



# TALL SHIP BEACON

Issue No. 7

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## MESSAGE FROM THE PRESIDENT

Tom Schill

Safety is on my mind.

We are repairing a walkway bridge in the Clipper building, and have begun repairing balconies in the Schooner building. Both of these projects were necessary because the amount of deterioration was making these structures unsafe. The 'structural enhancements' being pursued beneath the buildings are also required for safety and stability of the buildings. See Barry's article for further information.

Later in this issue, there is an article on fire safety written by Brandon Shirley, our Assistant Fire Chief and District Fire Marshall. Please read it. We are looking into enhancements to our present fire alarm system. If you have any ideas on shortcomings you would like us to consider, please contact me or any other board member.

## FROM THE TREASURER

Sharon Luria

### *(Confessions of a Treasurer from Hell)*

When I volunteered to join the Tall Ships board, three years ago, I had an agenda. The whole place, I thought, was looking grungy and down at the heel. The signs needed painting; 'landscaping' died the moment it was planted

because the sprinkler systems didn't work; the janitorial service was just a lick and a promise – mostly the latter – and the elevators were a disgrace. And when I was asked to become Treasurer, I thought that was a great idea. Now I'm thinking of changing my name and fleeing to the Cayman Islands -- along with Ken Lay and his boys.

The last three years have been marked by two things: the greatest assessment increases in the Tall Ships' history, and the sharpest rise in their property values and selling prices. The economy was mostly responsible for the latter, though I do believe that your board's sound fiscal policy helped a little. But why have assessments risen so dramatically? "Attitude" is one explanation; "Smarter Buyers" is another. Let's take a look at both:

**Attitude:** Three years ago property values were languishing: lots of folks wanted to sell, but few buyers were interested. With KKPOA managing our property and melding our expenses with those of Keowee Key as a whole, we had no clear idea of what it really cost to operate the Tall Ships. KKPOA dealt in band-aid solutions, which helped to keep assessments low, and as to most of us the condos were a second home, we heartily applauded that approach. Call it the ostrich syndrome, but "preventive maintenance" and "reserves" were concepts we didn't want to think about. Not when property values were so low. Not when it was already hard enough to find a buyer!

Sooner or later, however, the piper had to be paid, and the expensive task of redoing our

roofs could no longer be put off. We honestly thought that would be the only major project to be funded – until those pesky new buyers appeared on the scene.

**Smart Buyers:** These guys weren't willing to settle for just a nice layout and a pretty view. If they were going to plunk down \$200K or more for a unit and pour another \$50 - \$75K into redoing it, they wanted (and would pay for) engineering inspections that poked into walls and crawled into attics. And they discovered Oconee County's dirty little secret: that twenty years ago, when these places were built, there were few building codes, and even fewer inspectors to enforce the paltry lot that existed. And once the Board became aware of the structural defects and shortcomings, it had no choice but to tackle them.

We hired our own team of engineers and believe we have now identified all of the weaknesses that need correction. But the moment one makes such a statement, a new surprise will crawl out of the woodwork. Not all of the defects are equally serious, or equally pressing, and **Lester Essex's 'Ad Hoc' committee** (see his article) is prioritizing them for us. But to suggest that we are not going to have to raise some additional revenue would be ingenuous. As Barry Stuart reports, we are in negotiations with FORDCO (the developer) to recover some of the structure-related costs, but let's not count on a settlement.

Meanwhile, selling prices are escalating nicely, and the \$1,500 buy-in fee does not seem to be much of a deterrent. Ten units have changed hands since the start of the year, and the average selling price has risen to \$188,450 – up \$2,000 in the past month alone!

Though we may live to rue it, this area is being 'discovered.' Because of the cost of today's required waste treatment systems, it is unlikely that other lakeside condominiums will be built, and we are sitting on a goldmine. We can't just let it deteriorate.

### **SPECIFICS:**

**INCOME/EXPENSE STATEMENT:** As of 4/30/04 we are operating within the budget. Electricity, Legal and Grounds Maintenance are over, while the Contracts account is under budget because we have not yet signed a Fire Alert Maintenance contract.

**FINANCIAL FUTURE:** Although our current financial picture is good, as we become aware of new and unanticipated major repairs the picture starts to change and we must be prepared to meet these new expenses. The Board secured a line of credit in anticipation of these costs.

**RESERVE FUNDS:** At the annual meeting last December the homeowners voted to charge a one time entrance fee, which would go directly to the Reserve Fund. As of 5/5/04 we have had ten sales for an increase of \$15,000 to our Reserves.

**DELINQUENCY REPORT:** We have started foreclosure proceeding against two owners and we have a lien against another owner. I feel that we have better than a 50/50 chance of full recovery. The other homeowners are just 30 days overdue and if the pattern holds, they will pay this month.

## **PROPERTY MGR'S REPORT**

**CATHY BELL**

As Property Manager for Tall Ship one of my duties is to inspect the property, buildings and land, for proper maintenance by the contractors that work for your community. You may not be aware but I along with a board member perform the inspections on a monthly basis. We record our findings on a check-sheet and inform the contractors of any deficiencies that we find. Please do not hesitate to contact me if **you** notice something that needs to be taken care of.

We recently installed new pine straw at each of the buildings and the spring flowers should be planted very soon. We also repaired and painted the building signs this spring.

You may have noticed the decreased lights in the walkways. We capped off some of the fixtures that are not necessary but still provide adequate light for safety. If you notice a light that is not capped but is not working please let me know. As always I can be reached at 800-247-2505.

## STRUCTURAL SITUATION

Barry Stuart

Repairs have begun on all phases of our project. The damaged bridge at Clipper has been removed, and replaced. Stucco replacement should be complete by the end of May.

Repairs have begun on the decks at the right end of Schooner. These repairs to this deck should be completed in the very near future. There are other decks in this building that will have to have the same repairs. After inspection, work will proceed on the worst decks first.

Access entrances have been made below the decks in each building, and the necessary reinforcing effort should be forthcoming.

On the legal side a letter has been sent to FORDCO's attorneys stating the findings and our intentions of repair. The letter also invites them to view the findings and offer any remedies they deem advisable. To date there has been no response.

## ROOF PROJECT

Tom Schill

We are finally nearing the end of this project. All the buildings are complete, except the Frigate and the Schooner. Hopefully they will be completed by the time the Beacon is

delivered. I know this has been a major inconvenience, and has been too long in the process. However, when it finally is completed, we WILL have a first class job with a 15 year guarantee. We really appreciate your patience throughout the many months of this project.

## Ad Hoc Committee on Major Repairs

Lester J. Z. Essex  
[lester@mygarage.us](mailto:lester@mygarage.us)

Please be informed that the Committee is in the process of prioritizing immediate and long range repairs, and developing recommendations for funding them. The Committee's members are:

- Lester J. Z. Essex – chairman
- Virginia Sholar – member
- Dan Dobson – member
- David Bean – member

There are two ways to approach the funding issue:

1. We can work as a team and solicit the experience of all property owners to come up with funding solutions, or
2. The committee can develop its own recommendations and present them to the board.

*[Please note that the new web site described below provides a Comments section that allows owners to make their views known, and to share them with others. – Ed]*

## NEW WEB SITE

Carlos Luria

We are happy to announce the launch of our new web site, <http://www.tallshipscondos.com>. You will need a **username** (your **Unit #**) and a **generic password** (**tallships**) to access its restricted areas, but the site will have two purposes:

- It will promote the Tall Ships to the outside world as a great place to live and play, and at the same time give homeowners a site where they may advertise properties or related items..

- It will provide a repository for useful references, such as the By-Laws, the Master Deed and the Recommended Providers List, and a restricted area where unit owners may cast votes and discuss issues.

While we will continue to use e-mail as the primary method for keeping you informed, when references are posted on the web site, we will link you to them.

**Sharing your Views:** No one likes surprises, particularly ones involving money, and when issues arise that may have far-reaching consequences, there needs to be an area where such matters can be discussed, before decisions are made.

One of these is the Major Repairs funding referred to in Lester Essex's article, above. The site will allow you to express your opinions and to share them so that they may be read by others.

**Layout:** The site is so straight-forward that it doesn't require much explanation, but a few comments are in order:

- **Now Hear This!** Most of the references are located here and are posted as PDF files that require the Adobe Acrobat Reader. A free copy can be downloaded from <http://www.adobe.com/products/acrobat/readstep2.html>
- **Property Owners Section:** This is the restricted section for which you will need the above-cited username and generic password
- **Recommended Providers** This is a list of contractor and service providers who have been recommended, *in writing*, by Keowee Key residents. It carries no advertising and generally beats the Yellow Pages. Use **Ctrl F** to

search the List for a particular **name** or **service**.

- **Great Explores** is a guide to some of the area's lesser-known treasures, particularly useful when you have friends or grandchildren visiting.
- **"Classifieds"** If you have boats, furniture or other items for sale, or have your unit on the market or in the Rental program, you may list such items here. Similarly, if you would like to rent a unit, you can seek one here. Our web site is categorized as a real estate site, and in time a Google search on Tall Ships or Tallships or SC condos should bring it up. Even if you have your property listed with an agent, you may want to include a reference to it here for the added exposure, and if you have a web site of your own on which your property is more fully described, we can link to it. All such submissions should be sent to [info@tallshipscondos.com](mailto:info@tallshipscondos.com)

Finally, the site is still a work in progress. We are always seeking photos – particularly action shots that showcase Keowee Key's lifestyle and its recreational opportunities. Send them along and let us post them. And if you have suggestions about the site and how it might be made more useful, send those along as well – all to [info@tallshipscondos.com](mailto:info@tallshipscondos.com)

## HOMEOWNER LIABILITY

Carlos Luria

Because of vibration, a fitting on your garbage disposal loosens and begins to drip; you put a bucket under the sink to catch the water, but don't call the plumber in time and the bucket overflows. The bottom of your 20 year old water heater rusts out and creates a swimming pool in your utility closet. Or the hose to your washing machine bursts and floods your laundry area.

If you live on the second or third floor of the Tall Ships, the unit below yours will probably suffer some damage from such occurrences, but that's why we carry insurance, right? Our Master Deed makes us *responsible* for everything within our units, and the liability portion of our homeowner's policy will therefore pay for any damage we do to our neighbor, right? Well – that depends!

Better read the fine print and talk to your agent, because more and more insurers are limiting their coverage to “*legal* liability,” which they define as negligence -- plus whatever other conditions state or local ordinances may decree

The first example – in which our downstairs neighbor was damaged because the bucket overflowed – would probably be covered. We knew about the leak; we didn't have it fixed in time, and damage resulted. We were *negligent*, and are therefore legally liable. But in the other examples cited, we had no reason to expect a mishap, and no reason to take preemptive action to forestall the problem. We may be morally responsible for the damage, but we are not *legally* liable. State Farm and AllState (to name but two insurance giants), will not pay for the repairs. But here's a bizarre twist: Should that make our downstairs neighbor angry enough to sue for damages, State Farm will defend us at their expense!

I heard this first from State Farm's rather taciturn Claims agent in Walhalla, and didn't accept it. I called a local AllState agent who assured me that they would cover all three of the above scenarios. Ten minutes later he called back to say that he had checked ‘up the line’ and had learned, to his surprise, that only the first of the three would be covered. Still unconvinced, I contacted Gus Brisson, who heads State Farm's Claims office for the Upstate, in Greenville, and he spent a good twenty minutes reviewing the alternatives.

He stated that the limiting of legal liability to cases of negligence – plus whatever other conditions official statutes may define – is

well established in South Carolina. But he added that ‘official ordinances’ included conditions specifically enumerated in the Master Deeds and By-Laws of property owner associations, as long as they did not run counter to South Carolina's Horizontal Properties Act.

The Tall Ships, for example, could amend its Master Deed to declare homeowners legally liable for equipment malfunctions within their units, *and State Farm would honor such a provision*. But he cautioned that this could be a two-edged sword: If a short circuit in your toaster caused a fire that burned down the whole building, you would only be covered for the amount of liability insurance you had chosen to buy – typically, \$100,000 – and would have to come up with the rest on your own.

**Bottom line:** Whatever moral responsibility we may wish to assume, our legal liability seems to be limited to cases in which we have been negligent.

## SOCIAL COMMITTEE

Sylvia Stuart

Sunday, March 7 was our St. Patrick's Day Brunch with 35 people in attendance and The Routmans had as their guest Carole's father.

The Kentucky Derby Party was a Success! [see photos on web site]. No Big Winners this time! The food was wonderful from Mike Ferrato's meatballs to Joyce Schill's Derby Pie. Thanks go to Carolyn Asperger, Barry Stuart, and Bob Dunlap. Everyone pitched in to help clean up. Lea Allison who had agreed to help was involved in an automobile accident with Ron earlier in the day. Thankfully both are recovering from their experience.

### **New dates to remember:**

Wednesday, June 9, 5 PM to 7 PM, Cocktails at Clipper Call Mary Lee Davis at 944-6246.

Saturday, August 28, Block Party at Ketch more info to follow.

# FIRE SAFETY

M. Brandon Shirley  
Asst. Chief/Fire Marshal, Keowee Fire Dept

Fire safety and fire prevention should be, in my opinion, on the top of your list of things to think about everyday. Why isn't it? Well, according to the United States Fire Administration the chance of dying in a fire is only 1 in 73,000. In the United States a house fire occurs every 17 seconds and a fire death occurs every 2.5 hrs. Most of the populous is never directly effected by fire and therefore fire safety and prevention are not on the forefront of your mind.

Special populations such as older adults, people with disabilities, the deaf and hard of hearing, and visually impaired are twice as likely to be injured or die in a house fire. These populations can significantly increase their chances of surviving a fire by practicing proven fire safety precautions. Please follow the guidelines below to help improve your chances in surviving a fire.

## HAVE A SOUND FIRE SAFETY AND ESCAPE PLAN

- Involve the entire family and your neighbors when practicing your escape plan.
- Practice opening door locks and windows with your eyes closed
- When you hear a fire alarm leave immediately. Once out, stay out!
- Clear storage areas of flammable materials.
- Never use the elevator during a fire unless instructed by the fire department

## INFORM OTHERS OF YOUR SPECIAL NEEDS

- Let your neighbors know if you need help exiting the building.
- Let your local fire department know about any special needs you may have

## INSTALL AND MAINTAIN SMOKE ALARMS

- Smoke alarm batteries need to be tested every month and changed at least once a year.

- Smoke detectors should be placed in and outside all bedrooms and near the kitchen.
- People with physical limitations should not only have audible smoke alarms but also alarms with a vibrating pad or flashing light.
- If you hear a fire alarm attempt to alert your neighbors as you exit the building.

If you have any question on fire safety, please contact the fire department at 944-8666.

## WELCOME NEW OWNERS:

Sylvia Stuart

O. W. and Kate Bannister: Unit 115 (Clipper)

Marion and Greta Hawkins: Unit 112 (Frigate)

John and Evelyn McGavin: Unit 311 (Frigate)

James and Carolyn Leshock: Unit 326 (Square Rigger)

William and Theresa Buchanan: Unit 308 (Frigate)

Ernest and Jeanette Petrides: Unit 324 (Cutter)

Please get to know our new neighbors and make them feel at home.