

*Sandpiper Cay Condominium Owners Association  
Board of Directors Meeting  
April 20, 2009*

The Sandpiper Cay Condominium Owners Association Board of Directors met on Monday, April 20, 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 seven units were present and Rex Simpson was present representing Gallop Roofing.

Mr. Kinnier welcomed everyone to the meeting and asked everyone to introduce themselves. He stated that immediately following the Annual Meeting on March 21, 2009 the Board met in Executive Session to designate officer positions. He noted that the officer positions would remain the same as in 2008 with Mr. Kinnier as President, Ms. Craig as Vice President, Ms. Ambrose as Secretary, and Ms. Puma as Treasurer.

Mr. Kinnier introduced Rex Simpson from Gallop Roofing and asked him to brief the Board on the two roof replacements. Mr. Simpson replied that everything went well and that there were not any surprises or problems, other than having to replace some rotten wood.

Mr. Simpson informed the Board that Gallop had provided two new proposals for consideration. He noted that both would help with the mold issues. The first was a proposal to install bathroom vents in the upstairs bathrooms of the townhouse buildings. The proposal came in at \$621.69 per vent. They would remove the existing fan in the bathroom and replace it with 100 CFM fan and vent the fan to the outside of the building. The second proposal was to install eight vents in the attic area of the buildings. Right now there is no ventilation in the attic space. The proposal came in at \$1,000.28 per building. Mr. Simpson noted that as they are replacing the roofs they are installing the attic vents but are not installing bathroom vents.

Ms. Lewis noted that if an owner wanted to install the bathroom vents it would be an owner responsibility not an Association responsibility. Mr. Kinnier agreed that this would be an owner responsibility. He asked Village Realty to communicate this to the owners and recommend that people with a mold problem look into having the bathroom vents installed. It was noted that these would need to be vented to the outside unless the building had attic vents.

Mr. Craig stated no one, including satellite dish installers, should be on the roofs unless they are authorized by Village Realty because they may damage the roofs. He noted that if a resident sees someone on a roof other than Wayne, Steve, or Gallop, they should report it to Village Realty. Mr. Kinnier replied that owners are supposed to contact Village Realty prior to having a satellite dish installed. Mr. Simpson noted that it is extremely important that nothing be installed on the roofs that have been replaced because it could cause the warranty to be voided. Mr. Kinnier asked Village Realty to inform the owners in the next newsletter that nothing is to be installed on the roofs and to note that it could void the warranty on the new roofs.

With there being no further roof discussion, Mr. Kinnier thanked Mr. Simpson for attending the meeting and opened the floor to comments from owners.

Bella Reber gave a report for the Social Committee. She stated that the neighborhood patio sale would be held on Saturday, May 16<sup>th</sup> from 8:00am-12:00pm. The Social Committee will be leaving flyers in the patio area of each unit with the details of the patio sale. Starting May 23<sup>rd</sup> to September 5<sup>th</sup> the Social Committee will be doing an ice cream sundae fund raiser each Saturday from 2pm-4pm in the clubhouse. Ms. Lewis noted that Village Realty will check with the Health Department to see if this is allowed or if a

special permit would be needed. The covered dish suppers will be starting in June and will be held on the third Saturday each summer month starting at 6:00pm in the clubhouse. BINGO will be starting on May 23<sup>rd</sup> and will be played every Saturday at 7:00pm in the clubhouse.

Gene Schwenk commended the Board and Village Realty for a good Annual Meeting and stated how pleased he is with the jobs that the Board and Village Realty are doing. Jim Coughlin agreed.

The next item on the agenda was the approval of the Minutes from the Board Meeting on February 23, 2009 and the Minutes from the Annual Meeting on March 21, 2009. On a motion by Ms. Ambrose and a second by Ms. Puma, both sets of 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. Mr. Kinnier reminded everyone that a mailing will be sent to all owners in May that will include the current financials.

Ms. Miller presented the Management Report. Beach Mowing has primed the pumps for the irrigation. The irrigation would most likely be turned on by the end of the month.

All the liens that have been placed on the delinquent owners' units have been updated with the Clerk of Court to reflect current balances. Ms. Miller stated that she would be updating the liens every three months.

The 600 building roof has been replaced. Buildings 300 and 600 have both been inspected by a representative of IB Roof Systems. The 2400 roof has been added to the list of roofs to be replaced this year. Gallop inspected this roof and recommended that it be replaced before 1000. The new recommended order is 3400, 1300, 2400, 1000, 3100 and 1100. As Gallop inspects more roofs, the order could change again. Mr. Kinnier noted that the roof replacements were going to be put on hold until the cost for the wind insurance renewal could be determined. He wants to make sure that there is enough money to cover the August 2009 insurance premium payment before paying for another roof to be replaced. Ms. Craig mentioned that she emailed the Board an update on residents should do to try and stop the increase in the wind insurance rates for coastal areas. She noted that there needs to be more input from the coastal regions to the North Carolina Commissioner not to allow the increase in insurance premiums for the coastal regions. Right now, the coastal region is already paying the higher premiums when history shows that hurricanes are more likely to hit the Raleigh area. If the bill is passed, the coastal region will have to pay even higher premiums for wind insurance.

Buildings 400 and 1200 both have all new exterior stairs and have been inspected by the Kitty Hawk Building Inspector. The exterior stairs on the 100 building are in the process of being completed.

Fourteen units have signed up to participate in the Community Watch Program. Village Realty will continue to try and recruit other owners to participate. Chief Ward will contact Village Realty to set up the first meeting day and time. He would like to hold the meeting in the clubhouse. Ms. Miller showed the Board an announcement about Sandpiper Cay starting a Community Watch Program that was in the Town of Kitty Hawk newsletter.

The service department was able to remove the overgrown shrubs at the 300 building. They will need to plant some new shrubs. Mr. Watkins noted that he purchased shrubs from Home Depot that were very reasonably priced.

Village Realty has received some complaints from owners regarding mold and algae on the cedar shakes. The service department is not able to power wash the shakes without damaging them and causing them to fall off. Village Realty got a quote from a company that does low pressure cleaning. The cost was \$499 per building. Since it would be very difficult to just clean the shakes, this price includes the entire exterior of the building (brick, fencing, patios, and chimney). It was noted that it has been about five years since the buildings were power washed. Mr. Kinnier noted that budget constraints prevent all of the buildings from being addressed at this time. The Board authorized Village Realty to select three buildings to be power washed and will look at doing others in the future as the budget allows.

It was noted that reimbursement for check #1278 paid to Grace Painting on January 5, 2009 for \$8,250, which is under GL 120 will be made this week by Village Realty. The check was for step replacement which falls under the general maintenance fee.

The cost for Beach Mowing to seed the areas with Bermuda grass seed where the drain fields were replaced will be \$375. This would need to be done in late May or early June. The Board asked Village Realty to make sure that the areas where the seed will be put down is irrigated.

Ms. Miller presented some comments and requests from owners and residents.

- At the Annual Meeting there was a request from an owner to have the very overgrown shrub/tree at the 600 building cut back. The cost for Beach Mowing to trim the tree is \$575. This is a very large tree and will take most of the day to trim. After a brief discussion, the Board decided not to have the tree trimmed. It was noted that the tree was not blocking any walkways or roadways and that it offers some buffering between Sandpiper Cay and the Wings store to the east.
- There was a request from an owner to have better lighting around the buildings. Ms. Miller noted that all the lights are working. The Board decided that it would be very difficult and expensive to upgrade the existing lighting.
- There was a request from an owner to have an exercise area in the clubhouse. The Board agreed that this was not possible due to the budget and having to obtain a health permit.
- An owner asked how they can contact the Board members. All Board members should be contacted through Village Realty. If an owner insists on sending correspondence directly to a Board member, they will need to use the Sandpiper Cay PO Box.
- A tenant asked if he would be able to plant flowers in an area behind the 900 building where there used to be a flower bed. Right now it is just overgrown weeds. He would take care of the flowers and replace them when needed. The Board agreed that since it is an existing flower bed it would be fine for the resident to plant flower and maintain the flower bed. It was noted that if a resident would like to have a flower bed that does not already exist, they would need to contact Village Realty to coordinate.

There was a request from a Real Estate agent to be able to put up an Open House sign during the hours she was holding the Open House. The Rules and Regulations state that no one may post or advertise without prior approval from management. The Board agreed that they do not have a problem with temporary Open House signs as long as they are taken down by the end of the day.

Two payments from one of the delinquent owners have been received. Another delinquent owner who agreed to start making payments in April has not made a payment. Another delinquent owner made a large payment and is close to being current. Ms. Miller asked if the Board would like to revise the Collection Policy to add another step after liens are filed. Would they like it to automatically be turned over to the Attorney at a certain time or would they like to take it on a case by case basis. Mr. Kinnier asked Village Realty to ask John Leidy, the Association's attorney, about sending a letter to the delinquent owners.

The draft of the Reserve Study should be ready in 2-4 weeks. Ms. Miller stated that the report will be completed using a beginning reserve balance of zero. She noted that she was asked by the company doing the Reserve Study to let the Board know that this will cause the report to generate some "eye popping" numbers.

All the repairs have been made to the roofs that had penetrations from satellite dishes. Ms. Miller stated that the owners of the units were billed for the repairs.

The service department created a list of all the existing satellite dishes so Village Realty will know if a new satellite dish has been installed without notifying the office.

Ms. Craig presented a report on parking. She went over some parking ideas that have worked well for other condominium associations in the area. Mr. Kinnier suggested that Village Realty take note of all the parking issues this summer. The Board can review the parking issues later in the year and determine if assigned parking spaces are necessary. It was noted that the parking issues mainly come from tenants taking up too many spots. It was reported by several owners that in the past one unit had around thirty renters living in it at one time. Mr. Kinnier asked Village Realty to ask John Leidy to send the owner of this unit a letter addressing the rental issues with his unit.

Ms. Miller went over the 2009 pool season. She stated that the pool would open on May 22<sup>nd</sup> and the hours would be 9am-8pm. The pool code will be sent out in a May mailing. The Board reviewed the revised pool rules and the pool monitor duties. There were a couple of changes at the recommendation of Village Realty to the pool rules.

Ms. Miller presented information on community recycling. She reviewed two options:

Option 1: Outer Banks Hauling

- Cost is \$8.95/month per can
- Pickup one time a week
- One can is used for all items
- Suggested putting a few cans next to the dumpsters to test.

Option 2: Dare County

- No cost to pick up
- Pickup twice a week in the summer and once a week in the winter.

- A separate can would be needed for each item. Suggested starting with 2 cans for glass, 1 can for aluminum cans, 1 can for steel cans, and 2 cans for plastic.
- The Association would need to purchase the cans. 50 gallon roll out trash cans work well. Home Depot has them for \$69.96.
- Suggested extending the fence at the dumpster at Sand Dune Drive and Angler to store the cans. The cost of materials to extend the fence would be between \$300-\$425.

Ms. Ambrose noted that even if Outer Banks Hauling was used that a fence would need to be built to keep the cans from blowing around. It was noted that Kitty Hawk has a recycling center about two miles from Sandpiper Cay. After a brief discussion, the Board decided that they would not offer community recycling at this time, but will continue to monitor if residents continue to ask for it. Mr. Kinnier asked Village Realty to include information on the location of the Kitty Hawk recycling center in the next newsletter.

Ms. Miller updated the Board on the new bank account and the automatic dues payment option. She stated that most of the Association's money had been transferred from Gateway to Community Association Bank. The Gateway account would be closed at the end of the month. An operating account and a Money Market account have been set up through the new bank. The majority of the money is in the Money Market account, which has a six month introductory rate of 2% APY. Village Realty will be installing new software in the next couple of months, which will allow owners to pay their dues using automatic withdrawal, but it is not available right now. Village Realty will notify all owners when this option becomes available.

Mr. Kinnier handed out the audit reports prepared by Burgess, Lowman & Lay, PA. The 2008 audited financial statement, the management letter and the internal control letter were presented. Mr. Kinnier asked Ms. Miller to get a copy of the audit from Teresa Burgess so that it can be sent to all the owners.

Ms. Puma gave a report for the Rules and Regulations Committee. She stated that the revised Rules and Regulations are almost complete. She will email the Board a draft as soon as it is ready.

The next Board meeting date was set for June 15, 2009 at 7:00pm at the Sandpiper Cay clubhouse.

With there being no further comments, Mr. Kinnier adjourned the meeting.

Following the regular meeting, the Board met in Executive Sessions. No actions were taken.

Respectfully Submitted,

Ansley Miller  
Assistant Property Manager