

***Sandpiper Cay Condominium Owners Association  
Board of Directors Meeting  
June 21, 2010***

The Sandpiper Cay Condominium Owners Association Board of Directors met on Monday, June 21, 2010 at Village Realty. Steve Kinnier, Pat Ambrose, Liz Puma and Tom Watkins were present. Linda Craig participated via telephone. Ansley Miller was present representing Village Realty. Owners representing five units were present as well.

Mr. Kinnier called the meeting to order and made introductions. Mr. Kinnier opened the floor to comments from owners. Gene Schwenk inquired about the insurance deductible. He asked if the owner or the association would be responsible for paying the deductible in the event a claim was made. If the association was responsible for paying the deductible, would there be a need to do a special assessment. Mr. Kinnier stated that the association would pay the deductible if the cause of loss was determined to be something covered under the association's insurance. At the present time there is enough cash available to cover the deductible. Ms. Miller stated that the hazard policy deductible is \$25,000 and the wind and hail policy deductible is \$75,000.

The Board reviewed the minutes from the Annual Meeting held on March 6, 2010 and from the Board Meeting held on April 19, 2010. On a motion by Ms. Ambrose and a second by Ms. Puma, the minutes from March 6, 2010 and April 19, 2010 were approved as submitted.

Mr. Kinnier presented the Financial Report. A current Balance Sheet, Income Statement, year to date General Ledger Detail Report and Accounts Receivable Report were presented. He stated that he has received a draft of the 2009 Audit from Teresa Burgess and he needs to review it. Ms. Burgess had recommended adding a journal entry as of December 31, 2009 to record a \$40,000.00 loss on uncollectible accounts. Mr. Kinnier stated that a new account #1101 – Allowance for Doubtful Collections had been added to make this entry and it is reflected on the May Balance Sheet under Accounts Receivable.

Ms. Miller stated that a check was written in April to Dare County Water Department for \$1,300.91 and is shown on the General Ledger report under Miscellaneous. She stated that this check was written on behalf of a property owner who had a major leak in the main water line which resulted in a water bill of over \$3,000. Ms. Miller had requested a bill adjustment from the Water Department and the bill was adjusted. If the source of the water leak is from an element in which the association is responsible for, the association's policy is to reimburse owners the difference in the adjusted bill and the average bill. These figures are provided by the Water Department. This check paid the Water Department for the difference in the adjusted bill and the average bill. She stated that maintenance is now doing monthly checks of all the water meters in an effort to discover possible leaks sooner.

The Accounts Receivable Report was discussed. It was noted that some of the units with delinquent accounts had been foreclosed and were now owned by the bank. Ms. Miller stated that she sometimes receives foreclosure notices but is rarely informed when the bank takes ownership and sometimes it can take awhile before this information is updated in the tax records. Mr. Kinnier asked Ms. Miller to find out from the attorney how to find out new owner information. The Board requested that Ms. Miller start send out notices to the mortgage companies for the owners with delinquent accounts asking them to pay the back dues.

Ms. Miller presented the Management Report.

- **Annual percentage yield:** APY earned on the Checking Account in April was .30% and in May was .30%. APY earned on the Money Market Account in April was .86% and in May was .80%. APY earned on Reserve Money Market Account in April was .36% and in May was .58%.
- **Roof Replacement:** Gallop Roofing finished the roof replacement on the 1300 building the first week of May. The buildings with new roofs are 1300, 3400, 1000, 600 and 300. An updated roofing spreadsheet is included in the meeting packet.

- **Folding chairs for the clubhouse:** Pat Ambrose and Barbara Lawrence picked up the new folding chairs for the clubhouse from Sam's Club which saved the Association money by not having to purchase them online and pay shipping costs.
- **Injection system on 1100/1300 well:** The injection system has been working well to remove the rust staining at the 1100/1300 building. The pump recently lost the prime, resulting in the chemical not getting pumped out and the rust stains returning. The pump is now working properly and the staining should diminish. Mr. Kinnier asked if an injection system should be installed on any of the other wells. Ms. Miller replied that the staining is also very bad at the 400/600 well. Mr. Kinnier gave the approval to install the injection system at this location.
- **Tennis / Pool:** A new sign has been placed on the tennis court gate. It has the tennis court rules and also states "use at your own risk." The code to the tennis court and pool was changed and the code was mailed to all owners.

Ms. Miller also presented a list of maintenance items that have been completed since the last Board meeting.

Mr. Kinnier gave an update on the legal complaint. Susan Seay had asked for an extension to submit her responses to the discovery request but had not complied with the extension, which expired on May 12<sup>th</sup>. The association's attorney was to file a motion to compel her responses if they were not received by May 29<sup>th</sup> and it is unknown if the responses were received or if the motion was filed.

The Board discussed Old Business. The dog clean up stations was discussed. Ms. Miller stated that she has received a lot of positive feedback and has had requests for more stations. Mr. Watkins noted that there has been a noticeable difference since they were installed. Mr. Kinnier gave Ms. Miller the approval to purchase more stations for other areas if need be.

The playground equipment was discussed. The equipment at the pool area needed to be removed for safety reasons. Ms. Miller stated that there was a suggestion to have a swing set outside of the pool area in addition to replacing the one that was removed at the pool area. Maintenance is able to build a swing set for a minimal cost. However, if a swing set is put outside the ground would need to be redone with sand or mulch. After discussion the Board decided to put a new swing set the enclosed grassy area near the office. The Board asked Ms. Miller to check with the insurance agent to make sure that there are not any issues.

The grill and picnic area was discussed. The grill has been purchased and the Board had agreed to purchase two picnic tables via email. Ms. Miller stated that she thought that the area directly off of the clubhouse deck would be the best area to put the grill and picnic tables. She also suggested cutting an opening in the existing fence on the patio for easier access to the picnic area. The Board agreed with this suggestion and gave Ms. Miller the approval.

The Board discussed New Business. Ms. Miller stated that she has received some requests for more landscaping rock around the buildings. The problem with adding more rock is that the beds are already built up high, resulting in water not being able drain out of the patio areas. Adding more rock will only make this problem worse. She stated that some of the soil would need to be removed before adding more rock. There would be an additional cost involved in removing the soil. It was noted that some of the buildings have a lot more rock and some could possibly be moved from these buildings to the ones where the rock is thin. Mr. Kinnier replied that the Board would continue thinking about this and would discuss again at the next meeting.

Ms. Miller presented a request from an owner to install a vegetable garden. The owner asked to install a raised planting area that will be removed at the end of the planting season behind his building. The location would be in the natural area of the grass. Due to the proposed location being out of sight, the Board decided that they will allow

Sandpiper Cay Board Meeting

June 21, 2010

Page 3 of 3

the owner to install the vegetable garden on a trial basis. The Board will reevaluate the vegetable garden in one year and will decide at that time if future permission will be granted. Ms. Miller will send the owner a letter stating conditions.

Ms. Craig presented a report for the Bylaws Committee. She stated that each member of the Committee has a book that includes the Articles of Incorporation, the current Bylaws, the old Bylaws, the Declaration, the NC Condominium Act and the Bylaws for another local Condominium Association. Each member has been assigned an Article of the Bylaws to review.

Ms. Ambrose presented a report for Social Committee. She stated that the new chairs are in the clubhouse and that she has stenciled on the back of each chair.

The next Board meeting dates were set for August 16, 2010 at 1:00 pm at Village Realty.

With there being no further comments the regular meeting was adjourned.

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

Respectfully Submitted,

Ansley Miller  
Assistant Property Manager