

**Assateague Pointe Homeowners Association
Special Board of Directors Meeting
February 15, 2003
9:00 a.m. In the Clubhouse**

The special board of directors meeting was brought to order at approximately 9:00 a.m. By President Joe McGee. Board members attending were; Vince Castelli, Troy Purnell, and Elaine Davidson. Wendy Anspacher was taking the minutes. Vince Miller was unable to attend.

The meeting was a closed meeting for the purpose of finalizing and negotiating the contracts for the paving of the roads, the pools, and the property manager.

Joe stated that at the last meeting we were down to two contractors for the roads as well as the pools. Starting with the roads, we received new revised bids from both contractors. Vince Castelli noted that what Roadrunners had given us, a bid of \$76,600. without the easement, he added \$18,200 for the easements which brought the total to \$94,800. American Paving for everything that is to be done, including the drainage and the easements comes to \$89,583. Joe asked if there were any comments from anyone about these prices. He also mentioned that what he liked about American Paving is that they have included the storm pipes in their bid for the drainage at both parking lots, even though Roadrunners thought they could take care of most of it. Joe thought that with American the pipes were the way to go. Vince stated that he talked to Troy yesterday and that with American it would cost the homeowners approximately \$170. Which we would get flack from, because we told the owners one price and now it has gone up. But Troy told him that we have \$16,000 in reserve. So now the price per owner comes to \$140.96. He also noted that with Roadrunners he was charging \$1.75 per sq. ft. for the easements and driveways. For American it is \$1.55 per sq. ft. Troy noted that the price would be for us to figure on the extra for the parking lot at the entrance of the community. Joe noted that was to be included. That is not included in the Roadrunner price, but is included in American Paving price. Vince Castelli also asked when will the assessments be mailed out to the homeowners. Troy stated that as soon as we decide who we are using and figures out the total cost, we will send out the assessments as soon as possible. Vince Castelli also asked if it comes out to \$140.96, what are we going to charge the owners. Joe's thought was that we should charge the extra and put it into the general fund. Vince thought that it should be put in the excess fund or the reserve fund. So if we charge \$150 the extra will go into the reserve. Troy noted that we know that there will be extras that you always encounter. That extra will probably be the money we know we will probably need. Troy noted that he will not vote on the paving, due to a conflict of interest with Roadrunners. Vince stated that he understands what Troy is saying, but putting aside that his dad owns half of the company, he wished he would vote for the goodness of the community. In other words, go with his heart. Troy stated he has dealt with both companies before and he has obviously has used Roadrunners, but the reason American is at the price they are is because they own the asphalt plant that Roadrunners gets their asphalt from. Roadrunners can not compete with that. The one thing Troy does want to make sure is that we have the price narrowed down with American and how long is this price good for. The prices have already gone up.

Wendy stated that she had talked to Don from American yesterday and he stated that he is okay with the price he gave us, but would like to be informed as soon as possible, so he can order the supplies he needs as soon as possible. He stated the problem is not getting the work done, it is getting the supplies he needs from Venezuela. Vince stated that he had talked to American and knows that we have a 1 year guarantee, but would like to get a 3 year guarantee, like Roadrunners. Joe and Vince both stated that what has turned them toward American, is the drainage. If he can get 90% of the water out of the parking lots, then it is worth it. Troy also stated that as far as payment goes, he would like to be able to give them 1/3 down, another 1/3 after the job is done and hold the rest as retainage for 30 days. That way if we have any issue with them, they will come and take care of it, if they want the rest of their payment. The only thing Vince is worried about is the warranty. Joe stated that we need a motion. Vince made a motion that we accept the bid from American Paving because of the reasoning of the price and the drainage system and the work we have sent in on the bids, he is probably the lowest he can do, and the assessment for this bid will be \$150 with the excess left over if there is any to be put in road repair reserve. Elaine seconded the motion. All were in favor. Troy asked a question, is American striping. All stated that he is. Vince asked if he could use reflector paint, and American said they would check into it. Joe stated next was to discuss the pool contracts. Troy stated that he did some checking and American Pool does not have a contract with Mystic Harbor. Joe stated that American didn't state they had them yet, but that they were in negotiations. Information that Troy received from Mystic Harbor was that in mid August last year American did not supply them with guards. They basically ran into a lot of trouble. Troy stated he had looked over the bids, and thought that his bid from Atlantic for \$43,000 was the right bid, to find out that we had received another bid for \$39,000. He wanted to make sure that everyone has the same bid and is on the same page. Then Troy looked at American's and their bid was \$33,300. Then he got looking at both bids and Atlantic is going to be giving us 166 hours a week and American is 135 hours. There was a discussion on the amount of hours each was giving. Troy continued that he did some math and believes that they are both very close as to what they are giving us, with the exception of some different hours. With American, Troy can't figure out how they are making any money, unless they are paying the lifeguards less money. Atlantic even gave Troy a copy of their bid sheet, so we know how much they will be making. He will be paying the guards \$8.00/hour and this is the best he can do, if we want the higher caliber guards. He also stated that he has gotten Mystic Harbor and White Horse Park's account this year. Their out of town labor pool will be better than it has been in the past, because we were the only account out of town other years. Troy also noted that if the pools were clean, we wouldn't have half the problems and complaints. The guy who Atlantic has running the show this year is the guy who they had clean the pools last year, when they were clean. He is also going to be the same guy to clean the pools this year and be the one checking the pools. He will also have some other people working with him. The problem Joe had with Atlantic in the past was the two people we dealt with last year had such a negative attitude. Troy noted the one person (Steve) we dealt with is gone and the other (Amanda) is still in the office. Joe doesn't feel that it is Troy or Wendy's responsibility to come out every morning to see if the lifeguard is here or not. Vince stated that the system we incorporated last year,

seemed to have worked. Joe's point was that he doesn't call in everyday to see if Wendy is here on time and shows up for work, we shouldn't have to do that for the lifeguards. Troy noted that he thought we still needed to check everyday. Vince also stated that he knows nothing about American Pool and we have had problems in the past with Atlantic Pool. He is only going by what Troy says and he is concerned with American wondering what may happen if they go out of business. Joe stated that he is tired of arguing with Atlantic pool trying to get them to do their job is on their contract. Joe continued saying that if we decide to give Atlantic the contract again, and they don't do what is on their contract, then he doesn't want to pay them. Then again with American, if they didn't supply lifeguards last year and lost their bid this year, that's not good either. Joe suggested to Troy that one thing that American had that he liked, that Troy might suggest to John from Atlantic to do, is having a checklist that they do 3 times a week with the guards and then show to us for our comments. That was a selling point for most of the board members. We also would get a copy of each checklist that we would also sign at the bottom. Joe thought this might be something that John might want to try. Vince asked Troy how many hotels in town does American have and how many does Atlantic have. Troy stated that Atlantic has always been there and American started with one of Atlantic's former employees. And American is a franchise. What Troy has heard is that American tries to get their foot in the door and then there is a budget they try to get from you in service related items for "x" amount of dollars to make money. Vince also asked who the board thought had the better mechanics for service and repair for our equipment. All agreed John from Atlantic has the better knowledge. Joe admitted that wasn't what he had a problem with. The only thing that Atlantic were slow in repairing was the steps in the pool, which is another item he thought Troy should mention to John from Atlantic. Joe thought we should buy 5 or 6 steps and keep them here and if we need them we don't have to wait 6 days to have them replaced. Vince also asked if Troy could tell John that we want all parts on hand and when something goes wrong, we want it fixed that day, not a week later. Troy noted that when we have had a major problem, John has been here. Joe asked how many chances do we give somebody. Elaine asked how we pay the pool company, is it upon signing the contract? Troy noted that it is in payments at the end of each term and there has been times when he has held the last payment for several months. Elaine still thought that isn't enough to make them want to work a little harder and abide by the contract. Vince noted that Atlantic has come down \$4200 from his first bid. Troy stated that was because John's former employee (Steve) wrote the first contract, then John looked over it and the second one is what he came up with. Troy stated that he thinks we will have more control over Atlantic pools, than with the other company. He fears that American will leave us hanging, like they did to Mystic Harbor last year. Joe stated that if we do go with Atlantic, he wants to make sure that they do what their contract states. He doesn't expect any more than that, but he feels they haven't been keeping up with what the contract states. Joe stated that the best the pools have been is when Troy kept the pools. Though that is not possible any longer. Troy made a motion that we accept Atlantic Pools contract even though it seems to be more money for \$39,000 for the 2003 season. Vince Castelli second the motion with one amendment. Stating that he would like Troy to check on a checklist and parts on hand, including steps on hand and the pools kept clean. Before the vote was taken, Joe

noted that the depths need to be painted as Joe has asked numerous times before. Vince also would like to have a meeting with the lifeguards again this year prior to the season. Troy noted that we can make up the checklist ourselves. The vote was held and Joe opposed, Vince, Troy and Elaine were all in favor of accepting Atlantic Pools contract.

Joe continued with the Property Manager's Contract and asked Troy to make his points as to why he thinks he should have this raise. Joe stated that we all really like you, (Troy) but he thinks that there are some areas in which need some improvement. Troy had asked for a raise to bring his total to \$60,000 in which he lowered to \$45,000. Joe noted that he had not received a increase since the last contract which has been about seven years. Joe had some concerns over some things that weren't done in a timely matter, like the fountain, etc. Vince asked Troy if deep down in his heart he lives up to his proposal. Troy answered absolutely. Vince continued stating that he had some concerns as well and that he would like Troy to make himself a lot more visible. Vince stated that the owners have a animosity toward Troy. Troy stated that he understands what Vince is trying to say. Troy argued that when someone states they don't see Troy, they see Neil, Wendy and everybody else that Troy has put in place to handle stuff the contract states. Vince noted that Troy, you are the chief and have the feathers, most people are not going to go to the people you have in place, they want to go to you (Troy). But when people go to Wendy or Neil, that means that Wendy and Neil have to get a hold of you and by the time the problem may get resolved, it may be 2 or 3 days. People want to see you through the community and stop you and ask you the question themselves and the people will know that the problem may be handled then. Troy stated that everybody has his phone number, the web site, etc. They can get a hold of him if they want. He also stated that if anybody writes him a letter or expresses a concern, he deals with it right then. He is always available if someone wants to find him. Troy continued, if this contract goes to some other company in Ocean City, you will never see the owner, it will be a representative of the company. Joe stated that he understands what Troy is trying to say, but he looks at Wendy as being a representative of Resort Homes, he thinks the homeowners need to understand that, but also it doesn't hurt for Troy to stop out into the community and make himself visible. Along the same lines, Joe feels that Troy makes more money than just being Property Manager, you make money off the resale's as well. Troy feels that it is a win, win situation for everybody. He feels that everybody is getting a lot for their money, having him here. Vince Castelli stated that he feels that half of Troy's heart is here in the community, since he helped to build the place, and the other half is in Ocean City. If we went outside and hired another property manager, he wouldn't know anything about the community where Troy knows it inside out. Troy noted that in the future, if we need to go outside and get bids, feel free. Joe stated that he thought Troy has been a asset to the community. Troy again stated he is very assessable to everyone, and anyone that needs to get a hold of him, can do so. Joe would like to set it up for Troy that the cost of living increase is included. Vince Castelli noted that we can give him a cost of living increase, but would like put a cap on it, because the cost of living could go up 10% in one year. Vince also wanted to know when this increase would go into effect, is it January to January? Troy noted that it goes on a month to month basis. This is how he gets paid. But the contract for the increase would go yearly. Joe also wanted to talk

salary before there was to be a motion. Joe was thinking that with the cost of living increase since Troy's last contract, he would now be around \$43,000. The cost of living increase would be from the urban wage workers standard. Elaine noted that she feels Troy is worth \$45,000. And that the increase should be for the \$45,000 he is asking. Joe stated that he felt the same way and that overall Troy does a great job, but there are still some areas in which he could improve on. Elaine made the motion that we increase the property managers salary to \$45,000 with the annual cost of living increase, a maximum of 4% every year, not to exceed \$50,000 in three years. At that point the contract will be renegotiated on March 1, 2006. Vince also added that the cost of living increase will not go into effect until March of 2004. Vince also second the motion. A vote was taken there were three "I's" and one abstained. Joe would like for Troy to make an amendment to his proposal for what was just agreed and have all the board members sign it.

Joe also noted that next meeting he would like to discuss automatic faucets in the bathrooms. Maybe we could try one pool to see how it works, if it's not too expensive, then we could do all the bathrooms. We should also check on the urinals as well. Troy stated he will get his plumber to do the work, so that the cost is not as high. Joe would like to have the price for doing this work by the next meeting.

Joe would like to also discuss at the next meeting, the fountains and gate security. We are looking at getting a new fountain for the pond behind the clubhouse. Vince would also like to talk about the boat storage area at the next meeting. Vince also asked if at the next meeting is the board picking the new ECC committee. Joe answered that in the next newsletter we will ask for bios from owners that are interested and we will go from there. He would like to have the new ECC in place this spring. Joe also would like to put in the newsletter a trivia question and the winner will get a free shirt. If we have five people who know the answer, we will take the first person to correctly answer. The question Joe would like to ask this time is: What is the name of the lake at the front and who is the one who named it. The answer is Festival Lake and The Stasulli's are the ones who named it. Joe stated that in the future he would like to ask the question and have the answer somewhere in the newsletter. He asked the board if they have any questions to let him know.

Vince would also like to have someone from Sharp Gas at the next meeting.

Joe also stated that he was asked to have Resort Homes and Worcester Co. help in the paying of the roads. Joe's feeling is that Resort Homes is here to help maintain the grounds and shouldn't have to help pay the roads and with Worcester Co., we can't get them to help to paint the doors, let alone help pay. Vince thought that Worcester Co., is doing a great job, specially since they go around in the winter time and look for broken pipes, etc. Troy stated that the association is responsible for maintaining the roadways and there are 522 owners of this association. Vince would like if Troy could be here everyday when the paving is started.

Meeting was adjourned at approximately 11:00 a.m.