

Minutes

Assateague Pointe Homeowner's Association

Annual Meeting

Saturday, July 19, 1997
Stephen Decatur High School

Minutes

The Seventh Annual Homeowner's Association Meeting was called to order at approximately 9:15 a.m. by the President, Lee Williams. The annual meeting is held on the third Saturday of July. One Hundred forty six lots were represented by owners either in person or by proxy. Owners signed in and proxies were registered at the door upon entry. Members of the Board present were Lee Williams (President), Floss Mackin (Lot 395), George Fauth (Lot 319) and Troy Purnell (Treasurer). Taking minutes was Natalie Bounds.

Handouts distributed at the door were the agenda, financial statements for the six months ending June 30, 1997, minutes from last year's annual meeting, a resume of the 1997-1998 Board Nominees, a letter from George Fauth notifying residents and owners about an antenna rule change, and a Board of Director's vote ballot.

The President introduced Lynn Burrow of Bethany United Methodist Church. She made the community welcome to that church's activities and services.

It was motioned and seconded that minutes from last years meeting not be read.

The President explained the contents of the budget package. Exhibit A is the Balance Sheet. He stated that this was the first year they association has not had to borrow from the working capitol (the \$150 each owner contributed at settlement,) which totals \$75,000 in available funds. The President stated that a \$14,000 reserve account and \$17,000 in excess reserves intact show a strong net worth. There is no Exhibit B. Exhibit C is actual revenue incurred totaling \$212,315.89. Administrative expenses total \$56,148.68 and maintenance totals \$46,788.50. Utilities, with electricity being the most costly total \$63,908.55. Amenities, which include lifeguard, pool and entertainment total \$30,009.83. The last category is "Other Expenses", which account for furniture and equipment purchases (including a \$6,700 mower) totals \$15,682.38. He stated that \$10,000 per year is held in a reserve account for capitol improvements such as road repairs and roofs on common buildings. In summary, total operating expenses come to \$212,537 and income totals \$212,315. The association is now using contracted services for the pool because of the law that states that a certified lifeguard must be on duty at all times the pool is open. This company required a substantial payment in advance. The pool contract is paid up through part of September with equipment upgrades. The cost to operate the pool will be less for the balance of the summer. Year to date it is basically at a break even level. Considering the pool costs, the new mower and the fountain in the lake, the balance of the year will have a positive flow. Refer to Exhibit D for an actual budget comparison for the six months ended June 30, 1997. There is \$5,000 more in electricity and \$15,000 for the pool management company (with billing 30 days in advance). Excess revenues over expenses are approximately \$9,000 to date.

The question was raised about "special projects". The President states that "special projects" are expenses not anticipated on a regular basis. This includes the fountain and three new paddle boats. In answer to a question raised, Accounts Receivable are dues collected from homeowners (\$27,000). The Board of Directors made a policy that properties that have a balance due that exceeds \$1,500 be turned over to collections. There are two in that category, but the owners are making an honest effort to bring their account up to date. The association does charge 1-1/2% on

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overdue accounts and has collected \$2,500 in interest year to date. The Board doesn't feel that there is a delinquency problem. This is a small variation from last year. In answer to questions raised from the floor - there is no lawn maintenance contract. All are hourly employees of the HOA. There is a yearly contract of camera maintenance (\$1,100) which includes installation of audio for gatehouse/facility communication. The Board of Directors are empowered to make decisions on special purchases and does not require a vote of the entire community. The paddle boats cost \$1,200 each, and the fountain was \$5,500 plus electrical costs. It is felt that the fountain helps with oxygen concerns in the front pond and the system was highly recommended. There is a concern that the water is still green.

Introduction of the committee members was made. The Environmental Control Committee (ECC), represented by Lee Williams, assesses improvements to homes and properties and requires written approval. Damages to properties by grounds crew are reduced considerably when the ECC guidelines are followed. The ECC holds annual reviews and does contact a number of owners who need to make corrections. Mr. Williams stated that maintenance of the home is increasing in importance, given the fact that they are getting older. The Board does reserve the right to make corrections and will pass the cost of such improvements to the owner in violation. The Board has not had to use legal recourse. The ECC is appointed by the Board of Directors. Their decision is final. The ECC will attempt to keep mailings of violation notices timely. In response to questions, Resort Homes will assist the elderly (and whoever) who request maintenance. There are also several power washing companies that are local.

The Entertainment Committee was represented by Kim Nechay. She stated that volunteerism is imperative. The bull roast had to be canceled because there was no chairperson. The parade was wonderful. Bingo has had a positive response. She requested that anyone interested in volunteering come to the office to sign up. In response to a question from the floor, Troy Purnell stated that Frontier Town shuttles are prohibited from entering Assateague Pointe for insurance liability reasons. The cancellation of the boat cruise was debated. There was a lack of participation and an increase in the boat fee. The Board announced an attempt to keep the cruise on, and the possibly of the HOA entertainment funds being used to picking up the difference in cost. It was requested from the floor that the marquis bear earlier notices of events.

Mrs. Floss Mackin spoke on behalf of the Beautification Committee. Quite a few trees were planted in the Fall at the Boat Storage Lot and other common areas. Flower boxes were also constructed. Comments and suggestions are welcome. The Beautification Committee received applause from the floor.

The Pools & Building Committee was represented by Mr. George Fauth. He recognized other members of that committee. He stated that the interiors of the clubhouse and recreation center were painted this year. He also referenced a 40 page regulation mandating that a certified lifeguard be on duty for all open pool hours. This means no more "No lifeguard on duty" signs. A spokesperson for American Pool Management stepped forward to discuss the filter systems. The association had solicited several bids before awarding the contract to this company. There was further discussion over pool hours, with comments arising from the floor for later daily hours. Mr. Trent, the owner of Lot 131 motioned to "make the clubhouse pool hours - seven days a week from 10 a.m. to 8 p.m. for the July and August". This motion was seconded by Flo Courlin of lot 517. Mr. Fauth stated that it would cost the association another \$1,000 for the season to open the pool the requested two additional hours (the pool is now open from 12 to 8 p.m.). Mr. Fauth also announced that this action was not an attempt to amend the bylaws, but

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was simply a minor adjustment to pool hours. A vote was taken. Eighteen owners were in favor of extending the hours. A clear majority favored to leave it as it stands. The motion failed. Mr. Fauth stated that if use indicates, hours will be looked at further. A concern was raised from the floor that pool hours be posted better. A sign-up sheet will be posted with extended hours cost information for those wishing to see pool hours extended. Weather permitting, a pool will stay open past Labor Day.

The Budget Review Committee had no review prepared. They receive monthly statements. Any good standing homeowner can review the statements at any time with proper notice given to the office. There was no Shoreline Committee Report. The President stated that studies are being conducted to improve the quality of the bays.

The Neighborhood Watch program was represented by Mr. Vince Miller of Lot 374. Volunteers are needed for this program. The purpose of the program is to make the community quieter and safer, and mainly to protect each owner's property. This program provides only eyes and ears for the police departments. All matters are handled through the Worcester County Sheriff's Department and the Maryland State Police. There is a need for Friday night patrol until 12:30. The curfew is midnight because of the late night swim. Every other night the curfew is 11:00 p.m. except Saturday night, which is midnight. The police cannot enforce this curfew. Parents were urged to have knowledge of their kid's whereabouts. It was reiterated that the gate staff are only Courtesy Personnel and do not act as Security Guards. The gate staff fills out a detailed report from each shift. They are present mainly to deter misconduct. It was stated that the audio investment has already paid off in that it prevented a teen from breaking into the pool table change box. It was requested that all homeowners help out with bringing problems to the attention of the gate staff.

The President stated that he would not be running for the Board next year. In summary, the members are volunteers. They work to protect, preserve and enhance the property of Assateague Pointe. They abide by Federal, State and local governments, as well as the association's Articles of Incorporation. They oversee a \$450,000 yearly budget. This is a pivotal year, as more control is being turned over to the homeowners from the developers. Each nominee spoke on their own behalf (with the exception of Tony Russo, who was not present). The comment was raised from the floor that there are so many qualified candidates. The President stated that in the future, there is the possibility of increasing the number of Board members from five to seven. A rotating system may also be instituted where each term does not have to "clean house" but can use a rotating system to give members more than one year term. The President explained that the newly elected board decides who fills the positions of President, Vice-President, etc.

Concern was raised over owners throwing trash on top of the dumpster. Troy Purnell spoke on the topic of Property Management. Bids were submitted and Resort Homes won the contract. He hopes to continue to operate as before contract with Resort Homes as before. Mr. Purnell anticipates the sale of the twenty developer-owned lots by January of 1998. The following miscellaneous statements are responses to questions and concerns from the audience. The office personnel are employed by Resort Homes. The gate staff are on the HOA payroll. Mr. Purnell stated that he has an open door policy, and homeowners are encouraged to voice their complaints to him in person. Abusers of clubhouse furniture should be addressed immediately. Resort Homes or any Realtor can take a listing and sell property, but no signs are to be posted on the lots. There is a resale bulletin board in the clubhouse for such postings. The boat storage lot is available on a first come - first serve policy. It was reiterated by the President that no boats are to

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remain on owner lots for more than 48 hours. The current Board is prepared to expand the boat storage lot, and the new Board may put this into effect.

Mr. Fauth reviewed the last page of the handout, which addresses the installation of satellite dishes and antennas.

Lee Williams received a plaque and an applause for his hard work and years of dedication to the community.

In further open discussion, the following topics were discussed: Golf carts may not be operated by persons under the age of 16. Resort Homes has a perpetual easement as long as they are actively involved in sales and installation of homes, they have the right to use the land. The sales center and maintenance shed belong to Resort Homes. They may take the buildings, and must grade and re-seed the property. The homeowners association may sell that property. There is a one time fee per year for communications maintenance. The camera system is effective in addressing certain problems. The Berlin Fire Company asked for an installation of a dry hydrant. The approval was granted in August of 1996, but the materials weren't delivered until approximately 30 days ago. Services are in limbo, depending on the actions of the Berlin Volunteer Fire Company. It is a county law that Assateague Pointe's residents may occupy their homes 180 days out of the year. Assateague Pointe has campground subdivision zoning, but the deed restrictions prohibit motor homes and travel trailers. It is a violation of County law to have a motor home or travel trailer on the lot, since that would constitute two living units on one lot.

The meeting was adjourned at approximately 11:40 a.m.

After the meeting, the votes were counted for the new HOA Board members. The results were as follows: George Fauth, Ruby Harbaugh, Floss Mackin, Joe McGee and Troy Purnell.