

*Sandpiper Cay Condominium Owners Association
Board of Directors Meeting
August 17, 2009*

The Sandpiper Cay Condominium Owners Association Board of Directors met on Monday, August 17, 2009 at Village Realty. Steve Kinnier, Pat Ambrose, Liz Puma and Tom Watkins were present. Linda Craig participated via telephone. Emily Lewis and Ansley Miller were present representing Village Realty. Owners representing fourteen units were present as well.

Mr. Kinnier welcomed everyone to the meeting and asked the Board, the members of Village Realty, and the owners introduce themselves. The first item on the agenda was the Owners Forum. Mr. Kinnier opened the floor to owner comments.

Barbara Lawrence stated that she has been having a problem in her unit with the dryer vents and air conditioning lines crossing and creating areas of condensation on various areas of the ceiling. Mr. Kinnier asked Village Realty to follow up with Wayne Armstrong to see what is causing the condensation and how to resolve the problem.

Henry Sprenger asked if the Association provided pest control. He noted that he saw something that looked like a termite near his unit. Ms. Miller replied that there is a contract with Terminix and that any owner should call the office if they see any signs of termites. It was noted that this information should be included in the next newsletter. Mr. Watkins informed owners that there are exterior termite bait traps throughout the community. Some have been damaged by lawn mowers. If anyone sees a damaged bait trap, they should inform the office.

Jim Coughlin complimented Village Realty on their quick response time. He stated that a couple weeks ago he saw water coming out of the ground and immediately called the office. The Service Department was onsite to address what turned out to be a leak in a water main within minutes.

Rodney Fitzgerald stated that he has been having problems with his dryer vent and that he had spent \$130 to have the dryer vent cleaned only to discover that the entire vent could not be cleaned because part of it was not aluminum. He wanted other owners to be aware that some of the dryer vents are not aluminum all the way.

Bella Reber asked if pool monitors could be paid half of their regular pay on days when it rains and the pool has to close. She stated that they are still on call and need to be available to go back to open the pool if the rain stops. Mr. Kinnier noted that he did not think this was an unreasonable request and asked Village Realty to let the Board know how much rain time the pool monitors have lost so far this year.

Richard Bosely stated that for the first time in years there is grass growing at the 1000 building and thanked the Board for their efforts. Betty Peet commented that she was also pleased that for the first time in years the 1100 and 1300 buildings have grass.

The next item on the agenda was the approval of the minutes from the Board meeting held on June 15, 2009. On a motion by Ms. Ambrose and a second by Ms. Puma, the minutes were approved as submitted.

Mr. Kinnier stated that due to Village Realty's software conversion in July, the July financials were not available. There were still some changes that needed to be made and Mr. Kinnier and Ms. Lewis were going to discuss the changes following the meeting. Ms. Miller noted that the June Balance Sheet and Income Statement were included in the owner's meeting packet. Mr. Kinnier distributed a current 2009 Income and Expense spreadsheet that he had prepared to the other Board members.

Ms. Miller presented the Management Report. She stated that the postal carrier had informed her that two mailboxes need to be replaced. The postal carrier was having a very difficult time closing the two mailboxes. Ms. Miller informed the Board that each mailbox would cost around \$1200. She noted that the Post Office would install them, but the Association needed to purchase them. Mr. Kinnier instructed Village Realty to purchase the mailboxes.

MB Enterprises completed the low power pressure washing of the 400, 600, and 800 buildings at the end of June. Mr. Kinnier asked if the pressure washing will extend the life of the shakes or if it was mostly for cosmetic appeal. Ms. Lewis stated since the shakes are currently in poor condition, the pressure washing most likely would not do much to extend the life. If they were newer shakes, it might be a good idea to have a pressure washing schedule, but there is probably not much benefit given their current state. Mr. Kinnier noted that it would be best not to pay to have more buildings pressure washed if it is just for cosmetic appeal and instructed Village Realty to not have any more buildings pressure washed at this time.

The Service Department has been power washing the sidewalks at each of the buildings. They have completed about half of the buildings so far. Ms. Ambrose commented on how good the sidewalks looked.

The new submersible irrigation pump at 1100/1300 is working great and the grass is green as Ms. Peet had commented on during the Owner's Forum.

Village Realty created guidelines for owners who are interested in having their fences dropped. The guidelines were created with the help of the Service Department and were included in the meeting packet. The Board reviewed the guidelines and on a motion by Ms. Ambrose and a second by Mr. Watkins, the drop fence guidelines were approved. Mr. Kinnier asked Village Realty how the owners would be informed of these guidelines. Ms. Miller noted that she would hand them out as owners requested to have their fences dropped. Mr. Kinnier noted that it would be a good idea to include this information in the next newsletter.

The new skylights have been installed on the 900 building by Gallop Roofing.

Ben Gallop of Hornthal, Riley, Ellis & Maland has sent the demand letters to the owners with delinquent accounts. The attorney fees have been charged to each owner's account who received the attorney's certified letter.

The new bike rack is in the parking lot at the clubhouse.

A resident has requested to use the clubhouse for a birthday party on Saturday, Sept. 12th from 6pm-10pm. There will be around 50 guests attending. Board approval is needed for events that will have 50 or more guests. Mr. Kinnier noted that it was fine for this resident to use the clubhouse and to make sure that they clean up afterwards.

Under New Business, Mr. Kinnier discussed the wind insurance premium starting 9/1/2009. He stated that the wind insurance renewal was \$227,119, which was a very small increase over last year's premium. This was very good news and the Board would be able to move forward with the replacement of the roofs, which had been put on hold until the wind premium was determined.

Ms. Miller presented the Board with the options for the Business Owner's Insurance Policy starting 9/1/2009. She noted that Cincinnati Insurance Company had a better rate than Auto Owners Insurance Company, the

Association's current provider. The insurance agent recommended going with Cincinnati Business Owners and Umbrella policy and increase the deductible to \$25,000. The current deductible is \$5,000. The agent stated that it is not a good idea to submit a lot of small claims as it can impact the association's insurance rating. The Board agreed to change the insurance provider to Cincinnati and increase the deductible to \$25,000. The annual premium for the Business Owner's policy will be \$52,610 and the Umbrella will be \$1,522.

Mr. Kinnier informed the owners that the Board has been reviewing the Reserve Study and that it would be posted on the website following the meeting. He noted that he talked to David May, the president of DLM Architects, the company hired to complete the Reserve Study. Mr. May informed Mr. Kinnier that he had never seen an Association that was more than twenty years old that did not have a substantial amount in Reserves. Mr. May stated that the Association should have close to \$1.7 million in Reserves today. Mr. May recommended that the Board consider either a special assessment of \$5,600 per unit or increase the monthly assessment \$70 per month. Mr. Kinnier noted that the Board has not made any decisions regarding a special assessment or a dues increase. It was noted that a number of lenders are now requiring condominium associations to have a certain amount of money set aside in a reserve account in order to offer lending options. Due to the lack of reserves, this new requirement has caused some owners to be unable to sell their unit and has caused others to be unable to refinance. Harry Gries asked if it was possible to charge more than \$10 for the late fee to try and generate extra income. Mr. Kinnier asked Village Realty if the Bylaws indicate how much can be charged for late fees.

According to the Reserve Study many of the common elements are in fairly good shape with the exception of a number of failing roofs. Village Realty would like to schedule the next roof replacement in the middle of September. The next building to be done was supposed to be 3400, but the 1000 building has had more leaks reported. Gallop Roofing has already repaired it twice in the last couple of months and each time it was noted that the roof is in very poor condition. Village Realty would recommend replacing the 1000 roof next. Mr. Kinnier noted that the Reserve Study indicated that the 1000 roof was one of the roofs that had eight years remaining life and wondered why it would need to be replaced before the roofs that had a zero year remaining life according to the Reserve Study. Ms. Lewis stated that the company doing the Reserve Study did not actually walk each of the roofs. They simply found out what type of roof system is installed on each of the buildings and estimate the remaining life based on the average life. She noted that since unqualified individuals had installed many of the roofs in the past, they were most likely not installed properly, causing them to fail sooner than normal. Mr. Kinnier asked Village Realty to get Gallop Roofing to create a list of what roofs will need to be replaced in the next five years and in what order. Ms. Miller stated that Gallop Roofing may charge a fee to do this. Mr. Kinnier stated that was fine if they need to charge a fee.

The Board reviewed three letters from owners regarding parking regulations. The first letter requested that the Board consider assigning parking spaces. Mr. Kinnier stated that he had walked all the parking areas and counted parking spaces. He said that there are more than enough spaces for each unit to have two parking spaces with some spaces left for guest parking. However, on certain road there are problems because there are just enough spaces for residents to have two spaces. If any of these residents have guests or have more than two cars, it creates a problem. On other roads, there are enough spaces for each resident to have two spaces and still have empty spaces for guests. He asked Village Realty to research the parking issues and to make a recommendation to the Board on the best way to resolve them.

The second letter concerned the parking of oversized and commercial vehicles. The current Rules and Regulations prohibit the parking of commercial vehicles, but they do not define what a commercial vehicle is.

The letter identified concern over the parking of a large box truck that is not used commercially. Mr. Kinnier asked Village Realty to redefine what type of vehicles are acceptable so that it can be written into the new draft of the Rules and Regulations. Mr. Kinnier added that when the Rules and Regulations are rewritten, the vehicle in question would be grandfathered according to the Association's legal counsel.

The third letter concerned unusual parking, such as watercrafts and PODS. Ms. Miller stated that there is an owner who is moving in September and has requested permission to use a POD to move his belongings. The POD may take up three parking spaces and would be there for approximately two days. Mr. Kinnier noted that it was fine for the owner to store the POD in the parking lot on a temporary basis. Mr. Kinnier suggested that Village Realty look into assigning a couple of parking spaces for the temporary parking of watercrafts that will be available for residents and guests to use with prior permission from Village Realty.

Jim Coughlin presented a report on the Community Watch Program. He stated that there were about ten residents that attended the first meeting. David Ward, Kitty Hawk Chief of Police and Detective Strickland gave a very good presentation. Mr. Coughlin stated that meetings would be held quarterly. Ms. Miller noted that the Community Watch signs had been installed at each of the entrances to Sandpiper Cay.

Ms. Puma gave a report for the Rules and Regulations Committee and stated that they are hoping to have the final draft at the next Board meeting.

Ms. Lawrence gave a report for the Social Committee. She stated that there were about sixteen people at the last Covered Dish Supper and about twelve stayed for Bingo. The 4th of July cookout was a success with around eighty-five people attending. The Social Committee profited \$214 from the cookout. Ms. Lawrence also thanked Mr. and Mrs. Bosely for their help redecorating the clubhouse.

The next Board meeting date was set for September 21, 2009 at 1:00pm at Village Realty.

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

Following the regular meeting, the Board met in Executive Session. Following the Executive Session, the Board resumed the regular meeting and following a discussion, and upon a motion duly made and seconded, voted unanimously to authorize legal counsel John D. Leidy to file suit against Douglas Seay and Susan Seay for any and all claims that counsel deems warranted by law and the facts available to date, including but not limited to conversion, breach of fiduciary duties, constructive fraud and breach of contract.

Respectfully Submitted,

Ansley Miller
Assistant Property Manager