

*Sandpiper Cay Condominium Owners Association  
Board of Directors Meeting  
October 20, 2008*

The Sandpiper Cay Condominium Owners Association Board of Directors met on Monday, October 20, 2008 at Village Realty. Steve Kinnier, Tom Watkins and Pat Ambrose were present. Linda Craig participated via telephone. Emily Lewis, Ansley Miller and Courtney Fowler were present representing Village Realty. Owners representing nine units were present as well.

Mr. Kinnier welcomed everyone to the meeting. He explained the purpose of the meeting and introduced the Board members. He asked the members of Management and the owners to introduce themselves. He explained the order of the meeting and noted that the owner's forum was first on the meeting agenda. Mr. Kinnier opened the floor to owner comments.

Ms. Peet stated that the irrigation system is not working between the 1100 and 1300 buildings and also the 1600 building. She noted that these systems have never worked properly in twenty years. Ms. Miller noted that Beach Mowing is having problems with the well that services these buildings and also with the well that services the 400 and 600 buildings. Beach Mowing is looking into the problem and will work with Management on the situation.

Ms. Peet noted that the water meter covers are still missing in front of the 1300 building. There are also broken water meter boxes in front of unit 1301 and 1304. Management will notify Dare County Water Department again.

Ms. Lawrence asked if the refrigerator in the clubhouse could be replaced. Ms. Lewis noted that it will be discussed during the Management Report.

Mr. Coughlin commented on how much he liked the newsletter that Management had sent out to all owners. The owners who were present agreed that the newsletter was very informative. It was suggested that Management use heavier paper and different stickers for the next newsletter.

Mr. Kinnier called the Board meeting to order. The Board reviewed the minutes from September 22, 2008. On a motion by Mr. Watkins and a second by Ms. Craig, the minutes were approved.

Ms. Lewis presented the Financial Report. A current Balance Sheet, Income Statement, Accounts Receivable Report, and Posting Journal were presented to the Board. Ms. Lewis noted some accounting changes that she had made regarding the insurance. Mr. Kinnier noted that there were actually five accounting changes made to reclassify expenses from 2008 to the appropriate year. The first change was a management fee that was paid in 2008, but was for services provided in 2007. It is now recorded as a 2007 expense. The second change was the 2007 Wind Insurance. The total amount was paid in 2007, but a portion of the bill was changed to be recorded as a 2008 expense. The third change was the 2008 Wind Insurance. A portion of the total bill, which was paid in 2008, is being held for a 2009 expense. The fourth change was for the lawn service that was provided in 2007, but is being paid in 2008. The charges were changed to be recorded as a 2007 expense. The last change was the 2007 taxes that were paid in 2008, but changed to be recorded as a 2007 expense. Mr. Kinnier prepared a 2008 monthly Income and Expense report. He noted that without the accounting changes, the year-to-date

figure showed a loss. With the revised changes, the year-to-date figure showed a positive number that was more in line with where the finances need to be. Mr. Kinnier noted that he and Ms. Lewis were going to meet with the Association's Accountant the following day to close out 2007.

Ms. Miller presented the Management Report. She noted that liens were filed on thirteen units and that two liens had recently been released after payments were received. She noted that a detailed spreadsheet was included in the meeting packet and Mr. Kinnier stated that the spreadsheet was very helpful. Mr. Kinnier suggested that the Board may need to look at other options to collect dues from owners in arrears in addition to filing liens. Ms. Peet asked if the owners in arrears are owner or tenant occupied units. Mr. Kinnier asked Management to include that information on the spreadsheet. Mr. Kinnier stated that some of the certified letters were returned to sender. Ms. Craig stated that the Post Office previously has informed her that the letters are considered received after three notices are left in the recipient's mailbox even if they are unclaimed. Ms. Craig asked if the Association can list the name of the owners in arrears in the newsletter. Mr. Kinnier said that he plans to check with the Association's legal council about publishing the names of the owners in arrears on the proxies. Ms. Miller asked if the Board would like Management to continue sending out lien letters and filing liens and it was confirmed by the Board that this process should continue.

Ms. Miller noted that a community newsletter was sent to all owners and included information on a number of topics which the Board had asked Management to share with the owners. Ms. Miller asked the Board how often they would like to publish a newsletter. Mr. Kinnier noted that he was going to mail out a package of information to all owners at the end of November. The mailing will include all 2008 Minutes and the 2009 Budget. He felt that it would be best for the next newsletter to go out in December.

Ms. Miller reported that Grace Painting had started painting the 1900 building. The Service Department had to replace a lot of rotten wood and live termites were discovered in one section of the building. Terminix treated the termites and Management is in the process of filing a claim with Terminix. Mr. Kinnier asked Mr. Watkins how he thought the painting was going. Mr. Watkins stated that he was very impressed with the prep work and the work that had been completed so far. Mr. Kinnier asked Management about the timeframe for painting. Ms. Lewis stated that Management plans for four buildings to be completed this year.

Atlantic Sewage is continuing to pump four septic tanks per week and an updated list was included in the Board meeting packet. Mr. Kinnier reminded owners that the Association has had many extra expenses this year for deferred maintenance issues, including the expense for pumping septic tanks.

Ms. Miller presented a summary of the roof estimates that Management had received from three roofing companies to replace the roofs on the 300, 1000 and 3100 building. She noted that Wayne Armstrong said that the roof on the 1100 building would also need to be replaced soon. Management has received complaints about leaks from residents of the 1100 building also. Ms. Craig stated that Dare County Schools used Gallop Roofing and recommended that the Association use them as well. Management recommended using Gallop Roofing and the higher quality IB Roof System that Gallop Roofing had proposed. Management recommended starting with the 300 building. Mr. Kinnier proposed replacing the roof on the 300 building this year and

the roof on the 1000, 1100 and 3100 building by the end of next year. With a motion by Mr. Watkins and a second by Ms. Craig, the Board agreed to use Gallop Roofing to install an IB Roof System at a cost of \$29,138.94 per roof. Mr. Kinnier noted that he would like a detailed report on when each roof will be replaced and how the work is progressing.

Ms. Miller noted that the details she had in the Management Report on the parking issues would be discussed during the Committee Reports.

Ms. Miller informed the Board that Mr. Watkins had looked into the request from an owner to install a vent through the wall of her unit for a portable air conditioner. Mr. Watkins stated that he is comfortable with this being done. No hole will have to be made in the exterior wall, it will not impact the building aesthetically and it will not damage any other units. The Board approved the owner's plan with the condition that it does not damage the exterior. Mr. Kinnier asked Management to follow up with the owner.

Ms. Miller informed the Board that a former tenant of the community had sent the Board a copy of a letter he sent to the owner of his former rental unit. He had to move out due to a mold issue in the unit that was the result of an improperly caulked bathtub. He wanted the Board to be aware of the situation in case blame was placed on the Association. Mr. Kinnier asked Management to keep the Board updated as this situation progresses.

Ms. Miller noted that an owner who was denied a payment plan due to them not sending in payments as they proposed, did send in a payment and asked Management to notify the Board. Mr. Kinnier asked Management to send a letter to the owner thanking him for making a payment and to remind him of the balance he still owes.

Ms. Miller reported that a tenant whose dog Management continually received complaints about is no longer living in the unit.

Ms. Miller stated that she had received a comment from a resident requesting to have the pool door unlocked on weekend days. Management recommended to the Board that they not allow anyone in the pool area when the pool and office are closed. Equal access would have to be allowed for all owners and a number of liability issues could arise if an accident occurred. The Board agreed that the pool should remain locked after hours and on weekends when the pool is closed for the season.

Ms. Miller stated that the Sandpiper Cay office hours are currently Tuesday – Friday from 8:30-5:00 and that she is at Village Realty on Mondays. The Village Realty number is posted on the Sandpiper Cay office door when the office is closed and the Sandpiper Cay voicemail is checked every hour. Both Wayne Armstrong and Steve Cuthbertson are on site at Sandpiper Cay on Mondays. Mr. Kinnier stated that he felt that this schedule was acceptable unless the volume of activity at Sandpiper Cay increased. Ms. Reber pointed out that owners sometimes leave notes in the box and asked if Management would check the box on Monday mornings. Management will check the box on Monday mornings.

The proposal from Beach Mowing to replace the overgrown areas was presented. Ms. Ambrose stated that she felt the cost was very high and the rest of the Board agreed. Ms. Lewis noted that the proposal included much more than what she thought the Board was looking to do. Mr.

Kinnier suggested replacing overgrown areas on a case by case basis and working towards what Beach Mowing was proposing. The Board agreed.

Mr. Matthews noted that the 900 building is having issues with the bulkhead. Management will have someone check on the bulkhead and address the issue.

Ms. Miller informed the Board that an owner wanted to clarify that she was not unhappy about the moving of the annual meeting to the spring as was stated in the August Minutes. She was unhappy that there was no set weekend of the month for the annual meeting. Mr. Kinnier noted that the annual meeting would be in later part of March. He asked Management to pick a Saturday in March for the annual meeting and email the Board.

The freezer in the clubhouse is not working properly. Smith Appliance was contacted and they suggested purchasing a new refrigerator because the cost to fix the freezer would be close to the cost of a new unit. Mr. Kinnier asked Management to purchase a new refrigerator with an ice maker and filtration system and spend no more than \$600.

Ms. Miller noted that an insurance claim has been filed for repairs that need to be made to unit 3105. Mold was discovered behind the bathroom walls of the unit due to a leak in the roof. Insurance is going to cover the claim and Tarheel Restoration will be performing the work.

Mr. Kinnier noted that he is still working on the 2009 budget and that he will hand it out at the next meeting for the Board to review.

Mr. Kinnier pointed out that a Nominating Committee needed to be established for the upcoming Board of Directors election. Pat Ambrose, Liz Puma, Rueben Greene and Betty Peet will serve on the nominating committee. An announcement needs to be included in the December newsletter instructing any person interested in running for the Board of Directors to contact one of the committee members.

Mr. Kinnier opened the floor for Committee Reports. Ms. Ambrose gave her report for the Covenants Committee. She stated that she would like to add Bella Reber as a member of the committee. They volunteered the committee to work on establishing new pool rules and a job description for pool monitors with the help of Management. The Board accepted her offer and approved the addition of Bella Reber to the committee. The committee will present their suggestions to the Board at a later date.

Ms. Craig noted that when she gets back in town she will get together with Ms. Puma to plan a meeting for the Bylaws Committee.

Mr. Kinnier asked Ms. Lewis if Management had a recommendation for a policy for owners to be able to view books and financials. Ms. Lewis stated that Village Realty will provide financials to any owner as requested. The most recent financials that have been approved by the Board are available to all owners either electronically or as paper copies if requested. She suggested a charge for the cost of copies only if more than the latest reports were requested. With a motion by Ms. Ambrose and a second by Mr. Watkins, the Board agreed to replace the former procedure for viewing financial reports to the procedure suggested by Village Realty.

Ms. Craig presented the research that she had done for the Parking Committee. She noted that due to the fact that Sandpiper Cay is a private community the town does not have any rules regarding parking that the Association needs to abide by. Ms. Craig suggested having a handicap sign in addition to the painted sign because the painted signs are difficult to see at night. Management recommends providing handicap spots to the residents who request them and that have a valid handicap license plate. Ms. Craig and Ms. Reber both noted that there are stop signs missing at some of the roads. Ms. Craig noted that she thinks having assigned owner and visitor parking spaces is a good idea. Mr. Kinnier noted that the problem is not having enough parking spaces; it is the rental units having multiple residents and take up more than two parking spaces per unit. Mr. Kinnier asked Management to send a certified letter to all owners who rent their units demanding a copy of their lease. There was a question from an owner about who is responsible for re-painting the lines on the parking spaces. Management noted that Wayne Armstrong has the materials and can repaint the lines. Mr. Kinnier requested a copy of the map that Management used to show the parking spaces. He also asked for copies to be available in the office and given to Ms. Reber and Ms. Lawrence.

Ms. Lawrence gave her report on the Social Committee. She noted that the Covered Dish Supper was very successful and that seventeen residents attended. She reminded residents of the upcoming Wine and Cheese Party. She noted that the Social Committee needs more support and help setting up and breaking down. It is too much for Ms. Lawrence and Ms. Reber to do without other owner's support and help.

It was noted that a report on the Community Watch Program would be presented at the next Board meeting.

Ms. Lawrence stated that she is having problems with her dryer not venting properly to the outside. Ms. Peet noted that she had the same problem and was able to resolve the problem with a \$16 dryer lint vent that she purchased from Home Depot. Mr. Kinnier asked Management to include information on this product in the next newsletter.

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

The next Board meeting date was set for November 17, 2008 at 1:00 PM at Village Realty.

Respectfully Submitted,

Ansley Miller  
Assistant Property Manager