

Keys at Kure Beach Homeowners Association

ANNUAL MEETING - October 3, 2009 -- 10:00 AM

MINUTES

Board Members Present: Tim Upton, President / Bryan Strickland, Vice President / Micki Hobson, Secretary / Ed Wilkinson, Treasurer / Harry Birch, Architecture Chair
Accountant Present: Grace McGee

Owners Present: 23 // Proxies received: 19 --- TOTAL: 42

CALL TO ORDER: 10:07 AM by Tim Upton, President

As specified in the By-Laws - Article II - Sect. 6 --
"Order of business at all meetings of the Unit Owners shall be as follows:"

- 1. ROLL CALL:** Taken at sign in. Quorum of 37 was met.
- 2. PROOF OF NOTICE OF MEETING:** 9/12/09 mailing presented.
ON FILE under "Annual Meeting Notices."
- 3. READING OF MINUTES** of previous HOA Meeting - 9/19/2009 - waived.
- 4. REPORTS OF OFFICERS** - None proscribed; none this meeting.
Note: In lieu of Treasurer's Report, Financials listed in Budget proposal.
See New Business.
- 5. REPORTS OF COMMITTEES:**

ARCHITECTURE - Harry Birch, Chair

Termite Inspection – Oct. 2, 2009 - Harry

8 garages and 2 crawl spaces not accessible.
Individual reports for owners to be provided upon receipt.
Thanks to Joy Bryant for insuring overseeing this process and insuring its excellent and expedient completion.

Approved Items Additions / Changes - Harry

- Composite deck handrails ok'd
- Palladium windows, upstairs front of units: old style not available, new approved version is almost identical.
- Rear deck, lateral extension, approved with very specific guidelines. Owners must submit Architectural Change Request reflecting compliance. Board will be issuing a completion deadline, likely 6 months from date of approval. Permit is needed from Town of Kure Beach.
- Rear awnings – electric as well as manual operating mechanism is now approved. Solid colors are also permitted within range offered by SunSetter Awnings, Inc. NOTE: Re-painting will occur in 2011; current color scheme will not be used. Owners advised to choose neutral color such as beige or cream.

Approved Additions / Changes (cont.) -- Related Comments:
 Bill Costigan asked if Palladium windows could be eliminated.
 Board noted that Request for Change could be submitted.

Mary Lee Farlow expressed concern that too much leeway was being given to changes which ultimately effect consistency of overall appearance, most particularly interior porch screen replacement and deck extension.

It was suggested that awning color should revert to single, neutral choice.
 Board will take under advisement.

RE-SINGLING - Harry

- Number of units completed as of Sept. 30, 2009 = **32**
- In January, 2011, HOA will begin re-shingling those not yet completed.
- Multiple bids will be requested from reputable vendors by HOA in Fall 2009.
- Any damaged wood, etc. will be repaired at owners expense and will **not** include multiple contractor bids or negotiable time frame...i.e. they will be repaired upon discovery of damage re-shingling contractor.
- the fewer roofs needed to be done by HOA, the sooner the re-painting can be done.

Questions:

- *Do owners have to have contractor approved by HOA?*
 Application requires contractor be listed; none have been rejected to date.
- *Do owners in 'Four plexes' each need separate contract from the one contractor who will do the job?*
 Yes. To insure that each owner is reimbursed when their request is submitted and that any disputes by an one owner does not affect the others, separate contracts are advised.
- *Will the HOA's cost for re-shingling be less than that being obtained by owners individually with their attached neighbor?*
 It's not possible to predict cost of shingles one year from now, but there may well be some difference based on volume. Current range has been from \$3,900 to \$6,000, with 'life span' of shingles being the operative figure.
- *Can nail guns be used?*
 Yes. Original specs did not permit them, but it has been learned that use of nail guns is not a problem. Note: It is still recommended that 6 nails per shingle be specified in the contracts.
- *Will there be an inspection procedure following completion of those initiated by the HOA?*
 Not yet discussed. Board will add to next agenda.

Driveways - Bryan

- **Report** of current condition of driveways completed by Bryan and Tim.
ATTACHMENT A
Data includes: measurements for each driveway, large crack notation, trip hazards, splinting, number of holes, ranking 1 to 10 (10 = best) and replacement cost estimate, based on 1 vendor price per sq. foot.

Driveways (cont.)Report summary:

- Driveways are part of the Keys Limited Common Area (LCA)
- The North Carolina law - 47c reads " **NEED QUOTE FR BRYAN** and the Keys must adhere to this law.
- Only a few driveways are currently in serious condition requiring repair/replacement. We must come up with a plan to fix those in need.
- At no time will it be advisable to replace all driveways at one time.
- HOA has not collected money for driveways; owners will be assessed for all repairs/replacements to insure the expense is equitable for all.
[Note: Driveways not all same size, thus a vast expense differential.]
- If anyone has expertise in this area, please come forth!

POND MAINTENANCE - Tim Upton, ChairHistorical overview:

- Initial pond permit obtained by Gulfstream Developers - 1995
- Upon transfer of property from Gulfstream to KBV and Keys (1996?), Pond Maintenance presumed to be Keys responsibility.
- DEHNR notice of permit expiration received 2007 by KBV, forwarded to Keys and triggered Title search and other research regarding unpaid fees tied to permit, resulting in discovery of complications regarding records of ownership and transfer of deeds. [Full history is ON FILE.]
- End result: Pond is a storm water removal system servicing both Keys and Section III of KBV development.
- Joint maintenance proposal provided by Keys to KBV for shared expenses at a 60% Keys/40% KBV ratio. Agreement signed 9/30/09 and minutes of Keys presentation to KBV Board , 7/29/09 - ON FILE.
- Reapplication for permit is in process with Town of Kure Beach, currently the responsible agent for Federal and State oversight entities. [Noted by Grace McGee: responsibility lines between these agencies has been in flux during the entire 2-year period that Keys & KBV have been attempting to respond to the initial permit expiration notice.

Next steps: Dredging of areas surrounding drain pipes will begin this Fall, with the anticipation that ongoing maintenance of these areas will serve the long term goal: to prevent dredging of the entire pond.

Summary note: 'Tipping Point' for complications and problems in deed transfers in 1996: All parties, Gulfstream Developers, Kure Beach Village and Keys at Kure Beach, used the same lawyer. A most unwise practice.

Question:

--Do we pay taxes on this area?

According to New Hanover County tax records, the Keys owns no property.

LANDSCAPE - Tim Upton, Chair -- Report by Betty Swann

Committee members, currently: Betty Swann, Peg Fisher

- To further reduce expenses, to protect units and the environment, the following efforts have been taken:
 - Rubber mulch test at corner of Settlers and Sloop Pte. not conclusive -- "not that happy with it" --but will be observed further.
 - Drainage at rear of all units not on 'pond' side: Installation of drain pipes to down spouts to extend drainage further away from unit foundation will be done this Fall. Note: Owners advised to consider installation of gutters and down spout in area between rear decks.
- Question:
What's happening with the area between units -- the 'alleys' -- where standing water is a severe problem?
- Waiting for estimate from Sam's Landscaping for installation of 'pavers'.
 - Rain sensors: Currently being installed on all clocks. Test case proved highly effective in water consumption savings.
 - Heavy trimming at rear of units on east, south and west units not adjacent to pond will occur this Fall.
- Sam's Landscaping contract has been renewed for 2010. The Committee is very satisfied with the progress made to date with long standing landscaping issues.

Discussion:

Carl Bryant - Thanked Committee for tireless work and contribution. Requested owners take responsibility to limit outside exposure with such as tires, grills, non-working vehicles, etc. which are eyesores in the community.

RE-PAINTING - Ed Wilkinson & Micki Hobson, Co-Chairs Report by Ed

Committee members, currently: Barbara Upton, Linda Newton and Sam Birch.

- Painting will begin @ APRIL 2011
 - PRIOR to painting the following must happen for ALL units:
 - a. Re-shingling must be completed
 - b. Damaged siding must be repaired at owner's expense
 - HOA will have a certified inspection of all units by FEB 2011
 - reports to individual owners will indicate repairs needed.
 - any repairs not completed will NOT be made at time of re-painting; they will be painted over.
 - Front and Rear DECKS are NOT included; ALL RAILINGS ARE included
 - COLORS
 - will change (slightly darker)
 - number of colors will be 7
 - owners, in conjunction with their attached neighbor(s), will be given opportunity to RANK their top 3 favorites for their unit
 - TYPE of paint will be upgraded with the expectation that fading will be minimized
- ** If you would like to join the Re-Paint Committee, sign up today

6. ELECTION OF BOARD OF MANAGERS - Tim

The Keys Covenants require a minimum of three (3) and a maximum of five (5) Managers to oversee the governance of our community. Each Manager is elected for a three-year term, not to be exceeded by more than two terms in succession.

As of October 3, 2009, status for the current Managers is:

Micki Hobson and Ed Wilkinson will be in 3rd Year of First Term; Harry Birch, Bryan Strickland and Tim Upton in the 2nd Year of First Term.

Full compliment of 5 is met; no election of Managers at this time.

7. UNFINISHED BUSINESS - Tim

Call for questions: none

8. NEW BUSINESS:**Approval of Keys 2010 Budget** - Tim

-Budget proposal

-12/31/08 year end Balance Sheet

(A & B Included in Annual Meeting Notice; B provided at meeting.)

- 2010 Budget expense category percent graph
(provided at meeting)

ATTACHMENT B

ATTACHMENT C

ATTACHMENT D

NOTES:

- Dues originally scheduled to go up to \$458 per quarter; Board proposal retains 2009 level of \$436 due opinion that Long Term Maintenance reserves are adequate to: 1) the change in Re-Painting date scheduled a year later than originally planned to avoid damage from Re-Shingling process.

Call for questions: none

Motion: Ed Wilkinson moved that Budget be approved as submitted, seconded by Harry Birch.

Ballots counted: Budget Passed -- 43 Yes; None opposed

[Absentee and Attendee Ballots ON FILE]

ATTACHMENT E

(summary)

Five year expense analysis (2006 - 2010) - Tim

Portion of each owner's dues to cover annual operating budgets for 2006 = \$280 per qtr. --for 2010 = \$270 per qtr. Additional money collected is escrowed for long term maintenance. Board will be studying future needs during 2010 and will provide recommendations at next Annual Meeting.

Annual Summary - Tim

- **Delinquent accounts** -- procedure for recovery tightened

Comparison of '08 to '09 Past Due Totals, hand out

ATTACHMENT F

- **Pond Maintenance cost sharing** with KBV, see Page 3

- **Energy reduction**

- water usage through use of rain sensors

- electric usage through fewer hours of pond aeration by fountain

- Major increase of **liability insurance** coverage; minimal increase in expense

Call for Volunteers - Barbara Upton

Forms for sign-up distributed - owners encouraged to participate

ATTACHMENT G

9. ADJOURNMENT - 12:10 PM

