

Assateague Pointe Homeowners' Association, Inc.
Minutes from the Annual Homeowners' Meeting, Saturday July 17, 2004

Election Results: The 3 incumbents won the election and will fill the 3 vacancies on the Board of Directors: Joe McGee, 244 votes elected for a 2-year term; Vince Castelli, 227 votes, elected for a 2-year term; and, Vince Miller, 224 votes, elected for a 1-year term. Ed Bruno, 116 votes; Al Jackson 125 votes; and, Bob Coughlin, 113 votes. Troy Purnell and Elaine Davidson continue in office since their term was not up. An overwhelming majority voted to put any "Excess funds" in the Operating Budget. 144 lots were represented at the meeting along with 215 proxies for a total of 359 votes out of 522 homes. [Election results are posted in both the Clubhouse and Recreation Center.]

1. Call to Order, Welcome, Introductions & Invocation: The meeting was delayed while the attorneys for both sides validated the proxies. Joe McGee, President called the meeting to order at 09:35, welcomed everyone and reminded residents to sign in, file proxies, pick up handouts. He verified that a quorum was present, noted that the Board had adopted the "Model Code of Conduct" at the June 19th Board meeting, and he read the following rules of conduct for Association meetings: "1. Members must maintain decorum, sit quietly, and refrain from speaking until recognized by the meeting chair. During officer reports, Members should hold all questions until the reports are finished, then raise their hands and wait to be recognized. 2. Members must not interrupt anyone who validly has the floor, or otherwise disrupt the meeting. 3. When speaking, Members must abide by time limits set by the meeting chair for comment. [No time limit will be imposed since we want to hear what everyone has to say.] 4. Members must refrain from engaging in personal oral attacks on either Board Members or fellow Association Members. 5. Members must refrain from using other Members' names when speaking and must address all remarks to the meeting chair. 6. Members must confine their comments to things germane to the agenda item being discussed. 7. Members may not speak for a second time until everyone who wants to speak has been given a chance to speak once. 8. Members may not speak more than twice on any one issue, subject to the discretion of the meeting chair. 9. Members must obey all orders made by the meeting chair, including an order to step down. 10. Members must at all times behave with common courtesy and civility, and refrain from the use of abusive, rude, threatening or crude language." Vince Castelli, Vice-President, Vince Miller, Member-at-large, Troy Purnell, Treasurer, Elaine Davidson, Secretary and George Fauth, volunteer, acting recording secretary were present and all ultimately introduced themselves. Attorneys Ray Coates, retained by the HOA, Inc. and Bob Mackintosh, retained by the Ad Hoc group were present. Joe announced that when the proxies have been validated, ballots will be distributed so that those who must leave early can vote before they leave. George gave the invocation.

2. The Good News: Most people at Assateague Pointe take great pride in their property, community property and the behavior of themselves, their guests and pets. **Thanks and keep up the good work!** We are solvent, no litigation pending against the HOA; groundskeepers, courtesy personnel, and custodian are on duty. We have re-plastered the pools, replaced street signs and covered posts in PVC, paved Assateague Way, painted Clubhouse and Rec Center, as well as keeping the community looking great. We also recarpeted the Rec Center. This upcoming year some items to be taken into consideration: replacement of the gate entry system, upgrading the surveillance system, new paddle boats. We have a slate of candidates for the Board and an active and supportive Property Manager.

3. Handouts: Agenda, 2003 minutes, 2nd Quarter Financial package vs. last year's, Candidates & Ballots (later) and Rules.

Joe deferred Agenda items 4, 5 and 6 while waiting for several Board members to complete validating proxies so they could take their positions at the head table.

7. Committee Reports (If Any): Activities: Joe reported tickets are still available for today's Shrimp Feast, the Luau originally scheduled for August 27th has been changed to September 4th. The Campfire program will be done August 27th. Every year in March an Activity Planning meeting is held to consider and schedule the events, e.g. boat cruise, Shorebirds ballgame, etc. If you'd like to see an activity, be willing to lead it, let it be known. These activities help make this community great.

Beautification Committee: (Carl Thompson): (1) 25 day lilies were planted along the roadway across from the Gatehouse, They all seem to have survived the winter and are in full bloom. (2) The dead pine trees behind West Cannonball Drive were removed and new pines planted. Thanks to Troy for his assistance in getting a great price on trees and planting. (3) The marquee sign area now has a flower bed around it with flowers and shrubs planted in the box. There is a bridge over the ditch to reach the marquee.

(4) The maintenance crew spread mulch around the trees and shrubs as well as new sand and net at the volley ball court. (5) Shrubs and trees have been trimmed and most of dead wood and sucker growth removed. Cut suckers from your trees. (6) The community has received new street signs and plastic covers over the posts. This has enhanced the look at each street corner. Again, thanks to Troy and maintenance crew for all they did on this project. A special thanks to all the homeowners who take time to give the trees and plants a drink of water. The Beautification committee lost the great chairperson, Floss Mackin, who has moved. The Community and I want to thank her for the leadership through the years. The Committee can use some additional help. If you can help, let Carl know.

Pool & Pier Committee Report. (Carl Thompson) (1) The water system was turned on in April and new valves installed at end to drain in fall. (2) Our maintenance people have done a great job on pressure washing and installing sealer on the entire pier. Thanks for this job. (3) We have installed five 4" covers on top of the last five light poles to try to prevent the sea gulls from sitting on top of the poles. (4) We have installed two plastic 10" cones on piling posts at end of pier to deter sea gulls from messing the pier. (We hope to have the Board approve 120 of these at approximately \$12. each over the next year to cover the post at end of pier.) Board recently approved 46 more. (5) The landscaping at the entrance of the pier has looked great this year. Again, thanks to several homeowners who took time to assist in this. (6) We installed a stainless steel plate and refurbished the cleaning stand at end of pier. Thanks to the homeowner who donated the metal plate and the fellows who installed and repaired the stand. (7) The hole in the side of the storage shed at the paddle boat area was repaired. Fifteen new hangers were installed to hold the life preservers. Now, if only we can educate people to hang up the life preservers on the hangers. (8) The life preservers are in very poor condition and we request permission to discard them and purchase 20 new ones at \$5. for a total of \$100. (9) We recommend a program to replace the paddleboats, as they age and become unrepairable. Suggest we purchase one or two this year if funds are available. Cost is approximately \$1500. per boat, plus shipping costs. (10) Recommend that a new fishing pier be built across the road from the trash area and another pier be constructed at the playground area. We request the pier posts be installed by September at both sites so we can get workers together and these items can become a reality. Fishermen need to give us drawings along with estimated costs so we can proceed.

Pool Area: (1) On Workday our homeowners worked all day on replacing most of the screens at the Clubhouse Pool, installed four new screen doors and three new ceiling fans. (2) Ten new umbrellas with stands and three tables were purchased this year. (3) 50 new pool lounges were purchased. (4) 10 old umbrellas were repaired on Workday to save cost and give us enough table covers for the year. (5) Screening was installed between rafters at the barbecue pit to keep birds from nesting there. (6) Repaired broken water pipe at chemical room. (7) Repaired life guard stand. (8) Relocated cement-parking bumps at entrance to Rec Center and Clubhouse. Summary: We want to thank the homeowners who truly care about the community by coming out assisting with the project when we have workdays. A special thanks to Troy and Resort Homes for the use of three of their experienced workers who assisted us on workday. With these extra hands, the items we accomplished would not have been completed. Again, thanks Troy. I want to thank Ray Howard, my assistant, for all his help and leadership on this committee. We continue to need your help on projects that we take on to keep down costs and keep our community in great condition. We encourage the Board to follow up with the repairs and updates needed at the two pools after they close in September. The repairs should be done this year and shouldn't wait until the spring of next year.

Submitted by: Carl Thompson and Ray Howard. **And Joe says, "They do a lot!" APPLAUSE!**

ECC Committee: (Bill LeFevre): Thanks to Floss Mackin for her Leadership. Thanks to Homeowners who keep place looking good. Since last Board meeting 8 people stepped forward to fill 3 vacancies. Thanks to all of them for volunteering. The Board has reviewed the candidates and selected the following three: Joyce Hudson, Lot 184; Cathy Ortel, Lot 338; and, William Landano, Lot 228. Ask those who volunteered but weren't selected to keep up their enthusiasm and be willing to be available for backup. Encourage residents to get ECC approval BEFORE making any changes to their property. Application forms and Guidelines are available in the office. Applications should be approved within the month. Turn the requests in to Valerie Sharp. She sends them to Bill who reviews them (calling applicants as necessary to assure completeness), then he sends them on to a 2nd and 3rd member for review, comments and recommendation. Any recommended changes to the Guidelines will go to the Board. If approved, changes will be communicated in the Newsletter. Thanks! APPLAUSE! Joe noted that some submit ECC requests during the week and expect 2-3 day turn around so they can do changes on the upcoming weekend. That was possible in the past until we had to create a separate ECC Committee, so their decisions can be appealed to the Board if and when necessary.

Value, Safety, Beauty & Ease of Mowing: (Troy Purnell) Residents should place landscape timbers next to skirting, otherwise HOA will not replace damaged skirting. If landscape timber is there and grounds crew puts holes in skirting, let the office know and we will replace damaged sections. Residents should consider ease of mowing, weed wacking, etc. when doing landscaping.

Boat Storage: (Darlene Hale) We went through the boat storage area June 20 and July 16, 2004. This year, we put 39 tags on boats, trailers and cars that were in violation of our rules for getting a slip in the storage area. They were told to report to the office to find out what violation they had. Some have already corrected them and we hope the rest will follow soon. You have to keep your boat and trailer registration current. Make sure you pick up your sticker for every item in your slip and get them on or you might not get a slip next year. John and I would like to thank everyone who sent cards and remembered us in their prayers during John's recent illness. Respectfully, Darlene Hale.

Welcoming Committee: (George & Pauline Fauth). George reported: In case you don't recognize some of your neighbors, it may be because we had 30 new residents last year and 8 so far this year. If you see someone you don't recognize, introduce yourself and make them feel welcome.

4. Minutes of Last Year's Meeting: (Entertain a motion to approve the minutes without reading them aloud.) Vince Castelli moved, Vince Miller seconded and the motion carried.

5. Treasurer's Report Troy Purnell, Treasurer (Including review of voting on decision of excess revenue, if any, for IRS so residents can mark their ballots.) Troy reported that last year they handed out the annual year report. This year they provided the current year to date report that should be more meaningful. He shared several figures from the Statement of Revenue & Expenses dated 6/30/04: Ninety-nine per cent of the Special Assessment has been collected. With that, operating income shows a surplus of 113,744 (\$104,400 is the special assessment) over budget. Administrative expenses are 1,544.04 over budget mainly due to increased insurance costs. Maintenance expenses are 7,587.68 under budget. Utility expenses are 4,433.15 over budget primarily due to increased trash removal. Total expenses are 1,205. Under budget for the first 6 months of 2004. Would like to get taller trash containers to reduce the number of times they must be emptied but then people leave their trash on the ground instead of reaching up and putting it in the container. Looking at the Balance sheet we have \$80K in Taylor bank as part of the special assessment to replace the former Line of Credit. The other \$20K was needed because the pool contract was front loaded. When the dues are received from the current billings, this account will be increased to \$100K.

6. Property Manager's Report Troy Purnell, Property Manager, Resort Homes, Inc. We took money from the Reserve Account to fix pools so county would approve opening them. Not happy with the delayed opening and related problems but did all we could do. We are receiving fantastic comments about this year's lifeguards. A pump motor blew. Two people defecated in pool. We must still do some concrete work on the decks, replace skimmers, fix the leak in the baby pool. The grounds crew this year is one of the best ones we've had. We're looking at options to incorporate digital technology to provide more capability for our entry gate system. We've already changed the video recorders to digital and can hold one weeks information on one disk. Looking at other possible locations for cameras. APPLAUSE.

7. Old Business: Discussion of Dogs on Leashes, kids on golf carts, Fine System. Joe reported that dogs, not on leashes, people not picking up after pets continues to be a problem. Please abide by the rules. ECC will be strong issuing violations. Golf carts need lot numbers conspicuously displayed. For the safety of all involved, kids under 16 should not be driving golf carts. In one incident someone's grandson was driving and another kid was horsing around. One kid got run over. Golf carts and bicycles need lights when driven at night. We've been very fortunate that in 14 years we haven't had any serious accidents. Another concern is children at the boat lake operating the boats alone and without life jackets. Same concern exists at the pools. Children under 14 must be accompanied by an adult. The life guards are not baby sitters. The new ECC will move forward in fining violators. If the fines aren't paid, liens may be placed on their property. At this point, proxies have been validated and Elaine Davidson, Lot #148, Board Secretary, introduced herself. Ray Coates, the HOA attorney, introduced himself and indicated that his job is to collect assessments. He is not going after anyone at this time. Very good. Joe indicated that out of all homeowners, we were only \$4,600. in arrears.

Issuing of the Ballots: Troy, assisted by Ray Coates, called individual lot owners by lot # to come up and pick up their ballot. Where an individual lot owner also had proxies, the number of proxies was written on the ballot, the ballot was initialed by Troy and handed out by Ray Coates. Joe apologized again because the process was taking so long but reminded residents that this was the only way to be fair to all people. One vote per lot, vote for 3 or fewer and choose options A, B or C as your choice for claiming any Excess funds. There is usually a small amount involved and we usually vote to place that in the Operating Budget.

That way we could easily transfer it to another project if needed. Vince Castelli had residents pick 3 names from the box of volunteers to count ballots at the end of the meeting. Kathleen Drosey, Lot #120, Grace Rehbein, Lot #284 and Lucille Smith, Lot #145 were selected at random.

10. Candidates Introduction One candidate, Angela Bonomo withdrew. Nominations from the floor were invited. Candidates each spoke briefly, knowing that brief bio-graphical sketches had been distributed. **Ed Bruno**, Lot 274, here 12 years, time for change, can work with existing board. **Al Jackson** Lot 431, bio sent in mail. Worked with cost cutting budgets. Cut and reduced assessments. Was senior arbitrator for Better Business Bureau of MD. Took care of consumers, manufacturers and businesses. Heard complaints then had 30 days to render decisions which were legal and binding. **Bob Coughlin**, Lot 52, 183, 217. New kid on block. Here 3 years. Mr. Bruno, Jackson and Bob a team. Changes needed. Listen to community. Agree with Mr. Jackson 100%. **Vince Miller**, Lot 374. Here 10 years. Travel to Florida, Texas and West coast each year. Not here full time. Boy Scout leader 1959-1986. 21 years in USN. Worked at the Pentagon 1974-1991. On Board 3 years. Neighborhood Watch Chair for 5 years. **Vince Castelli**, Lot 472. Tenth year here, 4th on the Board. Like to continue with present Board. Thanks to everyone for attending today. **Joe McGee** Here 14 years. From Day 1 worked with developers on updating A/C etc in community facilities so they could be used year-round. Chaired Entertainment Committee 5 years. Built picnic tables, covered BBQ pit at Clubhouse, Ran bingo. Took year off, then Vice President and HOA President for 6 years. Need everyone's support. Lot of effort making Assateague Pointe what it is. When the Board votes to raise dues, etc. we Board members pay too. Therefore, the Board looks into things carefully. If you see things that need to be cut, let us know. Thanks.

11. Open Discussion from Residents Joe said we'll open the floor to questions and answers. Please come up to the microphone, state your name and lot number for the record and ask one question. Frank Constantino, Lot 376 asked where the Lease Agreement came from? (Someone handed out an unsigned lease agreement to some residents.) Troy responded that this came up at the last Board meeting but was tabled. Joe added this was a very old draft lease agreement that was looked at, discussed with our attorney, Mr. Coates who explained such an agreement was not required. Ray Coates added that when the development was completed, Assateague Pointe Inc. of which Troy was a stockholder, subdivided creating Parcel A for the buildings and homes and deeded that to HOA. Assateague Pointe, Inc. retained easement and has the right to be there pursuant to the agreement. No need for a lease. Resort Homes, Inc and Resort Realty, Inc are not the same as Assateague Pointe, Inc. According to legal documents, Assateague Pointe, Inc has the right to stay until they are not actively involved developing and selling homes. Some may question building homes. Assateague Point, Inc. has reverter rights for the sewer treatment facility and lagoon. When water system comes down Rt. 611, well probably hook into that. Then, all the land will revert to Assateague Point, Inc. for development, meaning there may be more lots and houses. This easement gives them the right to be there. Elaine Galeone, Lot #447, expressed several concerns regarding rights of resale, 3 empty lots, warehouse and if the easement allows the Board to do what they want. Ray answered yes, He also added that his brother Tom, a member of Coates law firm also does work for Troy. Whenever Ray or Tom renders a decision that may impact Assateague Pointe, Inc AND the HOA, they advise the HOA to get another attorney to avoid any real or perceived conflict of interest. Joe McGee added that because of recent surgery and health problems he had not retained another attorney. Bob Coughlin, Lot #52 asked what the current zoning was. Ray said it is like the rest of Assateague Point. Troy added it was B2. Joy?, Lot 196? Asked if Assateague Way will revert to Assateague Pointe, Inc. Ray responded that 1/3 of a mile in from Rt. 611 belongs to Assateague Pointe, Inc. HOA has an easement to get to Rt. 611. Assateague Pointe, Inc. is comprised of many stockholders not just Troy. They view the remaining land as valuable for future development. Darlene Hale, Lot 17, said new candidates sent mailings, etc. I'd like to know what they've done for the community. Ed Bruno, Lot 274 said he knows many people here and will help if asked. For example he would help establish peace and order at the Clubhouse because it isn't there now. Give us an opportunity and we'll get back. Al Jackson said No, for personal reasons. Travelling back & forth to Baltimore and perhaps due to my ignorance that volunteer work was not a prerequisite to running for office. Bob Coughlin, here 3 years and made as many work details as possible. Painted one Saturday at the Clubhouse. Now retired and can devote more time. Sandra Stark, Lot #361 said the minutes are on the web. **Recommend that the By-Laws be put on the web. Troy said it will be done.** Andy Lapinski, Lot # 408 raised questions about letters of Jan 11, 2004 and July 8, 2004 regarding special assessment, bonuses for grounds crew and \$15K raise for himself. Troy responded, we give bonuses to grounds crew in mid summer at end of season. Andy asked why that was not put in statement. Troy responded that the \$15K increase was debated at the Board meeting and Troy

excused himself from voting. The previous Property Manager's contract had a 90 day termination clause in it, allowing either HOA or Troy to quit with 90 day notice. The Board was not comfortable with the risk of terminating the contract say in March before the beginning of a new season. Therefore, they negotiated a new \$45K per year contract. Joe added the Board negotiated the new contract, brought the increase down to an approximate increase of 3.1-3.2% - the first raise. \$45K to pay 2 employees as Property Managers, manning gate 24/7, etc. is fair. We also looked at Accounting services (2 people) \$200. Per week and decided that too was a good price. The Board would be willing to form a committee to look at options. Margaret Ruff, Lot 237 here 13 years, several problems not addressed, particularly scum on pond. Joe said put concerns on paper and turn them in to the front office and someone will look at solutions. Fran Smith, Lot #519 said children develop bleeding blisters on their toes when they get out of the pool. Pool attendant said it could be from the mix of chemicals. Joe responded that the pool was re-plastered and the bottom may still be a bit rough. Troy said he'd received the complaint earlier and it could not be chemical because they must stay within a prescribed range. The problem is probably 3-4 hours playing and jumping in the pool. You may consider getting swim shoes. Sheila Jacobs, Lot 432 Here 10 years. Love Assateague Pointe. Got involved after receiving assessment letters. Been in business 15 years, 19 employees. Do medical billing. Fight with Blue Cross/Blue Shield customers explaining why we don't pay. Over 500 people here. How can running this community cost so much? I discussed with my neighbors, Mr. Bruno, Mr. Jackson and Mr. Coughlin. We chatted. Six or 7 people met and shared stories. She then explained her story about her electric bill, feeling that her reputation had been tampered with. Fifteen years ago Mr. Purnell developed By-laws which worked then. We, the HOA can do nothing now except voice our opinion. While the Board is doing OK, why not add 2 more members? The By-laws need to be changed. Sent letters and 118 people showed up for the last Board meeting. Encouraged to close, she finished by saying "people are aware. If not now, maybe next year." Joe responded that the Board did not want to make the Special \$200 assessment. However, we were advised by our accountants it would be wise to stop borrowing to pay our electric bill during peak season, etc. We pay a lot of money to our attorney and accountant. We need to discuss options with them and abide by their advice and counsel. While we have a 5 month season, we are open 12 months. Lot of acreage, lot of maintenance. We'll leave your electric bill to Troy. It may be appropriate to have a group of people look at the By-Laws and bring recommendations to the Board. Ray added, not the Board. Home owners must vote on By-Law changes. Joe added: all Board meetings are open to the public. Every homeowner is welcome to come, find out what's going on and get their questions answered. You vote the Board members into office. The Board makes decisions on your behalf. If you don't agree, vote them off. Sheila, I hope I've answered most of your concerns. Troy added Sheila and I have gone back and forth for 3 years. Changed meters three times because she complained. Tests failed to discover any defects in either meter. We had Frick Electric come out and check the house when they found the fan and hot water heater were left on. That was some time ago. She had been receiving free electric for several years until we realized that Lot #432 was not an empty lot. Out of frustration I told her to pay what she thinks she owes. Joe added the Board must make decisions, many not easy. We followed normal procedures for delinquent accounts. After \$1,000. In arrears, we turn the account over to our attorney for appropriate action.

Sheila: one has nothing to do with the other. Your 431 construction crews broke my line. Joe: What do you suggest? Sheila: Let's talk; split the difference. The undersigned suggested they pursue this off-line. Joe: if reelected, the Board will work on. Rosemary Patricelli, Lot #321: Board is rude. You represent us. Mr. Coates, how long has your law firm represented HOA? Ray. Started collecting assessments about 4 years ago. Last year asked to attend Annual meeting. Been to 1 or 2 Board meetings. Rosemary: Your brother Tom too? I am an attorney. Do you see conflict of interest? Joe: My understanding is if it is known, there is no problem. 2 years ago, at the Annual HOA meeting, someone made a motion, we accepted it and it was later voted down. We then contacted Mr. Coates who said we made the right decision. It was decided then to invite Mr. Coates to our meetings. That's why he is here. If there is any risk of conflict of interest, Ray and his brother will back out and the Board will get another attorney. Rosemary. Lots of attorneys in MD. Final question. How does Board handle issues that may present conflict with Troy? Joe: Last couple of years we meet with all contractors, ask questions. For example with paving Assateague Way, we had 3 contractors in: American, Road Runner and D&A Paving. They all came in and answered our questions. Since Troy's father was co-owner of Road Runners, Troy did not vote. Rosemary: What about grounds crew, bonuses, etc. Joe: Board makes that decision. In past, we didn't give bonuses. Rosemary: Does Troy stay out of those decisions as well? Joe: Troy gives us input.

Rosemary: It is important that Troy not be in a position to control or direct actions affecting him or his company. Still a bad decision and dangerous. No offense to Mr. Coates. The Board needs objectivity. ?? - being a lawyer, Rosemary should know she covered more than one question. Peter Paden, Lot #397: Resort Homes has buildings on HOA land. Does HOA receive any money? The don't pay us, Resort Homes pays taxes on the property. Joyce Hudson, Lot #184: Here 13 years. Its more than a 5 month community. Board meetings in the past had few attendees. We voted Board Members in and trusted them. Now e-mails make you wonder who to vote for. I'm getting involved. Always have had a nice community. Didn't need to put circulars up in Restaurants and stand at the front gate. Let Board know what changes you'd like. Let them know what you want. Judy Reed, Lot 201: Been here since 1989 when we traveled a dirt road to get to our property. Love it here. Number 1: You voted a Board of Directors in so they are your voice. Damn good people! People who've been here. I've always stood by Troy Purnell. Number 2: Questioning By-Laws? If they are that old, state how they should be changed. Notify members by mail. Read your mail. Get letters, get on e-mail list. If I met one of these pain in the neck females, I'd throw up. Attorney should know better than comment on hearsay. If it didn't happen to you, give it to the Board. If you care about this place, stick up for rights, read mail, etc. **Donna King, Lot #268: Work for Dominion, Upper Management. 6 million customers. \$200M. This community is set up on Commercial not residential rate. Choptank reads demand meters and our employee reads the other meters. I have all the spread sheets for 2003 using the bundled rate. For the year it came out to 10 cents per kwh. Residents are charged 11 cents. Not allowed according to MD law. Only added charge you can make is \$1. for every meter read. Told to pay for electricity use in home. Not so! Charged for electric used in community buildings, swimming pool, etc. I pay more if my neighbors don't conserve. APPLAUSE! Troy: If you have suggestions we'd love to hear them. When did you do your spread sheet? Donna: Last week. Troy: We'd love to have your help. Donna: Choptank says; \$93.85 for residential; 102.86 for Commercial. Assateague Pointe \$110. **Troy: I'd love your help. Donna: I'm willing to help!** Joe: Check your bills when you go home. BG&E is overcharging me. Donna: Now with deregulation, the bills were unbundled. Troy: What's the solution? Joe: We are zoned as a campground. How do we go about changing that with Choptank? Donna: Commercial has nothing to do with zoning, it's the way its metered. Choptank could take over lines for a fee, validate and do the billing. The demand charge would not be there. **Troy: Let's work on it. New Board will work with you!** Peter Paden, Lot #397: Anything going on for improved security on the boat yard? Troy: few more batteries stolen, life jackets, etc. Anything being considered for controlling access? Joe: Yes. Janet Wojciechowski, Lot 446: Local newspapers mention Assateague Pointe Sewerage system. Any information on that? Troy: 53 single family homes in Snug Harbor are tying in to our system. There are 140 lots there including the 53 that are developed. Landings, next door to Snug Harbor could tie in. No plans, but County must approve any such tie ins. It would be better for the County, giving them more flexibility. And, it shouldn't affect your rates. Peter Paden, Lot #397: When were bonuses approved? Is there a dollar limit requiring HOA approval? Joe: Personnel matters are confidential and decided by the Board. All employees are part-time. We give bonuses according to the total hours worked. For example someone who worked 500 hour would qualify for twice as much bonus as someone who only worked 250 hours. Peter: No problem with bonus. What is the dollar figure where HOA must approve? Joe: No \$ figure. You vote Board members in, trust their judgement. Sandy Stark, Lot #361: The Pool! Ladies room atrocious. I know why it was closed in July, why a whole week? Bonuses: consider life Guards. Joe: They work for Contractor. New Board will consider. 4th of July feces in the pool. Last weekend the same. 3-4 days pool was closed to repair caulking. Peter Paden, Lot 397: Minutes sanitized? Changed? Deleted? Joe: Wendy used to do. George Fauth, Lot #319, temporary, volunteer, acting recording secretary doing them. He provides a DRAFT to Board members who make corrections, etc. to assure that they are as correct as possible. Paden: Any employees who have dual roles for other entities? Joe: From time to time, we use some of Resort Homes employees. We pay their hourly rate. Paden: Any increase in vandalism with increase of rentals/renters? Joe: Can't tell who does damage, renters or owners. Don't recall much vandalism. Paden: Comments: Rules & Regulations keep being brought up. It's time to walk-the-walk and talk-the-talk. Enforce them. Have problem with grandfathering things in. Appreciate volunteers on Board. Think we need new life. Joe: If you know someone who was grandfathered, let us know. We keep ECC approvals in the office file by lot #. Sheila Jacobs, Lot 432: Move that we form a By-laws committee. Ray: They can form their own committee. Carol Guy, Lot #368: If you have problems getting people, there are already committees out there. Sheila was asked to write her motion down so we can vote on it. Elaine Galeone, Lot #447: Mr. Coates, we need clarification. Are personnel matters confidential? Ray: Yes. The Board can make personnel decisions but they must be on**

the record. Elaine: We elected this Board in all honesty and trust. What happens if they have a fiduciary responsibility to homeowners? What can I do aside from electing a new Board? Ray: As long as they are acting in good faith, they are immune to legal suit. Elaine: What can I do if we elect them, they mess up our money? What do we do? Ray: Can recall them. John Snyder, Lot #367: Bunch of crap. Informed she could add a room if by Silvertop. Chuck Davis is Regional Manager for Silvertop. Come on down and I'll show you the stick-built from last summer. Give us a lot number and we'll review it. Sheila Jacobs, Lot #432: **"I Sheila Jacobs submit a motion that an advisory committee be formed to function as a liaison between the Board of Directors and the homeowners. The function of this committee will be to review all bids, contracts, proposals. The motion was seconded by Bonnie Jackson, Lot #431. After discussion the motion was amended to add to the last sentence: "any funds exceeding \$10,000. The amendment was seconded by Bonnie Jackson, Lot #431. Vince Castelli: How long will it take this advisory board to get back to us? Ray: The Board does not have to wait for an Advisory Committee. Bill LeFevre, Lot #20: The Advisory Committee will be Advisory, Non-Binding. Sandy Sparks, Lot #361: This info could be put on the website. M. Whaley, Lot #90: See there is an agenda. Put ballot in box. I voted for Board & I trust them. Let's move on and put this motion down. Sandy Sparks, Lot 361: Call for the vote: **THE VOTE: FOR: 78; AGAINST: 161. Motion failed.****

Carl Thompson, Lot #108 moved that the meeting be adjourned. Jim Trent, Lot #131 seconded the motion. The meeting was adjourned at 1:30pm.

After the meeting the randomly selected ballot counters counted the ballots and the results appear in the beginning of these notes for the convenience of the reader. Bob Mackintosh, attorney for the "Ad Hoc" group/Challengers oversaw the counting which was done by: Elaine Davidson, Lot # 148, Board Secretary; Grace Rehbein, Lot #284; Kathleen Drosey, Lot #124; and, Lucille Smith, Lot #145.

Respectfully submitted. /s/ George Fauth, temporary, volunteer Recording Secretary