

*Sandpiper Cay Condominium Owners Association
Board of Directors Meeting
September 22, 2008*

The Sandpiper Cay Condominium Owners Association Board of Directors met on Monday, September 22, 2008 at Village Realty. Steve Kinnier, Tom Watkins, Liz Puma and Pat Ambrose were present. Linda Craig participated via telephone. Emily Lewis, Ansley Miller and Courtney Fowler were present representing Village Realty. Owners representing ten units were present as well.

Mr. Kinnier welcomed everyone to the meeting and asked everyone 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 expressed concern about ten tenants all living in the same townhouse unit and asked how many people are allowed to live in a townhouse unit. Mr. Kinnier noted that it would state in the lease and asked if the office had a copy of this lease. Management said that they had not received a copy of the lease. Mr. Kinnier reminded Village Realty that copies of any lease, both short and long term, need to be kept at the office. It was noted that a letter had been sent to all owners requesting a copy of their lease agreements several weeks ago. Village Realty will continue to try to obtain the leases and remind owners of this requirement. Ms. Lawrence noted that there was someone in the 900 building that was subleasing a unit and that the office needed to have a copy of the lease. Mr. Kinnier asked Ms. Peet and Ms. Lawrence to give Village Realty the numbers of the units they were referring to at a later time. Village Realty will send letters to these owners.

Ms. Peet asked who the Association attorney is. Ms. Lewis replied that the Association is represented by Hornthal, Riley, Ellis & Maland.

Ms. Lawrence expressed concern over parking. Mr. Kinnier noted that it would be discussed in "old business."

Mr. Kinnier called the Board meeting to order. The Board reviewed the minutes from August 18, 2008. On a motion by Ms. Ambrose and a second by Ms. Puma, the minutes were approved as submitted.

Ms. Lewis presented the Financial Report. A current Balance Sheet, Income Statement and Posting Journal were presented. It was noted that the specifics on the Accounts Receivable Dues Report will be discussed during Executive Session. Mr. Kinnier noted that the current balance sheet is based on cash basis accounting and that the Board is in the process of converting to accrual basis accounting. Ms. Lewis noted that most of the expenses look good, but that the Accounting and Insurance expenses are over budget. Mr. Kinnier noted that in the future he would like the financial reports to include both the month to date and year to date figures.

Ms. Lewis presented the Management Report. She noted Village Realty sent out lien letters to the owners in arrears on association payments. Mr. Kinnier asked if Village

Realty had gotten any responses to the letters. Ms. Lewis noted that some have paid off their balances and others are making arrangements to pay. It was decided that discussion about a unit owner who was denied a payment plan request would be discussed during Executive Session.

Ms. Lewis noted that a certified letter was sent to an owner regarding his tenant's removal of dog feces. The owner sent Village Realty a copy of the letter that he sent the tenant stating that the dog must leave the premises no later than September 20th. An owner noted that the dog was still at the unit. Mr. Kinnier asked Village Realty to get a copy of the lease and let the owner know that the Association has the authority to fine him. Village Realty will follow up in two weeks. If the problem has not been resolved, the Association will fine the owner.

Ms. Lewis presented a letter from an owner asking for permission to install a vent through the wall of her unit and come out under the eave for a portable air conditioner she would like to purchase. Mr. Kinnier asked Village Realty to research this and come back with a recommendation at the next meeting.

The pool hours for September are 9:00am-7:00pm on weekdays and 9:00am-8:00pm on weekends. Pool monitors have been scheduled only on the weekend days and one pool monitor is responsible for closing the pool on the weekdays. Ms. Ambrose noted that North Carolina law states that pools must close at dusk. Ms. Lewis noted that the pool will only be open one more weekend.

Ms. Lewis noted that the Board decided that the Association insurance would be written with Southern Insurance and the policy would be with Auto Owners. Mr. Kinnier noted this would be addressed in "old business."

Ms. Lewis informed the Board that Steve Cuthbretson is working with Wayne Armstrong in maintenance.

Ms. Lewis updated the Board on the septic tank pumping. She noted that Atlantic Sewage is continuing to pump four septic tanks per week. Wayne Armstrong and Steve Cuthbretson are responsible for locating the tanks each week and for uncovering them for pumping and recovering them after pumping.

Wayne Armstrong submitted a list of buildings that need to be painted. Ms. Lewis noted that the cost to repaint is approximately \$2500 per building which includes power washing and caulking. Mr. Watkins asked if this cost was for spraying or painting the building. He noted that the last time his building was sprayed it did not hold up well. Ms. Lewis noted that she would go over the estimates with him. Ms. Lewis asked if Village Realty had permission to get started on the painting. She asked if the Board would allow Mr. Watkins to give the final approval. The Board agreed and Mr. Kinnier gave Village Realty permission to get started. Mr. Kinnier noted he would like a building by building summary and a list of all the buildings that need repainting.

The Reserve Study proposals from two vendors have been sent to the Board. Mr. Kinnier noted that they would be discussed at a later date. The fee quotes in the proposals will be used in the preparation of the 2009 Budget.

An owner requested the use of the clubhouse on the third Thursday of every month from 10:00-1:00 to hold the meetings for a nonprofit organization. She asked that the deposit fee be waived since the organization was non-profit. Mr. Kinnier noted he did not have a problem waiving the charge as long as they clean up. The Board approved the waiver of the deposit.

Ms. Lewis noted that the internet and cable service in the clubhouse have been cancelled.

Ms. Lewis noted that there was some concern around the community regarding two deaths that occurred in the same unit within a couple of weeks of each other. Village Realty has notified the owner and contacted the police department.

Village Realty is working on getting estimates from a few roofing companies. There are three buildings that need roof replacement in the near future. The goal is to do one this year and two next year. Mr. Kinnier noted that he would like to know exactly what was previously done to these three buildings regarding the roof. Village Realty will ask Wayne Armstrong to give us the information that he has on these buildings and come back with a recommendation. Mr. Kinnier noted that this expenditure would need to come out of the reserve budget. He also noted that Village Realty would need to contact a company to deal with the mildew issue in some of these buildings.

Village Realty is continuing to work with Beach Mowing on a replacement plan for the overgrown areas. They are working on putting together a list of areas that need attention in order of importance and giving us an estimated cost for each area.

Ms. Lewis noted that Village Realty is putting together an owner mailing that will include the call procedure and will remind owners that two parking spaces are designated per unit.

Ms. Lewis noted that Terminix was contacted regarding the bait traps and they are all on a regular schedule to get checked. Dare County was also contacted regarding broken water meter covers.

Dare County Water Department was contacted about getting a credit on past water bills for the leak in the pool. Ms. Lewis noted that they do not offer credits for closed billing cycles, but that it may be possible to get a small credit on the upcoming bill which includes the last few weeks prior to the time that the pool leak was repaired.

Ms. Lewis noted the maintenance items that have been completed since last Board Meeting. Ms. Ambrose noted the storage shed repairs and asked if they had all been removed. Ms. Lewis noted that there were some that were not removed. Ms. Ambrose noted that the Association should not have to pay for storage sheds repairs. The Board agreed to set a new policy that all owners must be billed for repair to sheds. The Board asked Village Realty to email them what was wrong with the sheds that were repaired.

Mr. Kinnier noted that the Board ratified a decision to go with Southern Insurance for the Association insurance. He noted that a comprehensive policy was decided on and that the comprehensive policy was less expensive than a bare walls policy. Mr. Kinnier asked Village Realty to do a mailing to owners going over what the Association insurance covers and what coverage is recommended for individual owners.

Mr. Kinnier opened the floor to comments about parking. Ms. Lawrence noted she thought there should be a handicap spot designated for each building. Mr. Kinnier asked Village Realty to research if handicap spots are required and to make a recommendation. Another owner commented that each unit should have at least one designated spot. Mr. Kinnier noted that this creates a problem with those not living in the community year round. Mr. Kinnier asked how many total parking spaces there were in the community. Village Realty will find out before the next meeting. Ms. Craig volunteered to be the chair of the parking committee and Ms. Lawrence and Ms. Reber volunteered to be on the committee.

Ms. Lewis presented the 2009 budget that Village Realty prepared. She noted that she used the same dues as last year and was able to end with reserves. She also noted that the numbers would have to be changed around to reflect a true accrual basis. Mr. Kinnier noted the large increase in insurance costs due to the wind and hail premiums. He noted that there was a 40% increase on wind and hail coverage on commercial policies. Ms. Peet asked what the cost was per unit each month for the association insurance. Mr. Kinnier noted that he does not have that figure yet.

Ms. Ambrose, chairperson of the Covenants Committee, submitted the names of four potential members for the Board to approve. With a motion by Ms. Puma and a second by Ms. Craig, Betty Peet, Mary Ellen Munza, Barbara Lawrence, and Gene Schwenk were approved as committee members. Ms. Puma and Ms. Craig, co-chairs of the Bylaws Committee, submitted the names of four potential members for the Board to approve. With a motion by Mr. Watkins and a second by Ms. Ambrose, Shelia Deim, Carol Matthews and Donna Evans were approved as committee members. Ms. Lawrence, chairperson for the Social Committee, encouraged owners to join the Social Committee. She asked Village Realty to include social events on the website and to include them in any mailings. Ms. Ambrose noted that the Association needs to publish the new website address.

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

The next Board meeting date was set for October 20, 2008 at 1:00 PM at Village Realty.

Following the Board meeting, the Board met in Executive Session with the Association's legal counsel, John D. Leidy of Hornthal, Riley, Ellis and Maland, LLP. No actions were taken.

Respectfully Submitted,

Ansley Miller
Assistant Property Manager

