing agent for a three (3) year period beginning January 1, 2020; to authorize the KPMA Audit Committee to finalize the three (3) year contract with two (2) mutually agreeable one (1) year extensions; to authorize the KPMA President to execute the contract on behalf of KPMA, once the Audit Committee approved the contract.*

Board members came out of Executive Session at 12:55 p.m.

**9. Adjournment**

There being no further business to come before the Board, the meeting was adjourned at 1:00 P.M.

Meeting Commenced: 9:00 A.M.  
Meeting Adjourned: 1:00 P.M.

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White G. Watkins, President

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Leslie A. Styles, Recording Secretary