

SHEARWATER CONDOMINIUM ASSOCIATION
BOARD OF DIRECTORS MEETING
MAY 15, 2006

PRESENT: Jay Harrison, Vice-President/Website Coordinator
Jim Nunneley, Director/Grounds & Landscape Committee Chairperson
Shailla Aery, Director
Fern Sargent, Director

MEMBERS ABSENT: Steve Snyder, President
Harvey Paskin, Treasurer
Marc Hayes, Secretary

ALSO PRESENT: Ian Sargent, Unit 7B2
Jack Hutchison, Nationwide Insurance (7:00 P.M. – 7:20 P.M.)
Dennis Sesplankis, Brodie Management
Sherri Kennedy, Recording Secretary

Jay Harrison, Vice-President, called the Board Meeting of the Shearwater Condominium Association to order at 7:00 P.M. The meeting was held at the Shearwater Clubhouse.

INSURANCE INFORMATION – Jack Hutchison, Nationwide Insurance:

- Nationwide Insurance has been Shearwater’s insurance carrier for the past 7 or 8 years. Mr. Hutchison provided the Board with an insurance information packet. Mr. Hutchison explained that since Hurricane Isabel that the Federal government is regulating condominium communities since many were under insured at the time of this storm. For this reason, Mr. Hutchison has had a flood survey performed and the total building replacement costs updated. The Federal government is requiring all buildings in a flood zone to carry insurance at 100% of the replacement cost. Mr. Hutchison will forward Dennis Sesplankis a copy of all flood certificates and identify those buildings in a flood zone. Dennis Sesplankis will forward this information to the Board. Mr. Hutchison informed the Board that the flood insurance will increase approximately 50% and the building insurance coverage will increase approximately 25% – 30%.

MINUTES:

- Shailla Aery moved to approve the January 16, 2006 Board meeting minutes as submitted. Fern Sargent seconded the motion and it carried unanimously.

PRESIDENT’S REPORT – Steve Snyder:

- No Report submitted

TREASURER’S REPORT – Supplied by Harvey Paskin, Reported by Jay Harrison (See Attached Report):

- See attached report to include: Budget Status as of 4/30/06.
- Letter and proposed budget submitted requesting an assessment increase of 6%. Jim Nunneley moved to approve the letter as amended and the proposed budget as submitted. Fern Sargent seconded the motion and it carried unanimously.

MANAGEMENT REPORT – Dennis Sesplankis (See Attached Report):

- See attached report.
- Verizon submitted a request to permit them to install lines in the community for telephone and broadband services. The Board requested that Verizon submit their materials to the Board for them to review. Dennis Sesplankis reported that Brodie Management has a community that is currently in litigation with Verizon for this type of work that was performed in their community.

COMMITTEE REPORTS

Marina Committee – Jim Bausell

- No report supplied

Grounds and Landscape Committee Report – Jim Nunneley

- No report supplied.
- Steve Snyder had mentioned that the oyster shell pathways require edging. Andino’s will address this matter.

Architectural Committee – Michael Yerman

- No report provided.
- Jim Nunneley noted that homeowners in buildings 12 and 13 have been making improvements and was wondering if they had submitted an architectural request form for approval. Dennis Sesplankis will research and should a request form not have been completed, a letter will be forwarded to the appropriate homeowners.

Pool and Activities Committee – Lois McGovern

- No report provided

OLD BUSINESS:

- Jim Nunneley noted that units 12A2, 11B2, 7A3, 3B2, 3A2, 14B3 should be checked as possible rental units. Dennis Sesplankis will determine if the Association has a lease on file for these units and if not a letter will be forwarded to the homeowners requesting this information. The percentage of renters in the community seems to be growing. Jim Nunneley read an article to the Board regarding this matter. If the rental rate is above 20% – 25% than loan interest rates could be issued at a higher rate and at some point mortgage companies may refuse to underwrite new mortgages. Dennis Sesplankis will resurrect the opinion supplied by Jonas Brodie and Fred Sussman regarding this issue and supply a copy to the Board for their review. The Board would like Fred Sussman to provide options for rental restriction or any methods to be utilized to discourage rentals, such as imposing a rental fee or surtax.
- Approval has been granted to correct the erosion behind buildings 7 and 8. The work has not been put out to bid, but commencement of work is expected in the fall.
- Two doors in buildings 7 and 8 have not yet been painted. Dennis Sesplankis will attempt to contact the unit owners to make painting arrangements. If the unit owners are unavailable than only the exposed areas of the doors will be painted.

NEW BUSINESS:

- No new business.

NEXT BOARD MEETING:

The next Board of Directors meeting is scheduled for Monday, June 19, 2006.

ADJOURNMENT:

With no further business to discuss, Jim Nunneley moved to adjourn the meeting. Shaila Aery seconded the motion and it carried unanimously. The meeting was adjourned at 8:00 P.M.

Respectfully Submitted,

Sherri Kennedy, Recording Secretary

Approved: _____

Date: _____