

ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION

Annual Meeting
Saturday, July 13, 2002
Worcester Preparatory School Gymnasium

Minutes

The Eleventh Annual Homeowners Association Meeting was called to order at approximately 9:00 a.m. By President Joe McGee. The annual meeting is usually held the third Saturday in July. Two Hundred and Twenty-two homeowners were represented in either person or by proxy. Owners signed in and proxies were registered at the door upon entry. Members of the Board present were Joe McGee (Lot #15), Troy Purnell (Property Manager), Vince Castelli (Lot #472), and Vince Miller (Lot #374). Taking the minutes was Wendy Anspacher (Recording Secretary).

George Fauth (Lot #319) gave the invocation for the day.

Joe McGee, President, thanked everyone in attendance for taking pride in their community. He mentioned that the association is solvent and there is no litigation pending against the HOA. We have purchased a new HOA vehicle for the Gate Attendants, put shower doors in the clubhouse, installed a new furnace in the clubhouse, upgraded the pool equipment, and replaced the electrical panel boxes in the pool area. We have a good slate of candidates for the board. We also have a active and supportive property manager.

Handouts were distributed at the door; The Agenda, Copy of the 2001 Minutes, Candidates and Ballots, 2001 Financial Statements.

Ray Howard (Lot #243) made a motion to accept the minutes and George Fauth (Lot #319) second the motion.

Troy Purnell gave the treasurers report stating again that we are solvent. He also noted that copies of the monthly financial reports can be gotten from Wendy in the Sales Office. So far we are \$1,865 ahead of schedule. Administrative expenses are good. As far as Maintenance goes we are \$3,746 under budget. Utilities we are \$1,000 over budget. Amenities, we are \$2,000 over budget which includes special projects. Overall when we add up the income vs. increases we are \$7,400 under budget in expenses. Excess revenue over expenses we are \$6,574. Overall we are right on schedule and less than 2% off. We need to keep into consideration at this year's budget meeting the Consumer Price Index to see what inflation has done. If we need to plan ahead, we need to take that into consideration. Every year things keep going up and up and we have not adjusted the budget for this (CPI). We need to be proactive in what we are doing and not reactive.

Troy than gave the Property Managers Report stating the grounds overall are in good shape. All equipment is in good shape. We bought a new mower this year as this is in the budget to buy a new one every year. The clubhouse and all the buildings are in good shape. When we don't have a lot of rain, the "wish list" gets worked on as is being done right now. When we have rain, we have the grass take precedence over anything else. Anything that you as a owner see around the community that the grounds crew could do and take care of, leave a list with Wendy and we will see if it can be done. Regarding the letter you all received about rentals, Troy has responded in writing. The letter is in the office for anyone who would like a copy. It was asked that

any questions pertaining to this issue be saved for later in the open discussion. Joe wanted to continue with the meeting and hold all those questions for that time.

Joe continued with the committee reports, noting that all the activities so far have been well attended. The Bull Roast made money, though we try to break even for most of our activities, when we make money that goes toward the events like the July 4th parade for the kids, that we don't charge anything for, but still costs us money, The moneys from events like the Bull Roast help to subsidize the events that don't. Joe also praised Carl and Linda Thompson and their crew for the great job they do with the 4th of July parade. It is one of the best attended events of the year. Joe also noted that if there is any event that anyone would like to volunteer for to please see Wendy in the Sales Office and she will forward your name to the appropriate party. We do need help with all events. Also Bingo is active and we need help with that as well. Mr. Florio of Lot #182 stated that he has tried to help and has never gotten a response.

Carl Thompson gave the Maintenance and Beautification committee report. Regarding the pool and pier committee we had four places the line was broke that was replaced when we opened up the pier. Regarding the pools, we have repaired the legs on the tables at the clubhouse. If you are using the clubhouse and moving tables, Please pick them up and move them, don't drag them. When you drag them, that's what is causing the legs to break. We have discarded 15 lounges and 8 chairs so far this year. If you see a chair or lounge broken, have the guard discard it. We have replaced several of the signs that the hooks have broken off. Have gotten 4 new umbrellas. Very few have broken this year which is amazing. Under Beautification, they thanked the maintenance crew for putting mulch around the trees, etc. We have planted 43 trees last fall. Asked if you would water your neighbors trees and plants when you are doing your own. Carl also wanted to recognize the cleaning lady, Alice for doing a tremendous job. When you see her, please let her know how well she is doing. We are planning on doing some more work at the entrance and playground area. Everyone applauded for a job well done.

Mr. Stenukinus of Lot #216 asked the question in regards to our dock and pier, What is the pier for? Don't really understand if we can dock boats at our pier or what it is exactly we can do. Received some information recently regarding "The Landings" and how they applied for a permit to have a pier. Troy clarified the question stating that we originally had applied for a marina in which we were denied. We were allowed a fishing and crabbing pier. We originally were told that we were not allowed any long term docking. We can however, tie up to pick up or drop off someone at the pier as long as it doesn't interfere with the fishing that may be going on at the time. As far as "The Landings", they have had a marina permit for close to 30 years. The permit they applied for is for non-motorized craft to the abandoned marina they already have. The reason we did not get our permit for a marina is because at the time we applied the wetlands were a winter flounder nursery which was a endangered species and the water is also very shallow at that point.

Joe continued with the Old Business. This year we have addressed most of the water problems behind homeowners homes. We still have some that we need to work on and they are behind lot #142, 16, 102, 111, 112, 472, 430, and 433. If anyone else has a problem please see Wendy in the Sales Office. This is a ongoing problem every year, if anyone thinks they may have a problem, please see Wendy and the Board will

address the situation. Regarding the abuse of remotes and gate cards. We are continually having a problem with remotes and gate cards being abused. Reminder that all visitors must register. Please don't allow more than 1 car to go through the gate at a time. Also, homeowners in the community forget their cards and think they can pick the gate up themselves. That is not allowed as it could break the mechanisms in the gate or further damage the gate. Mr. Dyer in lot #370 asked Joe what can we do if we see someone going through? Joe answered stating that all of us are homeowners and it is up to us to stop them or get a license tag number. Mr. Dyer stated he saw owners letting in people without a pass in with their remotes. Again, Joe stated if you see it, get a tag number and call the courtesy personnel and give them the information. Mr. Dotson of lot #205 asked why we don't have a surveillance camera at the gatehouse. Joe answered that the board will discuss this as a consideration. Moving on to Dogs on leashes. Joe mentioned that this is really getting out of hand. Last weekend we had a child bitten by a dog who was not on a leash. Worcester County Health Dept. Is handling the situation and the dogs owners have been found. Also a reminder that guests and visitors are not allowed to bring dogs or boats into the community. Owners who do not abide by the rules are just ruining the opportunity for other owners to enjoy themselves. Mrs. Bush of lot #205 stated that on frequent occasions observed children in the lake on paddle boats without the life vest. Joe stated that we can not have someone sit up there and watch it. It was also noted that there are loose cats in the community as well and that we should not be feeding these cats as they are wild. Joe also stated that if you know of a owner who is letting a dog run loose or cat, to please let the office know or call animal control. No one likes to squeal on their neighbors, but it is for the safety of all owners and guests. Carl Thompson of lot #108 was concerned about dogs that are left in patios and courtyards all day and bark. He feels this needs to be addressed. Again it was stated to call animal control. Joe again reminded everyone not to feed the cats, or the geese.

On the control of the geese, Joe was told there is a resort in Delaware that have fake alligator heads floating in their ponds, so if in the near future you see alligator heads in our ponds, its just another adventure in trying to get rid of our geese. It was asked what can we do if our neighbor is feeding the geese, Joe said someone suggested to him that when you clean your yard, put it on your neighbors step or yard. Mr. Florio of lot #182 asked what the policy on boats is. He stated his neighbor is parking his boat on Mr. Florio's property. Joe answered that boats are not allowed to be parked on the streets and are not permitted on your lot or driveway for more than 48 hours and if the boat is moved can not be brought back for 12 hours after that. Joe also stated we are working on a fine system in which there would be a first warning letter, than a second letter and the third would be a fine. Some of the fines will be issued for boats in drives, golf carts without lights being driven at night, kids driving golf carts, parking boats on the streets, etc. Remember the rules are there for the safety of the owners and the community. Also remember to drive the golf carts on the streets, do not drive or park them on other owners properties.

Mr. Dotson of lot #204 asked how many boats are allowed in one boat slip. Joe stated the boat storage committee would have to look into this and decide. Fran Triolo of lot #249 would like the original policy book to be updated. Also do you have to be a homeowner to run for the board of directors? Joe answered No. When the community

was originally but together there was a homeowners association but no homeowners. The association consisted of developers and secretaries. Troy has been on the board since the beginning. You as homeowners elect him to the board. Mr. Florio of lot #182 stated he would like to have the by-laws changed. Joe answered that to change the by-laws you would need to have 100% of the owners approval and it is something that we would have to have the lawyers handle which would cost the association money.

Joe continued to New Business stating items for consideration this year will be the paving of Assateague Way, Rec. Center and Clubhouse parking lots. Every year we need to spend money to patch the road and fix the holes. Every year the moneys we spend keep going up. Troy continued that in the homeowners documents we have a schedule of reserve funds that is a 20 year plan. Roads in the year 2002. At the time we put together the schedule the cost of asphalt was around \$1.70 the price now is \$5.00 sq. Yd. We have got bids to repave Assateague Way. The road is basically in good shape, however, in certain areas you will see the cracking. The concern is that if something isn't done soon we will have water getting into the cracks and breaking up the whole base, which right now is a good base for asphalt. We can do some of those spots with the \$13,000 we have allocated. Although it will not last long. The worst case scenario would be to asphalt all of Assateague Way, the Rec. Center and Clubhouse parking lots at a one time special assessment of \$125.00 per lot. This is not something we are going to do today, but we need to do something within the next year. We will send cards out to all the owners and ask for your comments and ballots and let you decide what you would like to do. The road was originally done in tar and chip and with patching has lasted this long. This is a ongoing budget item and is something we need to decide what to do. The side roads are not as bad. Assateague Way is the road that everyone uses and is the main thoroughfare in need of the most attention. We don't have to do anything, the decision will be up to you as homeowners to decide. Joe mentioned that one of the companies has a 4 year guarantee with the work. Mr. Simoncavage of lot #142 asked who drew the specs up on the roads. Troy answered The County. All the roads in Assateague Pointe had to be done by county specs. Mr. Simoncavage also wanted to make sure all the bids were bid the same exact way. Troy assured him that they are bid the same way. Sally Williford of lot #351 proposed a motion to have a committee to review the bids and possibly get the bids. Troy answered that he is more than qualified to get the bids. Another question was raised as to why the board keeps taking away things, like the free electric. Joe stated that the board tries not to raise the fees. He feels the board does a great job trying to keep the fees the same and not raise them. We have been saying for the past year that we need to look at doing something or we will soon be at that point where we will need to raise the fees. Everything keeps going up, we are trying to keep the fees down. He also stated we are sitting on a gold mine, if you talk to real estate agents in the Ocean City area that will tell you that. We have a lot of amenities in this community.

Joe continued with the new business stating that also this year we will continue with updating the pool equipment. That money comes out of the capital fund and the board does have one invoice that they need to approve for putting in the electrical panel boxes. We want to take that money out of the reserve fund and put it into the operating fund. Vince Miller made the motion to take the money from the reserve fund and put into the operating fund. Vince Castelli seconded the motion. All board members were

in favor. That is all the new business that Joe had. Joe reminded everyone the list of candidates we have and that there are three positions open. Every candidate came up to the microphone and gave a brief description of themselves with the exception of Elaine David son who was unable to attend at the last minute do to a family emergency. A question was asked how many positions are open. Joe answered how this whole thing works, is years ago we would elect five new board members every year. We changed the by-laws to have staggering years. The new board members with the most votes will be elected for a two year term with the exception of the person with the third most votes will be in for a 1 year term. So that next year we still have two board members that know what went on the year before to stay on the board to make the transition easier. Joe also explained the financial issues that were to be voted on. Mrs. Bush of lot #205 asked if this reserve fund becomes a tax issue. Joe answered no, and continued stating that a refund would all depend on what is left at the end of the year. If there isn't any excess in revenue we will have nothing to worry about. In 2001 we had a deficit and so far this year we are \$9600 ahead.

Owners were then asked to come up to the microphone to ask any questions they may have for the open discussion.

Mrs. Bush of lot #205 asked if they decided to participate in the rental program, would that mean they would be assessed at a higher rate? Joe stated that according to the by-laws as they are written today, you will not be charged anymore. You as a homeowner are responsible for your renters, guests, etc. The only thing we can do is limit the use of the common grounds if there is a problem.

Mr. Schmuck of lot #281 was concerned with the trash. Stating that last weekend all four dumpsters were full and overloaded. During the summer months why not have another dumpster added? Joe answered that the dumpsters are on a automatic dump on Fridays and Mondays. Joe also stated that we used to have two dumpsters and now in the summer we are up to four. Troy also spoke stating that Waste Management Company is our trash disposal service. The trash is one of the biggest issues we deal with on a daily basis. Last weekend the trash company made a mistake and forgot our dumps. Obviously if the job is done correctly we don't have any problems. The trash company was notified immediately and the situation was corrected. Vince Castelli noted that some of our guests don't know where the trash dumpsters are. They are leaving their trash on the street side, and at the sides of the dumpster and not throwing the trash in the furthest empty dumpster, etc. Also Troy stated that last night all the dumpsters were emptied and this morning a couple of them are full already.

Mr. Dyer of lot #370 asked if the dumpsters can be rearranged differently? Troy answered that we have tried every way possible to make it better assessable, etc. Mr. Dyer also questioned what we are planning to do with the courtyard at the playground area near the entrance. Joe answered that we have talked to the beautification committee and have agreed to purchase a picnic table and clean up that area. We also would eventually like to add a additional floating pier on that side. We have put in two grills. And we will continue to make it nice for everyone. Mr. Dyer was also concerned with the appearance from Route 611 to the houses, are there any plans for mulching, etc.? Joe answered we did mulch the trees from the entrance to the houses. On another matter Mr. Dyer asked if the lot numbers are to be on the golf carts? And can

we make owners who have golf carts register them at the office? Joe answered that there are rules in place. Lot numbers are to be on every golf cart and lights must be on if they are to be driven at night. Also, only licensed drivers are allowed to drive the golf carts. Those are some of the rules in place and we do post those rules in the newsletters, etc. Not everyone tends to abide by them. It's something that the board needs to look at again.

Another owner voiced his opinion in limiting the amount of time for each owner to ask questions. Joe answered that the board had discussed this prior to the meeting and concluded that we need to hear questions and concerns of all owners. Hopefully we can ask the questions, so we can answer them and move on.

Mrs. Stark of lot #361 posed the question about the new rental office and if it will be full service. Troy answered that Resort Housing Group is his company. The office that we have at Assateague Pointe will still be maintained with Wendy and the Sales Staff. The new rental division is just another service that will be added. Everything will stay the same as it is now. There are different Real Estate companies in this community who rent at this time. They give the keys and gate card and send the people on their way. We hope to enforce the rules of the community by letting the renters know the rules before they get here and make sure they are abided by. If you don't want to rent your home, you don't have to. This is just a service that is available.

Mr. Widerman of lot #394 spoke up asking the board what happens when the community turns into a ghetto we need to vote on some of these issues. The board keeps going round and round about different issues and we never get to vote on them. This wasn't on the agenda, and if the letter wouldn't have gone out a third of these people wouldn't be here. The board also told us that we have staggered term limits for the board, this was not voted on by the people and was never brought up. George Fauth of lot #319 objected stating it came to a vote and was publicized and Mr. Widerman is out of order. Troy answered stating that he doesn't see this rental company having any different effect on the community. When developing the community the idea of allowing renting was one of the biggest issues they faced. It is a property rights issue and does not have a lot of enforcement policy. The bottom line is that it is a prerogative of the homeowner to rent his property if he so chooses. The majority of the homeowners in this community take pride in their homes and will come down to the office in a heartbeat if there is any problem. The owners will then be notified by the gate attendant or the property manager, and we will take care of the problem. This is not a issue for the majority to vote on.

Mr. Widerman said it is to be voted on.

Troy again answered, Can the association vote and tell Moore, Warfield and Glick or any other rental agency they cannot rent? No, This would mean having to change the by-laws.

Mr. Widerman again stated then you get a by-law committee and have them put together the by-law changes and submits them to the board and the board then puts it out to the community and the community would then vote on it.

Troy stated again that the majority of the people would have to act in order to change anything.

Right, said Mr. Widerman and you would have to present it to us and that is what we elected you to do for us. To bring these issues to us and let us vote on them.

Joe started to say that Troy is the property manager and that he is in business. Mr. Widerman interrupted saying that it is a conflict of interest for Troy to be both. And Joe are you our President or him. We elect you to work for us.

Joe answered stating he is the President and legally we can not stop Troy from renting in Assateague Pointe. It is a freedom of a business person to do this.

Mr. Taylor of Lot #41 also stood up and stated he felt it was a conflict of interest. And we can vote it down.

Joe stated we have already talked to the attorney and he stated we can not stop Troy from offering a service.

Joe also stated that Wendy works for Troy. The majority of her salary comes from Troy, she also gets some money from the homeowners association for doing the newsletter, bulletin, collect and deposit money for events, etc.

A homeowner spoke stating that what Joe was saying is that Wendy represents Troy all the time while representing us on the side.

Joe again stated what her duties are and that she also has taken over the responsibilities of the entertainment committee. Those are her responsibilities to the homeowners. The rest of the work that she does is for Troy at the front office and is the property manager on site. She is the assistant to Troy.

Troy stood and stated his heart as a Property Manager and his heart as Resort Homes is the same. There is nothing that would benefit him in any way from doing the wrong thing. He gets compliments all the time about how nice the community looks. We are really proud of the job we do here. We bid the job out 5 years ago for the property managers job. We are far and above the cheapest thing going. We do the work for less money, and with less amendments then most. You as homeowners have a great value having me (Troy) as your property manager.

Joe stated he talked to a property manager the other day, and other managers would be at a going rate of \$60-75,000. We only pay Troy \$30,000 a year, he also maintains the gate during the daytime between 9-5 Monday through Sunday. If the community wants it we can put it out to bid again. But then you will be spending another \$30-35,000 and have to hire a gate personnel for the hours of 9-5. Which in the end would raise your assessments due to the extra cost. The Board of Directors is the only one who can get rid of the property manager. You can elect us in or out. You elect us to put the person in that we feel can do the job and we feel Troy has done a good job for us. If he doesn't do the job we feel he is supposed to then the board can give him a six months notice and will have to hire someone else. And the same goes for him, if he doesn't want to work for us anymore he will give us six months notice.

Mr. Widerman again stated that this is the only organization he knows of that doesn't let the owners make the rules. Not the board. He doesn't have a problem with Troy as property manager, he issue is that he feels we are losing control as owners as to what is being taken away from us, like the 300 kilowatt's of electricity. We did not know about this till the last second.

Joe interrupted that is why you vote us in as board members to make those decisions.

Mr. Widerman stated no, we vote the board members to represent us and bring the issues to us.

Joe stated that when you vote for us we make the decisions, I (Joe) have been on two other associations and that is how they were run.

Mr. Widerman stated that you don't elect 5 people to make all the decisions, it just doesn't work like that, this is the United States of America. We want to know what is going on and we want to vote on the issues that effect our community.

Joe answered again stating that any major issues we have, the boards in the past have put it out to a vote.

Ms. Tannebaum of lot #45 stated she felt if we are going to have a full service rental company, she feels it is in our best interest to have someone like Troy who cares about the community and is going to look after our property. It's better to have someone who is in house and cares about us not someone who is outside and doesn't care about us.

Mr. Florio of lot #182 stated the development is not just Assateague Way. When you enter the community, sure, it looks great, but when you go on the side roads, it's a different story. They cut the grass, he finds holes in his siding and he even has landscape ties. I even find grass stains all over, we are paying big bucks, he doesn't understand. Assateague Pointe is all of us and he doesn't feel we take care of the side roads as well as the front entrance. He also stated he went to the pool on Memorial Day, and couldn't even get in. The pools are a problem, you got weeds growing between the concrete, he mentioned something to the lifeguard and she said it's not her job to pull the weeds. You also have concrete peeling inside the pools. He asked people what happened and all he got was, well they didn't do a good job. He also has problems with the budget, he stated if you look at it, everything is so general. Feels it could be broken out better than it is. He has a problem with the way we vote. Why isn't everyone's name written on the ballot.

Joe answered it is a secret ballot. When you go to a democratic vote on the national level, do you tell people who you vote for? You had to check in when you arrived. Also, 90% of the problems we have are the pools, we talk to them on a daily basis. The reason they didn't open on Memorial Day was do to a chemical problem which was unforeseen. Also, the concrete on the bottom was due to a new regulation that came about this winter where we had to install new pumps into the pools.

Mr. Florio asked why other pools don't have that problem. He lives in Columbia, Maryland and they opened their pool on time and don't have the problems we have.

Mr. Florio wanted to know what the supplies are, that were purchased in the budget and had more questions about the budget and how it is broken down.

Troy interrupted stating the best time to go over the budget is at the budget meeting and if you call us, we will set aside some time, resources and money to go over the whole thing with you in detail along with the accountant.

Fran Trilio of lot #349 stated that on that note she would like to see the actual verses the budget put in the newsletter for all to see.

Troy noted that every month we have a detail available at the office, if you would like to see it. But, we know what the majority of the people do with the newsletter, they throw it in the garbage. It cost a lot of money each time we send out 522 newsletters to everyone. And every association he has been in he has never gotten a monthly detail. If it is something everybody feels is necessary, we will send it out or maybe see if it is

something that can be posted on the web site. Which is by the way is www.assateaguepointe.com.

Mr. Miller of lot #419 stated he was concerned about soliciting outside people for rentals. He believes the way it is going right now, is that the owners usually know the people that are renting there. Once you start opening up this place to other people we are opening up potential problems. He feels most of the problems we have in here are from people who stay in the homes and have no respect for their neighbors. He is worried about the liabilities and the wear and tear on the amenities in the community.

Mrs. Spaulding of lot #320 spoke up that she feels Troy and Wendy have done a great job. They have controlled the community in such a way that the property values in have gone up and the community still looks and is desirable and people want to be in Assateague Pointe.

Mr. Simoncavage of lot #142 had a question to the board or maybe to Troy regarding the projects that are done in this community. Do we do a final inspection before we pay the contractor? Troy answered yes. Mr. Simoncavage continued who is responsible for that, Troy personally or who? Troy answered, sometimes it is him, sometimes it is someone who he designates. Mr. Simoncavage stated a couple of problems he has had over the years is a water problem behind his house for years. Also, he noticed some electrical work that was done by the pool, and noticed that there are some electrical wires that are exposed and need to be addressed. Troy answered that be Monday morning that will be taken care of. Mr. Simoncavage continued stating that he can't wait till Monday. A kid could get electrocuted.

Troy stated he is right and that we will take a look at it, but doesn't believe he can get an electrician out there over the weekend. Joe stated he will look at it after the meeting.

Mrs. Smith of lot #145 Had some mailbox issues. Stating that she asked for a mailbox and one is still not there. And also wanted to paint her shutters and handed in a ECC form about a month ago and still has not heard back.

Joe answered that all mailbox issues go to Wendy. And that they replaced the mailboxes that were damaged. There still is some mailboxes that need to be placed. As far as the shutters, we will look for the ECC form and try and get it to you as soon as possible.

Mrs. Barnett of lot #520 had a concern with the rentals that we have been talking about stating that the renters that are coming into the community are using the facilities and are not being charged a surcharge to use these facilities. We have wear and tear on our facilities and we as homeowners have to pay for it. If we can't exclude renters than she feels we should charge some sort of surcharge to people who do rent. So that money will go into the budget.

Joe answered that the board has taken this into consideration before. If we have a owner who rents his place out and he claims that it is just to family. How are we to say any different and charge him a surcharge. This could prove to be very costly for the association. We would also have to have someone at the lake, pools, ponds, etc. To watch and see who is using the facilities. The majority of families in the community do respect the community.

Mrs. Barnett continued stating why can't we have those outside agencies give us a list of who is coming in that week.

Joe answered again, that in the by-laws it does state that we are to have a copy of the lease and lease agreement must be approved by the Board of Directors. So if you rent your property to a neighbor, or the guy you work with, etc. You are supposed to have a lease. This is not being done by outside agencies, or homeowners. You will get some renters who go pick up the keys from some agency up at 100th Street. They come back and were not told the rules of the community, etc. If you stop and think about it, with Troy being in here, it will help, since he already knows the rules and is here. Every night the courtesy personnel write up a incident report of problems in the community. If there is a problem at a lot on a evening, the next morning we get the report, Wendy and Troy can then handle the situation. If you have a outside rental agency, we have no control over that. With Troy being in here, if there is a major problem, the next morning Wendy can go back to that house and say you're out of here. With having Troy here on site, it will be better for us as homeowners, because we will have some leverage to work with. It's not a issue we all want, but it's something we have no control over people who rent their property. As far as liability insurance, that is your responsibility as a homeowner to cover.

Troy continued stating that the liability the association has, covers the common areas for any liabilities that may occur. He also stated that the majority of problems he has seen have been from owners and owners families and guests. The children in June, some of whom the parents had no idea that their children were here. They got their parents keys and gate cards and had access into the community. So when we have a problem we address it by calling the owners. Your liability insurance will not go up because ten or fifteen people decide to rent their place. The majority of owners don't want to rent their houses out.

Joe continued stating that if people rent now they will continue to rent, if they don't they won't. If we have to contact the attorney to change the by-laws to state that you can't rent your property, then some owners could sue us because they bought the property for renting. You talk about liabilities.

Troy interjected and stated that he will contact our attorney to see what can be done to make Assateague Pointe a No Rental Community. When we get an answer, we can respond to everybody and the homeowners can make their decision from that point and have the opportunity to vote on it. The problem will be even if you have 100% majority, you will never be able to enforce it. You are still going to have those owners who are going to rent.

Mr. Stenukinus of lot #216 directed his question at Troy stating he assumed that Troy takes care of all the contracts that go on inside the development. What's wrong with a performance bond? Are you familiar with it? It's money that is held back till we have inspected the job and everything is complete and to our satisfaction. It's like good faith money that protects the community.

Troy stated that it is very hard to get work done around here. Mr. Stenukinus interrupted stating that it is hard but if they want that kind of money they will go along with it. Troy continued he would like to have the work done and that be the end of it. Mr. Stenukinus again stated what about a Certificate of Insurance? Troy answered that they all have that, they cannot do any work without it. Joe continued stating his other issue is the dumpsters and how it is a health issue. He would like to see the

association get a trash compactor. Troy answered that we have looked at it and will take a look at it again. But again it will cost money.

Vince Castelli stated that we brought up the issue of renters, he would like to know how many of the owners present bring in sisters, neighbors, relatives, give them your gate card and do not tell them to register in at the office. He imagined that there are quite a few. He stated that you are liable other than your siblings to register all your guests. They have to stop at the office. We have to try to help ourselves, and tell your guests to register.

Joe Smith of lot #57 mentioned he does not rent out his house, but a surcharge would just be an additional charge for him as a owner. We are paying for the right to use the facilities and I have a right as a owner to rent if we choose.

Al Taylor of lot #41 stated that Troy has done a good job, though he has concerns and does rent his house, but they control their place with contracts, rules and regs, etc. Wendy knows and his neighbors know that if there is ever a problem at his house to call him and he will be here and they will be out. This is his community, your community and he wants the community to stay nice. His concern is and this is business, not personal, He believes that Resort Housing Group can not effectively enforce the rules and regulations of this community as a property manager and be a leasing agent renting property to new people coming in which is going to bring more people into the community who do not have a vested interest in our community. We both know if you don't have a vested interest in the community, you are not going to care as much as if it is yours. Following up with that, he would like to bring this to a head, he would like to propose a motion that Resort Housing Group, its owners, employees while acting in the capacity as property manager for Assateague Pointe Homeowners is prohibited from engaging in a property rental business involving the properties of Assateague Pointe Homeowners. That's the motion.

Joe stated he felt it was out of order.

Wayne Widerman of lot #394 second the motion.

Joe again felt it was out of order, and stated that Troy could get his lawyers to sue him or the homeowners because we are denying his right to free enterprise.

Mr. Taylor then stated Troy should resign as property manager and run his business. He shouldn't be allowed to do both.

Troy stated he would like to find out if this is legal and would like to consult his attorney, who is not here, to find out legally how this is supposed to work because he is not sure.

Joe continued stating again that if we accept the motion, we as the board could get sued. He also feels that he is looking out for the best interest in his mind to accept the motion upon the approval of the attorney.

Mr. King of lot #71 suggested we take the motion and vote on it discuss it with our attorney and if the attorney comes back and says no, then the issue dies. But the motion must be amended upon the approval of the attorney. Now one other question, is if this motion is carried, and Troy has is own business and I choose to rent my own property, am I as a owner prohibited to going to his agency on Route 50 and hiring him as my manager. If you vote on this then you are infringing on my rights as a owner.

Mr. Widerman of lot #394 removed his second motion.

Mr. Taylor again stated that he felt it is a direct conflict of interest. He then continued to read his motion again stating that it was subject to the approvals of our attorney and subject to the motion being of legal stature from the attorney.

Mr. Berman of lot #396 second the motion.

Elaine Galeone of lot #447 stated that she has been here five years and has never been solicited by other rental agencies.

Several owners including lots #285 and #374 stated they have gotten numerous solicitations.

Joe feels that Wendy and Troy can control the problems better than other companies.

Troy stated that he can not answer for any one else but himself and the only reason he solicited was to let everyone know that there is service he is offering.

Joe continued stating that Troy is not looking for exclusive rights.

Mrs. Tannenbaum of lot #45 stated she has known Troy for a long time and feels that Troy is not looking to be an exclusive rental agency, he would be one of many. She feels that he has sent out the letters to many and we just happened to be on that list. Troy has always be known to be fair and honest and felt she should share her comments with everyone.

Mr. Berman of lot #396 wanted to state a couple of things, first off the person who had the conviction to send out that letter should have had the conviction to sign their name. Some more comments, is that is concern is not with Troy, he feels he is doing a good job, his concern is also not with Wendy, he feels she is doing a excellent job. His concern is with the people who want to rent and want to be on the free list.

Troy stated that it will continue the exact way, only Resort Homes will be added to the list. No change will be made.

Joe stated that one of his concerns he had was that you will still have the free list. He wanted to make sure that the list was still available to you.

Mrs. Hammond of lot #235 had a concern that what if Troy decided to give up the Property Manager position and stay in the rental business. We would be in big trouble. Troy has done a good job. And would like everyone to consider that when making your vote.

Mr. King of lot #71 stated he has been here from the time Troy broke ground, he is very proud of this community. He have always been very quite at these meetings, this is the first time we have heard from him. He stated, before you vote today, think about one thing, your rights. What you are about to do, is blackball a man from business, because if this vote counts, we will loose Troy as a property manager if he goes into the rental business, it could prove to be very costly for you the homeowners. So think about the cost.

Mrs. Barnett of lot #520 stated that before we bind ourselves to a vote maybe we should check what it would cost to get a new property manager. Also, if we have to rent to people, does it really make that big a difference who does the renting. She thinks that what they really don't want is the rentals. But, if we legally have to do it and are bond by it, do we really gain anything by excluding him (Troy).

Joe stated he wished the person who wrote the letter and stirred all of these people up would stand up.

Mr. Miller of lot #419 stated he didn't need the letter to stir him up.

Mr. Florio of lot #182 stated that rental companies say a lot of things, they will screen your people and everything sounds good, till they get in. Agents can not legally go inside the house if there's a problem. Only the owner has access to the property at any time. Don't think Troy will screen the people like he says he will.

Joe called for the vote stated that you have listened to all the comments that were made. He also read the motion one more time and stated that if you have a proxy you can vote for that as well. Legally we need to have the names and lot numbers of the people who vote.

Mr. Mullins of lot #196 mentioned that Joe stated Troy is a soon to be homeowner, does that mean he will be 10 or 20 homes.

Troy stated his plan is no.

Mr. King of lot #71 suggested that one owner stays on this side of the curtain and makes the vote and the spouse goes on the other side of the curtain so the vote can be taken.

Joe continued stating that was a good idea and asked those owners to please separate and have the other person go to the other side of the curtain. And have all the proxies brought up to Wendy.

Joe then asked for the vote. 33 were in favor of the motion, 113 were opposed and 7 sustained.

Ray Howard (Lot #243) made a motion to adjourn the meeting. George Fauth (Lot #319) second the motion. Joe thanked everyone for coming and the meeting was adjourned at approximately 1:30 p.m.

After the meeting the votes were counted for the New Homeowners Board Members. The results were Vince Castelli and Joe McGee for a two year term and Elaine Davidson for a one year term. Also the majority of the votes were in favor of caring over the moneys according to the IRS Regulations.

The next board meeting will be will be Saturday, September 28, 2002 at 9:00 a.m. In the Clubhouse.