

*Sandpiper Cay Condominium Owners Association
Annual Meeting
March 21, 2009*

The Sandpiper Cay Condominium Owners Association met on Saturday, March 21, 2009 at 9:00 am at the Kitty Hawk Elementary School Gymnasium. Board Members Steve Kinnier, Linda Craig, Pat Ambrose, Tom Watkins, and Liz Puma were present. Bob Oakes, Dorie Fuller, Emily Lewis, Leslie Sanders and Ansley Miller were present representing Village Realty. Owners representing 64 units were present as well.

Mr. Kinnier called the meeting to order. He appointed Ansley Miller as the recording Secretary for the meeting. Mr. Kinnier stated that there were 18 unit owners who were unable to vote for the Board of Directors Election for being more than 30 days delinquent on their association dues. Mr. Kinnier stated that a quorum of 25%, representation of 70 units, had to be established in order to hold the meeting. There were a total of 128 units represented by in person and by proxy. Mr. Kinnier confirmed that a quorum was present.

Mr. Kinnier welcomed the owners and thanked everyone for attending. He introduced the members of the Board, the representatives of Village Realty, and the members of the Election Committee, Betty Peet, Liz Puma and Reuben Greene.

Mr. Kinnier noted that the minutes of the last year's Annual Meeting on May 31, 2008 were mailed to all owners. On a motion by Rueben Greene and a second by Margaret Coolidge, the 2008 minutes were approved as distributed.

Mr. Kinnier gave the President's Remarks. (See attached.)

Mr. Kinnier asked the two nominees who were up for election to the Board to introduce themselves. Linda Craig and Tom Watkins introduced themselves and explained their reasons for running for the Board. Mr. Kinnier asked if there were any nominations from the floor. Virginia Stephan nominated Betty Peet. Ms. Peet thanked Ms. Stephan, but declined the nomination. Ms. Stephan asked if Tom Watkins is still employed with Village Realty and Mr. Kinnier responded that Mr. Watkins is a Village Realty employee. Ms. Stephan expressed her concern that this could be a conflict of interest. Mr. Kinnier agreed that potentially it could be, but that Mr. Watkins has the same rights as all the other Sandpiper Cay owners, which includes the ability to serve on the Board. Mr. Kinnier stated that Mr. Watkins is not involved in any decisions concerning Village Realty, such as negotiating the management contract. All owners voting in person at the meeting were then asked to turn in their ballots for counting.

Mr. Kinnier introduced the guest speaker, David Ward, Chief of Police for the Kitty Hawk Police Department. Chief Ward gave a presentation on the Community Watch Program. He stated that this program brings the law and the public together to prevent crime. The program teaches citizens to reduce crime by recognizing common signs of crime. Chief Ward encouraged owners to sign up for this program. Quarterly meetings would be held for the owners involved in the program and would include a discussion on various topics relating to crime, discussion on recent crime trends in both Kitty Hawk and the Outer Banks, and will conclude with a question and discussion session. Community Watch signs could also be installed at each of the entrances into Sandpiper Cay once the program is in place.

Chief Ward also informed owners about some of the services that the Kitty Hawk Police Department provides. Residence checks are available to Kitty Hawk residents while they are on vacation. The Police Department will come twice a day to check on the home and make sure that it is secured for up to thirty days while the owners are on vacation. Owners who are interested in this setting up this service should call the Kitty Hawk Police Department. Chief Ward also encouraged owners to register their bicycles with the Police Department in case of theft and informed owners that Identikit kits are available for residents with children.

Jeanne Griffin asked Chief Ward about the crime in Sandpiper Cay. Chief Ward responded that vehicle break-ins account for the majority of crime reports in Sandpiper Cay. He noted that it occurs mostly in unlocked cars because most criminals are looking for easy access. Margaret Coolidge asked if the Police Department will patrol occasionally through the community. Chief Ward answered they can patrol periodically through Sandpiper Cay. Ms. Peet asked about dogs running loose through the community. Chief Ward instructed residents to call the dispatcher when a dog is running loose in the community. The Police Department will come and if they are able to find the dog, will contact the owner of the dog and give them a first offense warning. If the dog is found running loose a second time, the owner of the dog will be assessed with a citation. Sue Mortensen asked for the phone number for the dispatcher. Chief Ward replied the phone number for the dispatcher is (252)473-3444 and the Kitty Hawk Police Department's phone number is (252)261-3895.

Mr. Kinnier thanked Chief Ward for his presentation and thanked Gale Coughlin for recommending the Community Watch Program.

Mr. Kinnier announced the Election results. The newly elected members were Tom Watkins and Linda Craig. Tom Watkins received 121 votes, Linda Craig received 113 votes, Doug Seay received 10 votes, Betty Peet received 8 votes, and Shelia Diehm and Margaret Coolidge each received 1 vote. Mr. Kinnier congratulated Tom Watkins and Linda Craig.

Mr. Kinnier asked for questions from the owners. Ms. Peet asked if exhaust vents would be installed in the bathrooms of the townhouse units with the mold problems. Ms. Miller replied that this is something that the Board has asked Village Realty to look into. Village Realty is waiting for the estimates from Gallop Roofing and Remodeling. Mr. Kinnier suggested to Ms. Miller that a representative from Gallop attend the next Board meeting to answer questions about the bathroom vents. Ms. Miller noted that she would look into having a representative from Gallop attend the meeting on April 20th. An owner noted that a dehumidifier may help and that he did not have a problem with mold in his townhouse.

Sheila Diehm stated that there is a shrub near her unit that needs to be trimmed. Ms. Miller said she would ask the landscape company about having it trimmed.

John Connery questioned why there seems to be a fluctuation in his water bills. Ms. Miller informed him that it was her understanding that the water department does not actually read each meter. They have a formula that they use to calculate water usage. Some owners noted that the water department does read each meter. Ms. Miller replied that she would have to check with the water department to find out their procedure. Mr. Greene noted that the water department can print out any owner's water

usage history and will sometimes make an adjustment if there was a leak that caused the high water bill.

Mary Ann Beets thanked the Board for choosing Gallop Roofing to replace the roof on the 600 building. She was very pleased with the work that was done and the courtesy of the workers. She also complained about two dogs from the 500 building running loose. Management took note and will look into the dog situation.

Phyllis Porcher thanked the Service Department for being so prompt and professional in taking care of issues, the office staff for being courteous and prompt in returning phone calls and the Board for responding to the concerns of the owners.

Ms. Coolidge said that she had damage to her ceiling that was the result of a roof leak. The maintenance staff had patched the roof, but still needed to fix the damaged ceiling. She also stated that there was no grass next to the sidewalk around the 1100, 1300 and 1500 buildings.

Ms. Griffin thanked the Board and Village Realty for all that they are doing. She asked if it was possible for the owners to make a motion to post the names of the delinquent owners on the website. Mr. Kinnier replied that North Carolina fair debt collection laws only allow for this information to be provided to owners on an individual basis, the Association and Management are not allowed to publically distribute this information.

Ms. Griffin asked if it would be possible to hold some Board meetings in the evening for the owners who work during the day and hold them at the clubhouse instead of Village Realty. Mr. Kinnier replied that this would be possible and said they would look into having the June Board meeting in the evening at the clubhouse.

Ms. Griffin asked Chief Ward if he could provide information to Village Realty as crimes are reported in Sandpiper Cay that could be included on the website. Chief Ward replied that "The Crime Scene" is on the Town of Kitty Hawk website at www.TownofKittyHawk.org and it includes a list of all calls that the Police Department has responded to during the current month. He noted that addresses are not included, but the blocks are, so it would be easy to tell if any of the incidents were from Sandpiper Cay. Mr. Kinnier suggested linking "The Crime Scene" to the Sandpiper Cay website.

Ms. Griffin asked if the owners will be informed on the total cost of the accounting and legal fees associated with the investigation of the previous property manager. Mr. Kinnier stated that this information will show in the mailing that will be sent to all owners sometime in April. He noted that the Association will be including the money spent on the investigation in the litigation filing. Ms. Griffin asked if there was a timeframe of when the litigation process to begin. Mr. Kinnier responded there is not a timeframe at this time.

Otto Wegman stated that he has never received a newsletter. Mr. Kinnier suggested that he check with Village Realty to make sure that they have his correct mailing address. Mr. Kinnier informed the owners that the newsletter would now also be sent to tenants at Sandpiper Cay if Village Realty has a valid address.

Mr. Wegman asked if the Board meeting schedule is available on the website. Mr. Kinnier explained that the Board does not plan the meetings for the entire year in advance. He stated that the next meeting would be held on April 20th at 1:00 at Village Realty. There will not be a meeting in May and the June meeting will most likely be held around the third Monday in the evening at the Sandpiper Cay Clubhouse. Ms. Miller noted that as soon as the Board decides on a meeting date, it is posted on the website.

Mr. Wegman asked if any decisions had been made regarding the parking. Mr. Kinnier answered that no decisions have been made at this time.

Mr. Wegman asked what actions were being taken for the delinquent owners. Mr. Kinnier stated that owners receive a late fee if their payment is not received by the 10th of the month. When an owner is 60 days late, they are sent a letter stating the balance due and notifying them that a lien will be filed if the balance is not paid in full. If the owner does not pay after receiving the letter, a lien is filed and a letter is sent to the owner to notify them that a lien has been filed on their unit. The association also has the right to foreclose on the lien.

June Hodes recommended re-iterating in the next newsletter that two parking spaces are available for each unit and to remind others to use common courtesy when parking. Gail Coughlin noted that she had lived in a community with "resident" and "visitor" parking spaces and that it worked well. Mr. Kinnier asked Village Realty to add "parking" to the agenda for the next Board meeting.

Linda Whitely asked if mailings could be sent electronically in an effort to save paper. Ms. Miller noted that this option is available and the last newsletter instructed owners wishing to receive mailings electronically to please email her the request. Mr. Kinnier suggested an opt-out form be sent to all owners that would allow them opt-out of receiving correspondence by mail and request their mailings be sent electronically.

Helen Beshens stated that after the ice storm this year she was unable to leave her unit because the sidewalks were icy. She asked why the maintenance department did not salt the sidewalks. Ms. Miller stated that the sidewalks were salted and would check to see why her sidewalk did not get salted. Ms. Bechens added that she does not have a problem with parking and does not want to have assigned parking spaces.

Barbara Lawrence informed all the owners that Sandpiper Cay has a Social Committee and encouraged all owners to attend the planned events, which include dinners, bingo and holiday parties. The events are posted on the bulletin board in the breezeway to the pool, on the website, and in the newsletter.

Ms. Peet thanked the Board for allowing handicap parking spaces.

Virginia Stephen asked if the new insurance policy has the same coverage as the old policy. Mr. Kinnier stated that the coverage is the same. The new "comprehensive" policy has the same coverage but was a better deal than the old policy. Mr. Kinnier noted that the Board does not have any control on the wind insurance because the premiums are set by the State.

Ms. Stephen asked if there is a timeline for the legal actions against the previous property manager. She stated that she does not want to be paying high legal fees for something that may drag on for years. Mr. Kinnier replied that there is not a timeline at this time as to when the litigation will begin, but that there is a timeline regarding the Statue of Limitations.

James Ballard asked if there is a cost versus benefit analysis of pursuing the litigation and noted that, if so, he would like to have these numbers. Mr. Kinnier stated that he would look into it.

Ms. Wegman thanked the Board for their ethical approach in pursuing the delinquent owners.

Jack Stephen asked if the Association would incur the same legal and accounting fees if they were to switch property management companies in the future. Mr. Kinnier replied that the only reason the Association has incurred these fees was due to the financial irregularities in the bookkeeping of the previous property manager. Under normal circumstances, the books would have already been in order and it would be much easier for another company to take over.

Mr. Greene asked if there was any money in reserves at the beginning of 2008. Mr. Kinnier replied that there was a total of about \$39,000 in the bank at the beginning of 2008. There were no reserve funds. The Association did have a surplus at the end of 2008 and that money has been allocated to roof replacement on four buildings.

With there being no other questions or comments from the owners, Mr. Kinnier thanked everyone for attending and a motion was made and carried to adjourn the meeting.

Respectfully Submitted,

Ansley Miller
Assistant Property Manager