

Keys at Kure Beach H.O.A., INC  
Board of Managers Meeting  
March 3, 2008  
Minutes

The meeting of the Keys at Kure Beach Homeowners Association was called to order at 6:03 PM by President Bryan Strickland.

Board present: Bryan Strickland, Tim Upton, Micki Hobson and Joy Bryant

Board not present: Bill Costigan

Accountant: Grace McGee

Homeowners in attendance: 2

Guest Speaker: Peggy Hendrix

Peggy Hendrix our Insurance Agent with Woodbury and Company was our guest speaker. Peggy began by listing our policies; we have 1 million General Liability, an additional 1 million Umbrella policy and Directors and Officers policy to cover us (the board) for 1 million.

Questions and discussion followed.

Our first question: What happens if a neighbor has no insurance and something happens? Peggy stated the answer to this is in our By-Laws, Article V, Section 9. We can require owners provide the Board proof of insurance. This would be through the individual owners insurance companies. All the owners will have to do is ask for a Certificate of Insurance to be issued as evidence of property/liability coverage on their unit. The certificate will list dates, policy number and should list the Keys HOA as the certificate holder with our mailing address. The insurance company are then suppose to notify us if insurance is cancelled. Peggy gave us an example see Attachment A.

Next question: What happens if one unit is damaged and one connected is uninsured? Is a "master policy" possible? Peggy advised this would have to be in the By-Laws and it would be up to the Board to decide. When asked if there is an "Uninsured Policy" as in automobile insurance Peggy said "no".

Replacement Value was discussed. You should not mix tax value or market value with insurance replacement value. You need a contractor's value; Peggy said she felt our replacement value would be approximately \$130. to \$170. a square foot. Some companies have an automated inflation value built into policies.

When asked if our contractors should have general liability insurance, Peggy advised "yes along with Workers Compensation". They should have their insurance company list us as Certificate Holder. If they do not have their own the HOA could get a Casual Labor Workman's Comp Policy. This would run the association about \$900. a year. Our general liability covers if we are negligent. Peg said she would check to see what would happen if we hire someone without workers comp. Bryan is not sure if Sam's Landscaping has it; Sam

said he would get it but we still don't have the paper work. Peg recommends we use people with their own insurance. They should have both (liability and workman's comp) and suggested at least \$500,000.

The Fidelity Bond covers employee dishonesty. We have Directors and Officers Liability that will pay for "sound decisions" made by the Board.

*Peggy left at 6:50 PM.*

Bryan made the motion we require owners provide the Board proof of insurance. Tim seconded and it passed unanimously. Tim volunteered to co-ordinate the effort to get the certificates.

We need to make sure Sam has insurance and list the HOA as certificate holder.

#### Minutes:

Minutes of the February meeting had previously been emailed to the board. Minutes were accepted with the change suggested by Micki to add Jim Cain's address for clarification.

#### By Email:

Since last month's meeting we discovered that one of the properties we thought was in foreclosure is not. We were misinformed in reference to Noah property located at 624 Settlers Lane. Also, Connie Tuck advised Grace that she is now Connie Evans not Tuck. By email Bryan asked that any letters sent to homeowners that include language that threatens corrective action or fines be signed by the Keys HOA Board of Managers and not contain his personal signature. He felt that since these actions are the result of decisions by the board that the entire board should be responsible for the letter's content. Tim, Micki and Joy agreed also by email; Bill did not reply. Grace emailed the board that Fred Pape, Nancy's son is the legal owner of 829 Kure Village Way.

#### Finances:

Grace McGee presented the Check Detail, Balance Sheet, Profit & Loss statements (month & year to date & Budget vs. Actual) for February. (Attachment B) While going through the checks written, Grace stated that our insurance premium actually went down this quarter. The five dollar check to the NC Department of the Secretary of State was to file the change of principal office address. (Attachment C). The A/R Aging Summary (Attachment D) was presented showing a total of \$20,493.62 owed to the HOA.

#### Rules and Regulations:

Tim informed us that Garner and Blackman had complied with the board's request to remove items from front steps.

Gerald Hladik's "blue deck" was discussed at great length. The neighbor does not care and the paint listed in the manual is not a good choice. The board decided a letter needed to be sent to all homeowners advising the correct paint when one is found. We should delay action at this time and once we have the paint we should ask him to use the selected paint for his second coat. (Joy had also sent another letter to his Raleigh address since he is a part time owner. Attachment D)

609 and 613 Sloop Pointe Lane (SPL) still had pots on the side of the properties. Instead of imposing a fine the board decided to talk to the owners and ask them to move the flower pots to the back. Joy volunteered to talk to Marva Ellison and the renter at 613 SPL.

Connie Evans was present for her hearing re: corrective action letter asking her to remove the temporary fence/dog run from the common area. Connie advised she has removed the fence on the side of garage and ask if she can keep the zigzag fence across the garage door opening. She has planted flowering plants along the edge of the area that her dog uses in the limited common area (LCA). It was decided that the board will take a look at the area and then discuss the matter. Connie also pointed out that rule 15 pertaining to violation of the rules and regulations and our corrective letter differ on the time when a fine can be levied. The time stated in rule 15 is if the infraction has not been complied within 30 days and our letter states 5 days after hearing. Joy will correct the letters.

Of the fifteen corrective letters sent to owners that had still not complied with participation with the Keys Termite Protection Program, Joy informed the board that all but 5 have been inspected. Bryan had heard from owners of two properties that stated that they had had their doors open and the garages had been inspected. (621 SPL and 629 SL) Joy will send the corrective action letter #2 to three owners that are still not in compliance. (Attachment E)

#### Manual Updates:

Painting the decks was discussed further. It was decided to add that the deck floor and steps will be optional under Keys HOA is also responsible for: on page 8A of manual. If an owner wants his deck floor and steps painted this will be handled the same as how the inside of porches were painted last time around. It will cost the owner extra. This will be more equable for owners that have replaced the wood with the manmade composite that doesn't need to be painted.

Several other changes that Micki had emailed the board about on February 5<sup>th</sup> (Attachment F) were discussed.

*Grace left at 8:15 PM*

The hot water heater in the yard at 654 SPL was mentioned. Joy volunteered to ask Mrs. Galbrath if she could call town hall to schedule a pick up.

Joy made the motion to remove "portable water hose carts" from the items listed in rule #7D that are not permitted to remain in driveways or other common areas. Bryan seconded and it passed unanimously.

Under VII. Termite/Pest Control, lattice below rear decks will remain as it is on page 15. Canady had informed us that they no longer required a section of lattice to be removed but we have not received it in writing yet. We will change the requirement on the notice if we do receive this from Canady and can change the requirement in next years Manual Updates.

Re-shingling Policy Appendix document will come from the information we mailed to homeowners.

Architecture:

We received our first request for re-shingling but it is incomplete. Bryan is working with the owners to get type of shingle and the contractors name.

Tim passed out information on liquid vinyl siding for future painting needs. Several addresses are listed and we may want to look at how they are holding up when it is time for us to paint again. (Attachment G)

Due to Bill not being present we did not have an update on the replacement of the pump house.

Letter from Fred Pate/Nancy Pate

Micki volunteered to write a letter explaining the position of the board. Tim had emailed a draft after February's meeting.

Landscape:

Mulch and pine straw are complete. We may come in a little under \$10,000 due to not needing as much mulch this year. Betty advised that Sam may have already sprayed the tree behind 633 SPL. Sam will begin with sod on Kure Village Way in April. We are going to begin with the front yards with bare spots.

Jennifer Scott, of 566 Anchor Way, attended meeting to discuss the removal of vines behind her property. She along with other owners on Anchor Way has removed vines that were killing other plants and trees. Betty Swan stated the Landscape Committee may be able to plant some fast growing trees in this area.

Next meeting: April 7, 2008 at 6:00 PM

Meeting adjourned at 9:12 PM

by Joy Bryant

Minutes prepared