

*Sandpiper Cay Condominium Owners Association
Board of Directors Meeting
February 23, 2009*

The Sandpiper Cay Condominium Owners Association Board of Directors met on Monday, February 23, 2009 at Village Realty. Steve Kinnier, Tom Watkins, Pat Ambrose, Liz Puma and Linda Craig were present. Emily Lewis, Ansley Miller and Courtney Fowler were present representing Village Realty. Owners representing eight units were present as well.

Mr. Kinnier welcomed everyone to the meeting and introduced himself. He asked the other Board Members, the members of Management and the owners to introduce themselves.

Mr. Kinnier noted that the Annual Meeting notice and the ballots had been mailed to each owner. There are two candidates, Tom Watkins and Linda Craig, who are running for the Board and both of the candidates are currently serving on the Board. Nominations will also be taken from the floor at the Annual Meeting. Mr. Kinnier noted that the owners who are more than 90 days delinquent on their association dues were mailed the Annual Meeting notice via certified mail. The delinquent owners mailing also included another letter regarding the owners past due balance. Mr. Kinnier noted that one of the owners had already sent an email in response to the past-due letter. He also reminded the Board that certified letters are considered accepted by the recipient if three attempts are made to deliver the mailing.

Mr. Craig asked if the Board was going to forgive any of the back dues owed by the chronically delinquent owners. Mr. Kinnier said that none of the money owed to the Association would be dismissed and that the Board and Village Realty were doing all that they can to collect the delinquent dues. He added that when an owner who usually pays on time accidentally misses a payment, but immediately makes that payment when informed of the oversight, then Village Realty may use its discretion to waive a late charge. The late charges are intended to apply to the seriously delinquent accounts. Mr. Kinnier noted that he was pleased to see that one of the delinquent owners had responded and hoped that the owner would be able to start making regular payments in addition to working to pay off the past due balance.

Ms. Lawrence asked why the amount shown on the Accounts Receivable report handed out at the meeting was lower than the amount stated in the Proxy Statement mailing. Mr. Kinnier replied that the report handed out at the meeting only included owners who are more than 90 days delinquent and the amount stated on the Proxy Statement included owners who are more than 30 days delinquent. Ms. Lawrence asked how the Board decided that owners who are delinquent 30 days or more would not be able to vote at the Annual Meeting. Mr. Kinnier noted that the Bylaws state that a unit owner may not vote at any meeting if that owner is delinquent more than thirty days on their Association fees.

Ms. Lawrence noted that Reuben Greene was not able to attend the meeting, but that he had asked Ms. Lawrence to compliment Mr. Kinnier on the thoroughness of the Budget mailing and the Annual Meeting mailing. Ms. Lawrence noted that Mr. Greene was curious to know if there has been any closure in the investigation regarding the accounting and financial irregularities of the previous management company. Mr. Kinnier stated that there has not been any closure and there are no updates at this time.

With there being no other comments or questions from the owners, Mr. Kinnier asked for a motion from the Board to approve the January 19, 2009 Minutes. On a motion by Ms. Ambrose and a second by Ms. Craig, the Minutes were approved as submitted.

Ms. Miller presented the Financial Report. A current Balance Sheet, Income Statement, Posting Journal and Accounts Receivable Report were presented. She noted that the Accounts Receivable number on the Balance Sheet was a net figure and was negative due to some owners paying their Association fees in advance. Ms. Miller presented the Income Statement and explained why some of the January expenses were over the budgeted amount for January. Mr. Kinnier noted that it is difficult to compare the first month of the year expenses to the budget and that the comparison of actual expenses to budgeted expenses is more accurate when compared on a quarterly basis.

Ms. Craig had a question about the sprinkler service fee and asked if all the sprinkler systems were working. Ms. Miller noted that irrigation systems had been turned off, but Oceanside Farms would inspect them to ensure that they are working properly when they are turned back on in the spring. Ms. Craig asked why the grass over the septic systems was higher than the rest of the grass. Mr. Watkins noted that this was caused when the soil was replaced after pumping the septic tanks and that the soil would soon settle and be even with the rest of the grass.

Ms. Miller noted that there have not been any major changes on the Accounts Receivable report other than receiving the email from one of the delinquent owners. Mr. Kinnier asked Ms. Miller to send a copy of the email to Teresa Burgess and John Leidy. Mr. Kinnier suggested that Village Realty may need to update some of the liens filed on the delinquent owners. Ms. Lawrence asked if the delinquent owners were able to use the amenities. Mr. Kinnier noted that the Board is checking into whether the Association is required to allow delinquent owners and their tenants and guests to use the amenities. Mr. Kinnier reminded the owners that copies of all the financial reports are available to any owner who makes a specific request to Village Realty.

Ms. Miller presented the Management Report. DLM Architects is in the process of completing the reserve study and it should be completed in 2-3 weeks. DLM has done reserve studies for a couple other condominium associations in Virginia that had the same developer as Sandpiper Cay. The communities are very similar in design and layout to Sandpiper Cay. The quote given by DLM previously was still valid and the study is all-inclusive. The only other charge would be if additional paper copies are requested. The reserve study will not make recommendations as to what materials are best to use because it is really out of the scope of a reserve study. However, if they see a common element whose lifespan can be improved, they will make recommendations for the upgrade or change in maintenance practices. They can make recommendations for the upgrade of any one or more of the common elements as a separate study. They can get a proposal for this if needed. Mr. Watkins noted that it would be a good idea to check with both DLM and Gallop Roofing to see if they would recommend venting the bathrooms while the roofs are being replaced.

Sandpiper Cay was not eligible for the Reserve Study discount for being a member of the Community Associations Institute. The Association, not the management company, has to be the member. The cost to join CAI is \$114 for one Board member or \$374 for a five member Board. The savings on the Reserve Study for being a CAI member was \$77. Mr. Kinnier instructed Village Realty to hold off joining Sandpiper Cay into CAI for now.

Ms. Miller noted that letters were sent to the owners with the screws and staples in the roof. Wayne and Steve will be making the necessary repairs to the roof.

Gallop Roofing was supposed to start replacing the roof on the 600 building starting the week of Feb. 16th, but have been delayed due to the weather. After walking the six roofs with the most leaking, Gallop recommended the order of the four roof replacements in 2009 be 600, 3400, 1300 and 1000. The other two roofs they inspected were 3100 and 1100.

The Labor and Material Warranty that Gallop is providing for the roofs was included in the meeting packet. Also included was a letter from Gallop regarding the mold. Ms. Peet noted that she feels that Sandpiper Cay should pay for vents to be installed in the units with mold problems. Mr. Kinnier asked Village Realty to find out what the cost would be to have vents installed when they are replacing the roofs. Ms. Peet noted that Village Realty might want to ask about having a turbine vent installed.

Southern Insurance was contacted regarding the liability for allowing alcohol or for providing paper cups to those who bring alcohol in glass. The insurance agent responded that there is no liability for either as long as the Association is not providing or selling the alcohol. She did suggest putting up a sign stating that the Association is not liable for incidents involving alcohol consumed or brought on the property. Ms. Ambrose suggested having the sign in both the pool area and in the clubhouse.

The three failing septic drain fields have been replaced. There is no grass in the areas where the drain fields were installed. Ms. Miller noted that Oceanside Farms recommended putting sod down in these areas and the cost would be \$910. Ms. Ambrose noted that some of the areas where the drain fields were replaced are not covered by the sprinklers. Mr. Kinnier asked Village Realty to find out if the areas where they are recommending the sod be installed would be covered by the sprinkler systems and email the Board with the answer.

There is one side of the 300 building that is particularly overgrown and some owners are having trouble getting through. Oceanside Farms recommended taking out all of the shrubs. The cost to remove and replace the existing shrubs will be \$900-\$1000. The cost to just remove the shrubs and not put in new ones is \$300-\$400. The Board asked Village Realty to find out if Wayne and Steve would be able to remove the shrubs. There is also a large sandy area on the west side of the 2200 building from plants that were removed for septic pumping. The cost to fill it in with mulch and new shrubs will be around \$600. Mr. Kinnier asked Village Realty to find out if Oceanside Farms could seed or sod this area instead of spending the money to put in new shrubs.

Ms. Miller noted that David Ward, Kitty Hawk Chief of Police, has agreed to attend the Annual Meeting to discuss the Community Watch Program.

Grubbs Vending was contacted to find out why the vending machine had been removed. They picked up the machine because it was not being used and the product was going out of date. They said that they would be willing to bring it back in the spring when the pool opens and it will be used more. It was noted that when the vending machine is brought back the items need to be marked up so that Sandpiper Cay makes a profit.

The Kitty Hawk Fire Chief was contacted regarding how many people were allowed to be in the clubhouse at one time. Eighty people are allowed if tables and chairs are set up and 150 people are allowed if there are no tables or chairs. He also noted that exit signs in the clubhouse are not required.

Ms. Miller noted that the revised Clubhouse Use Policy was included in the meeting packet. Board approval is needed for events of more than 50 people and events that are hosted by someone other than the unit owner. After reading over the revised policy, it was approved by the Board.

The revised Satellite Dish Installation Guidelines created by the Rules and Regulations Committee was included in the meeting packet. Ms. Craig noted that it is the final draft. Mr. Watkins asked Village Realty to have Wayne and Steve create a list of all existing satellite dishes so Village Realty would know if a new satellite dish has been installed without notifying the office.

A proposed checklist for owners that rent units was included in the meeting packet. Mr. Kinnier noted that he would email his comments and suggestions to Ms. Miller.

The December Income Statement and Balance Sheet are posted on the website at www.SandpiperCay.org. The new financials will be posted each month following the meeting.

Mr. Kinnier noted that the proxy ballots need to be in by March 19, 2009 so that Village Realty will have time to count them. He noted that the agenda for the Annual Meeting would be similar to last year's agenda.

Mr. Kinnier asked if there were any Committee reports. Ms. Puma passed out a first draft of the new Rules and Regulations. Ms. Craig noted that the Rules and Regulations Committee will have one more meeting and the final draft will be presented in a few weeks.

Ms. Lawrence noted that the Social Committee held a Valentine's Wine and Cheese and about 18 people attended. She thanked Ms. Ambrose for her help setting up and cleaning. Ms. Lawrence noted that a covered dish supper would be held on March 20, 2009, the night before the Annual Meeting. There is no Social Activity scheduled for April. There will be a Patio Yard Sale in May and advertising, balloons and maps will be provided to those who participate.

It was decided that there would be no Board meeting in March due to the Annual Meeting. The next Board meeting will be held on April 20, 2009 at 1:00 at Village Realty. Mr. Kinnier noted that there would be no Board meeting in May. Instead there would be another mailing to all the owners with the Minutes. Ms. Ambrose noted that the pool code needs to be changed and the new code could be included in the May mailing.

On a motion by Ms. Ambrose and a second by Ms. Puma, the meeting was adjourned.

Respectfully Submitted,

Ansley Miller
Assistant Property Manager