

*Sandpiper Cay Condominium Owners Association
Board of Directors Meeting
January 19, 2009*

The Sandpiper Cay Condominium Owners Association Board of Directors met on Monday, January 19, 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 eleven 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 opened the floor to owner comments.

Ms. Lawrence thanked Mr. Kinnier for the Budget package and Ms. Miller for the newsletter. Mr. Matteo asked if the newsletter was online and Ms. Miller stated that it is available at www.sandpiper cay.org. Mr. Kinnier noted that the objective of the Budget mailing was to keep all owners informed. He noted that the Annual Meeting notice would also be mailed out soon.

Mr. Matteo asked about the Reserve Study. Mr. Kinnier stated that it would be discussed later in the meeting.

Mr. Matteo asked about the garbage disposals and said that the owners had been told in the past not to use them. Mr. Kinnier said that the program that was in place previously where the Association would remove the disposal at no cost to the owner would continue. Mr. Kinnier asked Village Realty to include information on contacting Village Realty to have garbage disposals removed in the next newsletter.

Ms. Lawrence asked if there was a legal issue with publically posting the names of the owners in arrears. Mr. Kinnier stated that the Board and/or Village Realty cannot publically list the names of the delinquent owners. However, any owner may obtain a full copy of the Association's Accounts Receivable Report, or any of the Association's other financial reports, by making a specific request to Village Realty. Delinquent owners cannot run for the Board or serve as a proxy at the Annual Meeting. Mr. Kinnier noted that liens have been filed on the units of the owners in arrears. Ms. Whitely asked if liens were public record. Ms. Lewis stated that liens are public record and that an owner would need to contact the Register of Deeds to obtain the information.

Ms. Whitely asked about the amount of reserves and questioned if there needed to be enough money in reserves to cover the insurance deductible. Mr. Kinnier noted that there is currently enough money in the operating account to meet the insurance deductible. He pointed out that this is reason that the Board is spacing out certain higher priced projects, such as the roof replacements. Mr. Kinnier noted that the Association's insurance cost is higher because of the increase in the wind insurance and the increase of replacement cost. Ms. Peet asked what effect the lower property values have on the insurance replacement costs. Ms. Lewis noted that that replacement costs are different from the value of property and that the old replacements costs were very low and the current replacement costs used in the insurance policies are realistic.

Mr. Matteo noted that he has had to replace his hot water heater three times since he has owned his unit. He asked if he should contact Village Realty or someone else when he needs to have it replaced again. Ms. Lewis noted that he can contact Village Realty, but he can also contact the vendor of his choosing.

Mr. Kinnier called the Board meeting to order. The Board reviewed the minutes from November 17, 2008. On a motion by Ms. Ambrose and a second by Ms. Craig, the minutes were approved as submitted.

Mr. Kinnier informed the Board that on December 9, 2008 he had telephoned Ms. Ambrose and asked her to resign from the Elections Committee in order to meet the requirements of Section 3.4(a) of the Bylaws, and that Ms. Ambrose had consented.

Ms. Lewis presented the Financial Report. A current Balance Sheet, Income Statement, Accounts Receivable Report, Posting Journal and a year to date Posting Journal were presented. Ms. Lewis noted that the Balance sheet showed a surplus from 2008 of about \$130,000. Mr. Kinnier asked for a motion from the Board to take \$90,000 of the surplus and put it in reserves to be spent in 2009. The remaining \$40,000 of the surplus would remain in Operating Cash. On a motion by Ms. Craig and a second by Ms. Ambrose, the Board agreed to put \$90,000 of the 2008 surplus in reserves. Ms. Lewis noted that the Accounts Receivable number on the Balance Sheet was a net number and was lower because of some owners paying their Association dues in advance. Ms. Lewis noted that some of the expense accounts have been reworked, and this will help the Income Statement to more accurately reflect the types of expenses incurred in 2009. Mr. Kinnier stated that a 2008 audit will be performed and will be included in the Annual Meeting notice.

Mr. Kinnier asked Village Realty to prepare a summary financial report package each month that can be handed out to the owners who attend the Board meetings. This should help the attendees to more fully understanding what the Board is discussing at those meetings. The summary financial package should include the current Balance Sheet, Income Statement, and Accounts Receivable Report (truncated to include only those units that are delinquent more than 90 days). Ms. Lewis said that such a report will be available as a handout starting with the February Board meeting. Mr. Kinnier noted that the other components of the Board's monthly financial package (such as the current month Posting Journal, the year-to-date Posting Journal, and the full Accounts Receivable Report) are available to any owner that makes a specific request to Village Realty.

Ms. Miller presented the Management Report. She noted that the Kitty Hawk Elementary School Gymnasium has been reserved for the Annual Meeting on March 21st, 2009 at 9:00am.

There were about 7 owners who did not respond to the letter requesting a copy of rental leases and a lot of the lease agreements are verbal. Mr. Kinnier asked Village Realty to prepare a checklist showing items that should be communicated to renters for owners who rent their units.

He would like the checklist to go out to all owners who rent their units and have them signed by each owner.

Atlantic Sewage has completed pumping the septic tanks. There are three drain fields that need to be replaced; two at the 4100 building and one at the 2600 building. Twine and Sons will be replacing the drain fields and are in the process of obtaining the permits from the Health Department.

The annual percentage yield on the money market account in December was 1.26%. Mr. Kinnier noted that this not bad in the current market and instructed Village Realty to leave the money in this account.

The latest newsletter was sent out on January 15, 2009. Mr. Kinnier asked Village Realty to notify all owners in the next newsletter that the newsletter is also available online at www.sandpiper cay.org. He also asked Village Realty to put the December Income Statement and Balance Sheet on the website and all current Balance Sheets and Income Statements as soon as possible following each Board meeting.

Grace Painting completed painting four buildings last year: 100, 1100, 1900 and 3300. There are six more buildings to be painted. Mr. Kinnier said that there is money budgeted in 2009 for painting and asked Village Realty to figure out the best schedule to complete the painting.

Ms. Miller noted that the quote for the lower priced reserve study has expired. She asked if the Board would like to go ahead and get started on the Reserve Study. Mr. Kinnier asked Village Realty to confirm that DLM Architects can still do the Reserve Study for the same price and to find out if that quote is all-inclusive. He also asked about the 2% discount for being a member of the Community Associations Institute. Ms. Lewis noted that Sandpiper Cay is not a member, but Village Realty is. Village Realty will check to see if Sandpiper Cay would be eligible for the discount. The Board instructed Village Realty to move forward with the Reserve Study once these questions are answered satisfactorily. Mr. Kinnier also asked Ms. Lewis to investigate the benefits and costs to the Association of joining the Community Associations Institute.

Six sets of exterior stairs were replaced in 2008, which included two sets on the 1200 building, three sets on the 400 building and one set on the 100 building. Village Realty is working on a schedule to complete the remaining sets of stairs on these three buildings.

The Service Department has found that the residents of six units have nailed, screwed and/or stapled into the roof of their building for satellite wires or wireless box wires. Village Realty recommends that these owners be sent a letter stating when the screws, staples, or nails will be removed and inform them that they will be charged for the cost to install roof patches over the penetrated areas. Ms. Whitely noted that the owners are probably not even aware that this has been done. Mr. Kinnier agreed and suggested that Village send the letters, but make sure that the letters are polite.

Gallop Roofing completed the roof replacement on the 300 building. Wayne Armstrong and Leslie Sanders, another Property Manager of Village Realty, who is also a licensed General Contractor, inspected the roof with two supervisors from Gallop and were satisfied with the work. Mr. Kinnier asked if Gallop found any mold when removing the roof. Ms. Miller stated that they did not say anything about mold, but did replace some rotten wood. Gallop is working on a priority list for the next roof replacements. The buildings with the most leaks are 1000, 3400, 600, 1300, 3100 and 1100. Mr. Kinnier asked Village Realty to make sure that Gallop reports on any mold that is found in any of the roofs. Ms. Miller noted that she would follow up with Gallop. He also asked Ms. Miller to provide the Board with details about the warranty that is being provided by Gallop.

Gallop was contacted regarding whether installing bathroom vents would void the roof warranty. As long as Gallop is contacted to install the vents, it would not void the warranty. This is because Gallop is familiar with the product and what materials are compatible with the roof system.

Ms. Miller presented a request from an owner to install bathroom vents. Mr. Kinnier noted that he did not have a problem with this, but that Village Realty might suggest the owner use Gallop for the installation. Ms. Lewis noted that the owner would need to let Village Realty know who will be installing the vents and make sure that Village Realty gets a copy of the installer's certificate of liability and workman's comp insurance. It was also noted that any damage done to the building would be the owner's responsibility.

Village Realty would like to come up with a revised clubhouse use policy. Right now, Board approval is needed for every use. Village Realty suggested that it be revised to say that Board approval is needed for events with more than fifty guests. The Board agreed that Village Realty can use its discretion for clubhouse use for unit owners only with fifty guests or less.

Ms. Miller provided a list of maintenance items completed since the last Board meeting. Mr. Watkins noted that Wayne Armstrong was able to find and repair another leak at the pool saving the Association the significant cost of hiring a leak detection company to find the leak.

Ms. Miller presented the satellite dish installation guidelines that the Rules and Regulations Committee had created with the help of Village Realty. The Board reviewed the guidelines. Mr. Kinnier noted that he did not have any issues. Ms. Craig said that the Committee will look over the guidelines again and make a few revisions and bring back the finalized policy to the next Board meeting. Mr. Kinnier asked that a concise version of the policy go out in the next newsletter.

Ms. Miller noted that the subject of having alcohol at the pool had been discussed at the Rules and Regulations Committee meeting. Mr. Kinnier asked about the liability of having alcohol and asked Village Realty to check with Southern Insurance about the possible liability. The Board agreed that no glass will be permitted anywhere at the pool. Mr. Kinnier asked that plastic cups be kept on hand for those who bring glass. The Board suggested putting up a "No Glass" and "Don't Swim and Drink" sign at the pool.

Ms. Ambrose gave a report for the Covenants Committee and noted that they have been working on the pool rules and the pool monitor duties. Ms. Puma gave a report for the Bylaws and Rules and Regulations Committee. The Committee has finished the Rules and Regulations and is moving on to the Bylaws. Ms. Lawrence and Ms. Reber gave a report for the Social Committee. The cookie exchange was successful, but the New Year's Eve party was not well attended. Ms. Lawrence informed the Board that the January chili cook-off had been cancelled due to the poor turnout at the New Year's Eve Party. She stated that the Social Committee would not have any more activities after the summer due to low participation. Ms. Reber asked Village Realty what happened to the vending machine from Grubbs Vending. Ms. Miller said that Grubbs had picked it up, but that she would follow up with them to see why they removed it.

Ms. Craig noted a couple of items that had been discussed at the Rules and Regulations Committee meeting. There was once a bike rack at the pool, but it is no longer there. She noted that one of the committee members suggested setting up a camera, motion detector light, or possibly a mercury light for added security at the pool. Ms. Lewis noted that Dominion Power will provide mercury lights for a monthly fee. Ms. Craig informed the Board that some of her committee members suggested holding a water aerobics class during the summer. She also noted that there are no exit signs at the clubhouse doors and no maximum occupancy signs. Village Realty will check into the regulations and ensure that the clubhouse has all of the required signage.

Mr. Watkins asked if there was any response on the Community Watch Program. Ms. Miller had not received any response. Mr. Kinnier suggested sending the newsletter out to tenants in addition to owners. Ms. Miller will add the tenants whose mailing information she has to the mailing list.

The next Board meeting date was set for Monday, February 23, 2009 at 1:00 at Village Realty.

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

Following the regular meeting, the Board met in Executive Session. No action was taken.

Respectfully Submitted,

Ansley Miller
Assistant Property Manager