

CEDAR REEF VILLAS

Harbor Island, SC 29920

Annual Meeting Minutes

November 5, 2022

The annual meeting of Cedar Reef Villas Horizontal Property Regime was held at 11:00 a.m. on Saturday, November 5, 2022, at the Harbor Island Conference Room and via conference call.

Board Members in attendance: Michael Kirby, Cheryl O'Hara, Jim Roberts, Susan Schiavon, and Astrid Wilson.

Roll call was taken and a quorum was established.

Board President, Mike Kirby, called the meeting to order at 11:03 a.m. Mike welcomed all the owners in attendance and thanked the owners for their patience while the B and C Building siding and deck projects took longer than originally anticipated.

The November 6, 2021, Annual Meeting minutes were approved unanimously as presented.

Report of Officers

The financial status of the regime accounts was presented along with the October 2022 financial statements. The operating account has a balance of \$349,127.34, the reserve account balance is \$284,981.03, and the reserve CD balance is \$260,623.99. The accounts receivable total \$22,288.28.

The proposed 2023 Budget was presented to the ownership for review. The proposed budget reflects a 9.25% increase from the 2022 annual budget. A motion was made to approve the 2023 budget as presented. The motion was seconded, discussed, and approved unanimously.

The annual insurance assessment is now billed on a quarterly basis. The amount assessed for the 2022-23 insurance renewal was \$515,313.11.

Cheryl O'Hara and Astrid Wilson reviewed the many projects that were completed in 2022. A list of all the projects were provided to owners in the meeting packet. A few of the ones discussed were as follows:

- B and C Building rear deck and siding renovation project was completed.
- New concrete sidewalks and pathway lighting were installed behind the A, B, and C Buildings.
- The landscaping was cleared behind the pool and new irrigation, sod, picnic tables and grills were installed.
- All pool lounge chairs were replaced with an updated style.

- New siding on the end wall where D101 & D201 are located was installed

A contract to replace the siding on the end walls at the K Building has been signed and work is beginning.

Election of Administration

There were three board seats up for election. After notices were sent to the ownership, three owners submitted board applications. Those owners were Jennifer Hayes, John McMichael, and Susan Schiavon. Susan Schiavon and John McMichael were elected to 3-year terms. Jennifer Hayes was elected to a 2-year term.

Unfinished Business

Update on Lawsuit

The lawsuit filed against Cotton Construction regarding poor workmanship following Hurricane Matthew has been settled. The total settlement proceeds were \$331,500. The net received by Cedar Reef after attorney and professional fees were paid totaled \$217,391.78.

New Business

Insurance

Paul Steadman, the insurance broker, joined the meeting via zoom to discuss the current state of the insurance market for coastal condominiums. A lot of carriers have left the market for coastal condo properties along the East Coast and the remaining carriers' appetites to insure these properties has diminished due to historic losses from Hurricanes. Wood frame condos built in the 1980s on barrier islands, such as Cedar Reef, are not as attractive to carriers due to the risk. As a result, carriers are purchasing reinsurance, which has added the properties' premium renewal costs. The recent events from Hurricane Ian will likely result in increased premiums again in 2023. The Steadman Agency goes out to 20+ carriers starting 120 days prior to renewal for proposals on the policy. We typically do not see any carriers submit a proposal until 30 days before renewal. Of the 20+ carriers from whom bids were requested, only the incumbent carrier submitted a renewal option.

EV Charging Stations

The Board has been in discussions with electric vehicle charging companies regarding products and pricing. The 2023 budget includes money to have an electric vehicle charging station installed in the parking lot. The exact location has not been determined, yet.

Crawl Space and Subfloors

An engineering firm was recently hired to evaluate the cause and recommend a solution for the soft subfloors owners are experiencing in first floor villas. This issue will be a priority for the Board, moving forward.

Hurricane Shutter Committee

Linda Saunders provided information on the status of the Hurricane Shutter Committee and the different styles of shutters that they have explored. Linda will be meeting with contractors and providing additional information on pricing when it is available.

Golf Cart Charging Outlets

Matt Phillips volunteered to explore options for electrical outlets to be installed in the parking lot closest to the K Building. There are currently no outlets near the K Building for owners with electric golf carts. The only outlets are in the center of the parking lot closest to the A, B, C, D, E, and F Buildings.

Comments

There was a total of 20 new owners who purchased villas in 2022. A list of the new owners was provided in the meeting packet.

An owner requested that a palm tree be planted behind the C Building where the palm tree was removed during the siding and deck replacement project at C Building.

Adjournment

There being no further business, the meeting was adjourned at 12:26 pm.