

*Sandpiper Cay Condominium Owners Association  
Board of Directors Meeting  
November 17, 2008*

The Sandpiper Cay Condominium Owners Association Board of Directors met on Monday, November 17, 2008 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 nine units were present as well.

Mr. Kinnier welcomed everyone to the meeting and introduced the Board members. He asked the members of Management and the owners to introduce themselves. Mr. Kinnier noted the first item on the agenda was the Owners Forum and opened the floor to owner comments.

Mr. Craig asked if the Association had any guidelines regarding the installation of satellite dishes. He noted that someone in his building has one on the side of the chimney. Ms. Lewis noted that Federal Law allows them and that the Sandpiper Cay Rules and Regulations do not address the installation of satellite dishes. Mr. Kinnier asked Village Realty to research guidelines for installation. Ms. Craig noted that the Rules and Regulations and Bylaws Committee would discuss creating guidelines at their meeting on November 18.

Mr. Kinnier called the Board meeting to order. The Board reviewed the Minutes from October 20, 2008. On a motion by Ms. Ambrose and a second by Ms. Craig, the Minutes were approved as submitted.

Ms. Lewis presented the Financial Report. A current Balance Sheet, Income Statement, Accounts Receivable Report, and Posting Journal were presented to the Board. She noted that a lot of changes have been made and there are more General Ledger Accounts than before. Mr. Kinnier noted that the financials are very good and he thinks that a 2008 audit is feasible. The accounting is now on a full accrual basis. Ms. Lewis also presented a 2007 Balance Sheet and noted the difference in the current dues over expenses for 2007 and 2008. The 2008 number was much higher. Mr. Kinnier had a question about the insurance. He was curious as to why there is a monthly check written for insurance. Ms. Lewis explained that there are several different policies and that most have been paid in full and are being amortized, but one policy is paid with a down payment and nine monthly installments.

Mr. Kinnier handed out his 2008 Income and Expense report to the Board. He noted that depreciation is the only expense that is not showing up on the current financials. A new General Ledger Account is being created for the expense of roof replacements. The total projected income for monthly dues and the actual income received from owner dues are now close to the same number after entries were made to move 2007 adjustments to the prior year. He reminded the owners again that the Association is still paying off a lot of bills left over from 2007 and that they will not be recurring next year.

Ms. Miller presented the Management Report. She noted that Beach Mowing has the irrigation systems for the 400/600 and the 1600 buildings working. The irrigation that services part of the 1100, 1300 and 1500 buildings is not working. Beach Mowing thinks that once the water table

comes back up it will work fine. They are planning on turning off all of the irrigation systems sometime during the week of November 17th. All the irrigation systems will be inspected when they are turned back on next year and Beach Mowing will make a recommendation for what needs to be done at that time.

The Dare County Water Department was contacted again regarding the missing water meter covers in front of the 1300 building. Ms. Miller noted that the Water Department had been out again and that she will follow up with Ms. Peet to make sure that the covers were put on to her satisfaction.

The new refrigerator is in the Clubhouse. The total cost after rebates was \$540.08. Ms. Lawrence noted that the Social Committee is pleased with the new refrigerator.

Ms. Miller noted that there are two lien spreadsheets included in the meeting packet. They have been updated to include if the units in arrears are owner or tenant occupied units. Mr. Kinnier instructed Village Realty to continue mailing letters to owners in arrears until payment is made.

The check was received from Terminix for the claim submitted for termite damage in the 1900 building.

Grace Painting is continuing painting and has completed the 1900 and 3300 buildings. They are in the process of painting the 1100 building. Mr. Watkins noted that he is still pleased with the job that that they are doing.

Atlantic Sewage is continuing to pump four septic tanks a week. Mr. Kinnier asked if they are still on schedule to be finished with the pumping by the end of the year. Ms. Lewis noted they are still on schedule to have all the scheduled tanks pumped by the end of the year.

Gallop Roofing started replacing the roof on the 300 building on Monday, November 17th. Mr. Kinnier asked what Village Realty had decided on the extended warranty since he had not been able to respond to their inquiry regarding this matter. Ms. Miller noted that she told the roofing company that she would let them know about the warranty at a later date. Mr. Kinnier asked Village Realty to email the Board the details on the extended warranty so that they could make a decision.

Ms. Miller noted that a letter was sent to the owner who was denied a payment plan thanking him for his most recent payment and reminding him of the balance that he still owes.

Ms. Miller noted that a possible date for the Annual Meeting is Saturday, March 21, 2009. All Board members agreed to this date. It was decided that the Annual Meeting would be held at Kitty Hawk Elementary School on Saturday, March 21, 2009.

Stop signs have been ordered for the ones that are missing on Swordfish Way. Ms. Craig noted that there is also one missing on Coral Reef Court.

Tarheel Restoration has completed the repairs to unit 3105. Ms. Miller noted that the check from Auto-Owners for the claim reimbursement has been received.

Ms. Miller noted that letters have been sent out to all owners who lease their units asking for a copy of their leases by December 31, 2008. She noted that she has received about twelve leases so far. It was noted that once the leases are received and reviewed, that the Board may look into requiring a clause in future leases to protect the Association if they do not feel that this issue is adequately addressed in the current documents.

Ms. Miller noted that there were four owners who requested to have late fees waived. She reviewed the circumstances of each situation and the Board approved waiving the late fees for the four owners.

Village Realty inspected the bulkhead in front of the 900 building. Mr. Watkins noted that the repairs were minimal and could be addressed by the Service Department.

Mr. Kinnier presented a draft of the 2009 Budget that he prepared. He noted that the expense numbers may still shift around into different accounts as the Budget is finalized. Ms. Craig wanted all the owners to know that the Board is still working to fix problems that they inherited and that they are trying hard to ensure that the problems are fixed and not just covered up. Mr. Kinnier noted that the budget would hold the monthly assessment at \$245, despite the huge increase in Wind Insurance and the extra money that still needs to be spent on deferred maintenance issues. Ms. Craig suggested that Village Realty look into investing in CDs. Ms. Lewis noted that many associations do invest in CD's but that, for the first year of managing Sandpiper Cay, they wanted to keep the assets of the association liquid. Because of the poor records of previous years, it was difficult to anticipate the expenses that may come up. They will explore this investment possibility in the future. Mr. Kinnier noted that he would like to have the current interest rate on the Money Market account included in the Management Report each month. Mr. Kinnier asked the Board to approve the Budget that would hold monthly dues at \$245. On a motion by Ms. Ambrose and a second by Ms. Puma, the 2009 Budget was approved.

Mr. Kinnier asked Village Realty to include Gallop Roofing's roof replacement procedure for the 300 building in the Minutes.

- Remove and dispose of existing metal flashings and modified cap sheet as required for installation of new roof assembly. This includes taking off the existing roof, but leaving on the rubber cover that is underneath the existing roof.
- Install a uniform layer of ¼" Dens-Deck high density recovery-board underlayment, mechanically fastened in over existing membrane roof.
- Install a fully-adhered IB Roof System 50 Mil white reinforced CPA roof assembly in accordance with manufacturer's details and specifications for local wind design.
- Fabricate and install new 24 GA. coated metal edge flashings.
- Install 6 IB 8" two-way vents to promote attic space ventilation.
- Flash existing roof penetrations as required to create a watertight condition.

- Provide IB Roof Systems 15 year limited material warranty and a 5 year workmanship warranty. The product warranty is not pro-rated. There is an option to upgrade the warranty to 15 year labor and material for an extra \$1500.

Ms. Craig asked if bathroom vents that actually vent to the outside could be installed. It was noted that the warranty may not be valid if vents are installed. Village Realty will research having bathroom vents installed.

Mr. Kinnier noted that Village Realty has agreed to renew their 2009 contract for the same fee as 2008. Mr. Kinnier asked for a motion to approve the renewal of Village Realty's contract. On a motion by Ms. Craig and a second by Ms. Ambrose, the renewal of Village Realty's contract was approved.

Ms. Craig presented a report on mold. She received this information from a certified mold expert on the prevention and treatment of mold. Procedures were listed that owners can take to prevent and treat growth of mold in their units. Mr. Kinnier asked for Village Realty to include this information in the next newsletter.

Ms. Ambrose gave a report for the Covenants Committee. She noted that all members have their packets and they are working on rules for the pool and duties for the pool monitors.

Ms. Puma and Ms. Craig reported on the Bylaws and Rules and Regulations Committee. They noted that they are holding a meeting for all members on November 18th at 7:00pm. They will come back to the Board with their recommendations.

Ms. Craig presented a report for the Parking Committee. She noted that renters are causing most of the parking problems by taking up more than two spaces per unit. The Bylaws state that two parking spaces are available for each unit. She recommends assigning owner and guest spots. She noted that this can be done without putting a number on assigned spots. She asked if she could have a handicap sign installed on the sidewalk in front of the handicap spot at the 3100 building. Mr. Kinnier noted that he did not have a problem with this. It was noted that all handicap residents need an opportunity to have a handicap sign installed also. Mr. Kinnier asked for handicap information to be included in the next newsletter instructing any resident with a valid handicap in need of a handicap spot to contact the Association office.

Ms. Lawrence presented her Social Committee report and noted that there were 19 people at the last Covered Dish Supper. She went over the other events that will be held this year, which include a Cookie and Candy Exchange on December 20th and a New Year's Eve Party on December 31st.

Ms. Coughlin presented a report on the Community Watch Program. She noted that she met with the Kitty Hawk Chief of Police to get information on starting this program in Sandpiper Cay. She noted that he is willing to attend any community meeting to discuss the program. Mr. Kinnier noted that he would like a report on the program presented at the Annual Meeting, by the

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Kitty Hawk Chief of Police if possible. He also asked for something to be included in the next newsletter asking for volunteers for the Community Watch.

Mr. Harris noted that he was able to save some money on his insurance by switching to a different insurance company. It was noted that it can benefit owners to shop around for the best rate. Mr. Kinnier asked that Village Realty provide something in the next newsletter from an insurance company stating what coverage is recommended for each owner for their interior insurance.

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

It was decided that there would be no December meeting. The next Board meeting date was set for January 19, 2008 at 1:00 PM at Village Realty.

Respectfully Submitted,

Ansley Miller

Assistant Property Manager