

Keys at Kure Beach H.O.A., INC
Board of Managers Meeting
February 4, 2008
Minutes

The meeting of the Keys at Kure Beach Homeowners Association was called to order at 6:05 PM by President Bryan Strickland.

Board present: Bryan Strickland, Tim Upton, Micki Hobson, Bill Costigan and Joy Bryant
Homeowners in attendance: 2

Finances:

Grace McGee presented the Check Detail, Balance Sheet, Profit & Loss statements (month & year to date & Budget vs. Actual) for December. (Attachment A) Grace explained the significant increase in the interest earned on the P&L Budget vs. Actual was due to a change in IRS laws. She showed the breakdown of the interest earned on the Transaction Detail by Account (Attachment B). Grace also present the Check Detail, Balance Sheet, Profit & Loss statement for January. (Attachment C) Our Balance Sheet now shows the \$184,000 that is appropriated for roof shingling reimbursement. The A/R Aging Summary (Attachment D) was presented to replace the customer balance summary as voted on at December's Board Meeting. (It was decided to not publish names and amounts for delinquent dues accounts.) The HOA has liens against four properties at this time; this includes two properties which are in foreclosure.

The Board discussed if we should lower the amount past due before we place a lien. Tim stated that he would like to place a lien on properties that were past due 121 days. He feels that \$6.00 (the fee for the lien) is a small price to pay to protect HOA funds. He made the motion to place liens on properties that are 121 days past due in paying HOA dues. There was not a second. The motion was tabled.

Tim suggested having homeowners show proof of Insurance as stated in Article 5, Section 9 of our bylaws. It was noted that we would have to remove "flood insurance" from the bylaws since we are not required to have flood insurance. Tim asked if we could have someone from Woodberry Insurance (the agency the Keys use) to speak at our March meeting. Grace said she would call our agent, Peggy Hendrix, and extend the invitation.

Grace also informed the board it was time for our annual audit. She will contact the certified fraud examiner we have used for the past few years.

Letter from Fred Pape/Nancy Pape:

The board received a letter of complaint from Fred Pape, son of Nancy Pape, who lives at 829 Kure Village Way (Attachment E). Mr. Pape advised the board that they have not paid their HOA dues because of numerous complaints pertaining to 829 Kure Village Way. The majority of his comments deal with landscaping. It was the consensus of the board that

although they have complaints, and we are willing to work to improve on several items, this does not relieve them of paying the required HOA dues. Payment of dues is not part of the complaint process. Grace is going to check with the tax department to determine who the owner of record is of the property and Micki volunteered to write Nancy (or son, Fred, if he is the owner of record) explaining the position of the board. The topic of the pear trees being planted to close to the palms was brought up again. Betty is to check the situation in Nancy's front yard. The landscape committee should take a look at replacing some of the pear trees each year. Betty also said the landscape committee will revisit the water plants or additional pampas grass for the black pipe area. A permanent solution would be to build a bridge/gazebo in the area with the black pipe. The board will look into the possibility of building a permanent structure.

(The point of order pertaining to the payment of dues can be found in Article V Section 3 of the bylaws, Collection of Assessments.)

Architecture:

Bryan submitted a Request for Exterior Change to install two windows on side of unit in second floor directly above windows on first floor. Windows are to be the same size and shape as lower windows. (Attachment F) The request was approved unanimously by the board.

Joy asked Bryan to sign the Request for Exterior Change submitted by Jennifer Scott, 566 Anchor Way, asking to install a retractable screen door on front of her unit. The board had voted and approved the change unanimously by email last month. (Attachment G)

Joy had been asked by a contractor why the board had required all shingles to be hand nailed. Bryan advised it was due to the Building Code. The Building Inspector had advised he would stop all work if a power nailer was being used to attach the shingles.

Rules and Regulations:

The board received a complaint that the deck at 605 Sloop Pointe Lane had been painted a color besides the approved "Gauntlet Grey Solid Color Alkyd Stain" as listed on page 9 of our Homeowner Manuel. A discussion commenced over whether the new color of paint on the deck was indeed blue. Tim asked Bryan to sign the corrective letter to be sent to Gerald Hladik in reference to complaint. (Attachment H)

Tim also submitted a corrective letter to be sent to Connie Tuck asking her to remove the temporary fence/dog run from the common area. (Attached I). We have received numerous complaints over the past few months. We had hoped the "nice letter" sent out in December asking homeowners to police themselves would take care of the problem and it would not be necessary to issue a formal corrective letter. This action, as with all corrective letters, requires the board to inform the homeowner that they have the right to attend a Board hearing prior to the possible levying of a fine. The next hearing date is set for our next regularly scheduled Board Meeting on March 3, 2008.

Fifteen corrective letters are also being sent to owners that have still not complied with participation with the Keys Termite Protection Program. As stated in rule #13 of the Rules and Regulations: "Each owner will comply with scheduled inspections and program requirements." (Attachment J)

Jim Cain's fountain (located at 554 Anchor Way) was again discussed at length. Tim advised he had seen some verbiage in previous minutes that would relieve the association of liability if the owners were notified of "the liability". He provided a copy of the minutes from April 5, 2001. Under New Business, the minutes are as follows:

Teresa, the HOA president, contacted Ed Barnes regarding liabilities in the LCA. He advised that HOA is not liable for liabilities (e.g. skateboarding) due to a NC law of contributory Negligence. Once a homeowner is notified in writing of the danger/negligence then it becomes the liability of the homeowner. (Attachment K)

He suggested we run this by our attorney. Tim also brought up the flower pots at 609 and 613 Sloop Pointe Lane again. Betty asked if the satellite dish was still on pole in LCA on Anchor Way. Board members were not sure where this dish was located so no one knew if it was still there.

Landscape:

It has been brought to the attention of the board that the pump house is in bad shape and beyond repair. Micki made the motion to replace the pump house and it passed unanimously.

The height of plants was discussed and was determined that most shrubs should be below the windows and to the top of railing along the deck. Oleanders can not be trimmed while in bloom.

Bryan had forwarded an email he had received from Betty in reference to her discussion with Sam, of Sam's Landscaping, on their walk around the properties. (Attachment L) Sam has already started spraying as part of scale treatment. Next, we need to get with Sam in reference to pine straw and mulch.

Bill Costigan asked that a gravel walkway be installed from his driveway to his back steps. The area stays wet and he has a problem with mud. It was suggested he look at areas that have stepping stones in place between units.

The agreement of the board is individual landscape items do not have to be approved if they are in the budget. The budget has been approved at the annual meeting in October by the homeowners. Only large/non budgeted for items need to be approved by the board.

Next meeting: March 3, 2008 at 6:00 PM

Meeting adjourned at 9:00 PM

by Joy Bryant

Minutes prepared