

***Sandpiper Cay Condominium Owners Association***  
***Board of Directors Meeting***  
***5-21-08***

The Sandpiper Cay Condominium Owners Association met on Wednesday, May 21, 2008 at Village Realty. Pat Ambrose, Tom Watkins, Linda Craig and Jim Coughlin were present. Ed Stephenson participated via conference call. Bob Oakes, Dorie Fuller, Emily Lewis, Tom Alexander and Courtney Fowler represented Village Realty. Five owners from Sandpiper Cay attended the meeting as well.

Mr. Stephenson called the meeting to order and then turned it over to Village Realty. The Board reviewed the minutes from April 9, 2008 and April 28, 2008. On a motion by Ms. Ambrose and a second by Mr. Watkins, the minutes were approved as submitted.

Ms. Fowler presented the current financials including a Balance Sheet, Income Statement, Posting Journal and Accounts Receivable Dues Report. Ms. Craig noted the Wachovia Account had been closed and Ms. Fowler noted that will reflect on next months financial statements. Mr. Oakes explained how Village Realty works on an accrual basis for accounting. He noted how the Owners Dues on the Income Statement shows what has been charged and 110 Accounts Receivable account on the Balance Sheet shows what is left to be collected.

Mr. Coughlin asked if Ron leaving the maintenance department would affect the maintenance fee. Ms. Lewis noted it would not. Someone else will be filling in as needed. The maintenance fee covered full time maintenance for Sandpiper Cay and Sandpiper Cay would continue to receive that full time attention. Ms. Craig asked what the miscellaneous account was used for. Ms. Lewis noted a few of the items but offered to provide a complete detailed report of the miscellaneous account to Ms. Craig. Ms. Lewis noted Village Realty would be able to work with the Board on their budget for next year and hopefully create the correct expense accounts for the Association. There was a question on one owner's high balance from the Accounts Receivable Report. Management offered to check on that account. Management noted they would also continue to follow up on the delinquent accounts.

Ms. Fowler presented the Management report. The reports included in the packet had been e-mailed to the Board previously. The Board asked Management to make arrangements to have the Pepsi machine removed and a new vending machine brought in. It was also noted the pool code will remain the same as last year. Ms. Ambrose asked Management to have the pool code available at the Annual Meeting. The new attorney options were discussed. Ms. Craig noted she and Mr. Coughlin felt the previous attorneys made it clear there was no conflict of interest at their meeting. Mr. Oakes recognized her frustration but advised the Board to move on and look to the new attorneys. Ms. Craig gave Ms. Lewis a memo from Wyatt Booth regarding the meeting she and Mr. Watkins had with him for Sandpiper Cay's records. On a motion by Ms. Ambrose and a second by Mr. Watkins, the Board asked Management to move forward with the new attorneys and to try and set up a meeting prior to the Annual meeting.

Ms. Fowler presented three payment plan requests from owners. On a motion by Ms. Craig and second by Ms. Ambrose, the plans from units 1104 and 801 were approved as submitted. Management will notify the owners that their plans were submitted. The Board did note the owner would not be able to vote if there was a balance. Ms. Fowler noted the third owner had not put a request in writing but would follow up with them and request one be submitted. The Board also decided to send final statements on June 1<sup>st</sup> with the Collection Policy and begin to address the delinquent accounts.

The Board then discussed the letters from the owners who paid the 2006 amount for the year 2007. They had felt the letter from the previous Property Manager was misleading. After the Board reviewed their request and on a motion by Mr. Watkins and a second by Ms. Ambrose, the Board asked Management to notify them that they will have to make up the difference. The Board did want to note that no late fees would be applied.

Ms. Fowler informed the Board on the insurance meeting with the Boyd Agency. Ms. Fowler noted Ms. Boyd had suggested the Association think about increasing the value limits. Management will bring suggestions and examples to the next Board meeting for the Board to discuss. Ms. Boyd had also suggested increasing the wind deductible to save on the premium. Mr. Coughlin asked if the Association was going to obtain quotes on the insurance before it renewed. Ms. Lewis noted yes. Management offered to bring suggestion to the next Board meeting.

Ms. Fowler updated the Board on a policy regarding water leaks and the high water bills. If there was a water leak and the bill was adjusted by the Town of Kitty Hawk, the Association would pay the difference for that owner. Ms. Lewis asked why that policy had been put in place. The Board noted the question would be where the leak was as to whether the Association paid for it or not. Ms. Lewis suggested the Board address each situation on a case by case situation. Mr. Oakes suggested Management come up with a policy proposal and present at the next meeting. Ms. Craig noted the importance of turning off the water when owners leave for long periods. Ms. Lewis noted Management would look into the Associations right to enter a property.

The Board discussed the Annual Meeting. Ms. Lewis noted Mr. Oakes had offered to moderate the meeting if the Board wanted him to. The Board agreed they would like Mr. Oakes to do so. Ms. Fowler noted the number of proxies received. Ms. Lewis went over the By-Laws and procedures related to Annual Meetings. Mr. Oakes and Ms. Lewis noted they would meet with Mr. Stephenson on the Thursday before the meeting if he wanted to. Mr. Oakes also encouraged the Board to let Management contact those owners who had not turned in their proxy and encourage them to do so.

Ms. Lewis discussed the current clubhouse policy with the Board. She noted request to have owners purchase a liability policy for the use of the clubhouse was unnecessary. Ms. Lewis suggested the Association have a sign up sheet for the clubhouse and charge a security deposit for the use. No additional insurance policy is necessary nor is a waiver. Ms. Craig noted she was uncomfortable not using a waiver of liability. Ms. Lewis

suggested she could contact the Association's attorney on the matter. Mr. Oakes questioned exactly what Ms. Craig meant by a waiver of liability. Ms. Ambrose suggested addressing the question to the new attorney. Mr. Oakes agreed. It was noted 50 people is the max for the clubhouse and if the clubhouse is damaged beyond the security deposit then it moves to the responsibility of the person.

Ms. Lewis updated the Board on the pool monitor hours. She suggested later afternoon/evening hours since Tom Alexander would be there in the mornings. The Board agreed. The Board also requested new North Carolina pool rules be installed at the pool.

#### Items from Directors

Ms. Craig updated the Board on the audit. The accountant said they would need the losses from 2007 before the taxes can be filed. There were some questions from the Board regarding this statement from the accountant and Ms. Craig offered to readdress with the accountant.

Ms. Ambrose suggested a maintenance file be kept on each unit to keep track of maintenance history. She noted there was already a file in the office that could be used. The Board agreed that was a good idea. Ms. Lewis noted Village Realty's software has a work order system in the computer that she would like to be used and suggested once it is completed in the computer; a copy could be placed in the file.

Ms. Craig explained there had been some recent issues with owner and renters not cleaning up after their pets. Ms. Lewis asked what the usual process is regarding owners and renters who are in violation. Ms. Lewis noted Management would work to enforce the policies regarding cleaning up after your pet.

The Board entertained questions from the owners. Barbara Lawrence offered some history on the dog regulations and suggested ways of enforcing. Another owner questioned the condition of the grass. Ms. Lewis explained there was a new company maintaining the sprinkler and it may take a few weeks to get the irrigation up and running. Ms. Lewis assured the owners the company was working hard and the system issues would get worked out. Another owner asked if late fees had been applied yet to delinquent accounts. Ms. Lewis said not yet that the Board was trying to work with the owners to get each account up to date first.

Harry Gries asked if a person is delinquent can they sell their unit. Ms. Lewis explained the closing attorney is supposed to catch if a lien has been filed and the dues should be settled before the unit sells. Ms. Lewis did explain that unfortunately, that does not always happen. Mr. Gries also asked if it would be possible for a particular company could be exclusive to Sandpiper Cay. Mr. Oakes noted it would be fair to leave that decision up to each owner.

Mr. Watkins questioned the ads in the Homes and Land relating to Sandpiper Cay. Mr. Oakes noted there was not much the Association could do unless the logo is trade-marked

or copyrighted. Ms. Lawrence questioned when the clubhouse was going to be cleaned. Ms. Lewis noted it had been cleaned that morning. Ms. Lawrence noted the Social Committee is going to have a covered dish in the clubhouse the Saturday evening of the Annual Meeting.

The Board thanked the owners for coming and adjourned the open session meeting.

Respectfully Submitted,

Courtney Fowler  
Assistant Property Manager