

*Sandpiper Cay Condominium Owners Association  
Annual Meeting  
May 31, 2008*

The Sandpiper Cay Condominium Owners Association met on Saturday, May 31, 2008 at the Kitty Hawk Elementary School Gymnasium. Board Members Ed Stephenson, Jim Coughlin, Linda Craig, Tom Watkins and Pat Ambrose were present. Bob Oakes, Dorie Fuller, Teri McKinney, Tom Alexander and Courtney Fowler were representing Village Realty.

Mr. Stephenson called the meeting to order. He noted 131 owners were represented by proxy and 52 were present. A quorum of 25% had to be established in order for the meeting to be held and Mr. Stephenson confirmed there was a quorum. Mr. Stephenson welcomed the owners and thanked everyone for attending. He noted it had been a different year with a lot of changes. Three Directors resigned at the end of 2007 and three people, Tom Watkins, Linda Craig and Pat Ambrose, were asked to fill their positions. Mr. Stephenson noted a new property management Company was hired. Mr. Stephenson then introduced Bob Oakes of Village Realty and explained the Property Management Company works for the Association and answers to the Board of Directors. He explained that the Board had interviewed four Management Companies and after a Board vote, Village Realty was hired. He stressed the importance of all the owners' patience during this transitional time. Mr. Stephenson then turned the meeting over to Mr. Oakes from Village Realty.

Mr. Oakes proceeded to the next item on the agenda which was the approval of the past Annual Meeting minutes. Mr. Coughlin noted a copy of the minutes from 2007 were in everyone's meeting packet. On a motion duly made and seconded, the owners agreed to dispense with the reading of the 2007 minutes and approve them as submitted.

Mr. Oakes introduced Mr. Watkins as the Chairman of the Elections Committee to introduce the nominees. Mr. Watkins introduced the Elections Committee and explained the nominating process. He also asked for the three nominees to introduce themselves. Pat Ambrose, Stephen Kinnier and Liz Puma all introduced themselves and explained their reasons for running for the Board. Mr. Oakes asked if there were any nominations from the floor. Margaret Coolidge nominated Doug Seay. Mr. Oakes invited Mr. Seay to say a few words on why he wanted to run for the Board and Mr. Seay briefly addressed the owners. The voting then took place and Village Realty collected the ballots.

Mr. Oakes introduced the Village Realty staff present and gave some background information on Village Realty to the Association. He noted the company history in managing Associations and that Village Realty was happy to have been given the opportunity to manage their Association. Mr. Oakes made clear that Village Realty was not interested in the long term rental business or handling short term rentals in Sandpiper Cay.

Mr. Oakes went over some general items of concern such as cleaning up after your pet, preparing your unit when it will be left unoccupied for long periods, dryer vent cleaning, the status of the irrigation system and the new vendor maintaining it. He informed all owners that Beach Mowing had been working hard on the irrigation system and it may take time in order to get the system up and completely running.

Mr. Oakes presented the current financial statements to the Association.

Mr. Oakes answered questions from the floor. One owner questioned the accounts receivable report. Mr. Oakes noted Village Realty was working with each owner individually on updating owners accounts.

Another owner questioned the amount in Reserves. Mr. Oakes reminded the owners that Village Realty began managing Sandpiper Cay in February and was working with the Accountant who is doing a review of the previous Property Manager's books. Mr. Oakes noted he would provide all those answers to the Association as soon as he had them. Mr. Seay commented on the reserves. He said there had been reserves but with all the years of on-going maintenance, gate repairs, etc. a lot of the reserves had been depleted.

One owner questioned if the Association owned any units and were there any liens in place. Mr. Oakes noted the Association does not own any units and to his knowledge there were no liens in place. Mr. Oakes explained the Collection Policy and that is what the Association will go by but due to the discrepancies in the Accounts Receivable, the Board wanted to give owners ample time to update their account. Mr. Oakes informed the owners that the Collection Policy would begin to be enforced around June 1<sup>st</sup>. Mr. Seay stated that there had been liens previously but they were always paid off and the process never had to go to court.

One owner questioned the timeframe in which the Accountants were going to work on the previous managers books and asked if that would be too costly. Ms. Craig responded that a rate of \$60 per hour had been negotiated. Another owner questioned who the new attorney was for the Association. Mr. Oakes explained the previous attorney had a conflict of interest and the Board had hired Hornthal, Riley, Ellis and Maland to represent them.

Another owner questioned why the spouses of Board members were allowed to go through the books. Mr. Oakes responded that all owners had the rights to the financials statements of the Association.

An owner asked if Village Realty had received all the money from the previous bank account when they took over. Mr. Oakes noted yes. Ms. Craig noted it was around \$63,000.

Mr. Seay asked why an owner was given money to replace their carpet when the Insurance Company had said there was not a claim. Mr. Oakes explained it was a recommendation from Management due to an Association common area having caused

the damage. The septic tank issue was discussed. One owner expressed they were upset because when their septic backed up, no one was on site to pump it. The owner questioned if Wayne would continue to be on site full time or not. Mr. Oakes noted Village Realty wants to provide the same level of service to Sandpiper Cay that they have always received whether that means one maintenance person on site or three if needed. He also noted they may not always have the same people all of the time. He also noted the Board was working with Atlantic Sewage Control on a maintenance plan for the septic tanks. This would hopefully alleviate any future emergencies.

An owner expressed her concern over Tom Alexander not being in the office full time at Sandpiper Cay. Mr. Oakes noted that during the times Mr. Alexander was at Village Realty there was someone from Village Realty in his place.

An owner reported a water leak in their unit and Management took note.

An owner was upset that automatic draft was no longer offered to the owners. Ms. Fowler explained it was a Board decision because that option was causing bank fees every month to the Association for the service. The owners agreed they did not want that expense. Ms. Fowler suggested that owners set up automatic bill pay through their own banks which is a similar option to automatic draft and is free with most accounts.

One owner questioned if Tom Watkins was a Village Realty employee. Mr. Oakes said yes, that Mr. Watkins was in charge of the pools and spa division. The owner asked if that was a potential conflict of interest. Mr. Oakes said it could be potentially but that Mr. Watkins does have rights as an owner at Sandpiper Cay and noted that Mr. Watkins is not directly involved with the management of the association in his position at Village Realty.

Some of the owners expressed that they would like to see Wayne Armstrong and Tom Alexander to continue to be at Sandpiper Cay full time. Ms. Ambrose explained the Board was trying to work in the best interest of the Community and this was a transitional time for everyone.

An owner noted the importance of keeping all owners updated on the financials and Board Meetings. There was a suggestion to post information on the bulletin Board at the clubhouse or on the internet. They stressed that communication needs to be better. Mr. Oakes agreed.

Another owner questioned the budget for the Insurance and asked if the Association was going to take bids for renewal. Mr. Oakes said yes and the insurance will renew in September. Another owner questioned the Special Event Insurance and was it required to use the clubhouse. Mr. Oakes said it was not. Mr. Seay suggested the Board check with the Boyd Agency again.

Mr. Oakes reminded the owners that the Board meets the second Wednesday of every month at 1:00 PM at Village Realty. All owners are welcome to attend.

There was a question on the financials and certain line items that were added. An owner questioned where that money was going to come from. Mr. Oakes explained Village Realty was not involved in preparing the 2008 budget but Village Realty would learn a lot this year and assess Sandpiper Cay's financial situation and hopefully be able to assist in the 2009 budget.

Another owner noted the property appearance had gone down and was disappointed in the irrigation. Mr. Oakes informed them there was a new vendor and he was working to bring everything up to working order. Mr. Oakes also explained one of the wells is dry and that is being repaired.

One owner questioned if some previous invoices from the previous Property Manager had not been paid to the common area landscaper. Mr. Oakes said there was a balance and the Board was working with them to get that balance paid off.

Another owner asked when late fees would be charged. Mr. Oakes answered that they would not be charged until verification of the numbers was received from the Accountant.

It was noted that building 13 needs water and has weeds. It was also noted the after hours phone numbers will be posted at the clubhouse and will be available on the answering machine. One owner questioned the master maintenance list and could the owners have a copy. Mr. Oakes noted he had not seen a list if there was one.

There was a question on whether a Reserve Study would be done. The Board had not discussed obtaining a formal reserve study but that would be something they would discuss.

One owner noted they would like notification when exterior changes are going to be done to their unit. Another owner questioned how the Association could become past due in their invoices. Mr. Oakes said he did not know. He noted Village Realty is trying to look forward.

An owner complained about the trash schedule and how early they come in the mornings. Mr. Oakes noted that the Town organizes the trash schedule.

Owners questioned whether an assessment would take place due to the previous management company's mismanagement. Mr. Oakes noted there were no proven facts of mismanagement and at this time there were no plans of a special assessment. The owners asked if they would have advanced notice if one were to take place. Mr. Oakes said yes. An owner informed the Association that there was no history of special assessments. Another owner noted that some personal home insurance policies cover special assessments. Mr. Oakes said Management would look into this.

An owner encouraged all to get involved and asked for volunteers for the Social Committee. Ms. Ambrose noted there were sign up sheets for the various Committees at the front sign in table if anyone was interested. It was noted that the Covered Dish Social was going to be cancelled for that evening.

Another owner questioned the roofing budget increase in the budget and Mr. Oakes offered to look into it further.

Mr. Stephenson announced the Election results. The two new Board members voted in were Stephen Kinnier and Liz Puma. Mr. Stephenson congratulated the new members.

With there being no further business, a motion was made to adjourn the meeting.

Respectfully Submitted,

Courtney Fowler  
Assistant Property Manager