

Annual Assateague Pointe Home Owners' Meeting Minutes
Saturday July 19, 2003
Worcester Preparatory School Library

Para 1. President Joe McGee called the meeting to order at approximately 9AM and introduced the Board Members (all of whom were present); Wendy Anspacher, Recording Secretary; and, our attorney Ray Coates, Esq.

Ray Coates then indicated that the HOA is in accord with Maryland's Homeowner's Association Act which stipulates 4 things:

Board must report on activities of the past year.

Must elect new members to fill vacancies

Anyone can make a comment about Assateague Pointe, and,

The Board is governed by three legal documents:

Articles of Incorporation. 3/4 vote of all lot owners needed to amend.

Restrictive Covenants. 2/3 vote of all lot owners needed to amend

By-Laws. May be amended by quorum of lot owners present and proxies. This is the only motion that residents can make at today's meeting

Residents may ask the Board to consider and advertise other changes that require 3/4 or 2/3 residents voting, e.g. perhaps through a petition.

George Fauth led a round of applause in appreciation for the volunteer service of our Board members and their spouses and then gave the Invocation.

Para 2. The Good News was reviewed with additional notes that: We and Frontier Town have agreed to split the cost of improving/extending the fence between here and there; we plan to add another fountain each year to help circulate the water in another pond and add beauty; and, home owners are encouraged to help protect our comon property, e.g. when we see individuals abusing things at the Rec Center, Clubhouse and elsewhere.

Para 3. Handouts: Were distributed as stated in the Agenda.

Para 4. Vince Miller moved and Elaine Davidson seconded that the minutes from the last Annual meeting be approved without reading and as presented in the handouts.

Para 5. Treasurer's Report: Troy Purnell reported that: Most residents are paying their dues on time with only \$5K in arrears out of a \$600K budget. The auditors report for 2002 is provided in the handouts. There was an omission in the "2003 Budget & Mandatory Fees" even though the totals are the same - a replacement page is available. Only \$5K due in for special assessment for paving Assateague Way which cost \$89,933. Collected \$78,300 and set aside \$13,600 from Reserve account. \$5,445 behind in income; Admin expense \$717 to the good, Utilities \$7,089.26 under budget, Maint' expense \$3,647 over budget, and amenities is \$6,829 under budget. \$10K is placed in the Reserve account every year. See schedule of estimated expenditures in handouts. Add re-plastering Rec Center pool, perhaps advancing the planned

2005 expenditure. Getting bids on doing both pools, perhaps advancing re-plastering Clubhouse pool to summer 2004 instead of 2012. You can see the other projected Capital Improvements on the schedule, e.g. roofs, pier, electric renovations.

Para 6. Property Manger's Report: Joe McGee earlier covered much of what has been done. Homeowners' need to encourage everyone to place their trash INSIDE a dumpster rather than on top of or beside a full one. Any property improvements must be processed through the ECC procedure, even changing the color of ones' steps. A new law requires that a Worcester Co. permit be obtained for any at grade improvements and/or construction for most of Assateague Pointe, although we are still learning details of precisely how the statute is being interpreted and enforced. A permit will be required for new steps, new courtyard, but we aren't sure about re-roofing. We believe the contractor(s) will take care of any required permits. With respect to the power outage on July 4th, Choptank Electric provides power to 5 Stations in Assateague Pointe. The HOA is responsible for getting that power to the homeowner's meter. The homeowner is responsible for everything past the meter into their house. The meters are read quarterly and homeowners are billed quarterly. There are two electric meters, the kilowatt meter and the Demand meter which helps allocate power to various grids. If you have an electric problem, call the office or Courtesy Personnel and give them your name, lot number and nature of problem. The problems over the July 4th weekend affected all of Berlin, South Pointe and Ocean City. There was nothing we could have done to restore power quicker than it was. Remember to note on your ballot which of the 3 choices you want for budget surplus, e.g. apply funds to Operating Budget (the normal choice); Reserve Budget or Refund. Also suggest that the Board include in their budget plans to increase the HOA dues to keep up with the Consumer Price Index. "Landings" the community next door is planning 465 units starting soon. If you have suggestions or comments/complaints, e-mail them to us via the WWWeb and we will respond.

Joe McGee added : We paved asphalt on community property in driveways on Assateague Way, up to the Homeowners' property line. Electrical problems by our pier were temporarily fixed by installing a higher, 30 amp fuse. If that works, we will cut over and fix the transformer at the end of this season. 432 homes were occupied July 4th, a peak record. Some of these homes need attention, e.g. for roof vents, etc. The current Board of Directors has been the most active this year.

Para 7. Committee Reports: Activities: Joe reported Bull Roast, 4th of July Picnic, Shrimp Feast, Pig Roast/Luau on target. No Easter Egg hunt this year, but have volunteer family to lead it next year. Always looking for leaders to chair these community events. Bingo Chairman got burned out doing it every Saturday, so now, we are doing that only when we can. Because this a family activity which many enjoy, we are looking for willing and able volunteers to share this important activity. We are also open to ideas, e.g. like past activities Cruise, fishing trip, etc. Maintenance: Carl Thompson reported we had a good year. Thanks to helpers on Work Day. Painted/Sealer on pier posts. Cleaned & reorganized storage shed, putting some contents into labeled containers. Weeds removed along Assateague Way. More volunteers needed. Water pipes in Chemical storage areas at pool froze and burst. They need attention. Chemical rooms need to be cleaned. Landscape ties need to be replaced at Clubhouse. Rain gutters need attention too.

More trash containers are also needed. Thanks to Assistant Chairman, Ray Howard for his help. Request residents to plan to devote a couple hours to help their/our community.

Beautification: Floss Mackin reported: Thanks to Carl Thompson, the other member of this committee for his efforts, trimming trees, general maintenance, etc. Weeds need attention. More volunteer help is needed. If you are near plants/trees, give them a drink. Asked Board to replace 15 trees near storage area. Board approved a planter box by the marquee. Berm is a constant problem. If we mow it, erosion may occur. If you are able to help this committee, let Wendy know. Environmental Control Committee: Floss Mackin, Chair, reported this committee which started May 23rd consists of: herself, Rob Tresselt, Bill Lefevre, Al Taylor and Nancy Howard. Prior to May 23rd, the Board Members also served as the ECC Committee. Any complaints, let them know. The Board was asked to approve the "Fines Rules and Regulations" which is a 2 1/2 page document handed out at the meeting. George Fauth, Lot 319, asked if the complainant can be the property manager inasmuch as property owners may want to avoid possible retaliation. The answer was yes. Coen Peters, Lot 324 asked if the complainant should remain anonymous. Ray Coates said the complainant must at least be willing to be a witness at the hearing. It was asked if the Fines, Rules and Regulations were retroactive; and, Ray Coates said they were Prospective, immediately upon approval. All new complaints would have the A-E information identified in the new Fines document. Mr. Peters also had some concern about landscaping ties. Troy Purnell added that the purpose of the new Fines document was to deal with "Habitual Offenders." Vince Castelli added that the Homeowner, not the tenant, is ultimately responsible for violations/fines. Francis Troilo, Lot 349 suggested Board provide an updated list of ECC Guidelines before levying fines. Someone mentioned if homeowners have installed landscaping timbers to protect skirt and skirt is damaged, the HOA will replace damaged skirting. Otherwise, the homeowner is responsible. Anthony Lapinski, Lot 408 asked why must a home owner who cuts their own lawn be required to install landscape timbers. They are not. Donna King, Lot 268, asked Fines are part of what? Suppose I want to paint my steps. The response was Section 9.6 of the Restrictive Covenants, Fines and Penalties. Troy added the ECC Committee is not a Gestapo. Not trying to hold people up. Paint same color, OK. Ray Coates pointed out that the By-Laws do not cover Restrictive Covenants or Guidelines.

Don VonRestorff, #227 said Fines were a great idea, but he was confused about ECC approval needed for his newly installed roof, because he replace in kind. Don't want Worcester Co. coming looking for a permit. After much discussion, the Board approved the new Fines, Rule and Regulations. Floss continued, the walk throughs/ECC inspections have been completed and notices were sent out July 1st. If you believe you were unfairly cited, call Wendy, who will pass the info along to the Committee. After 30 days, if the infraction is not corrected, a formal complaint will be made. That can be appealed to the Board of Directors. The ECC inspections looked for: weeds in driveway, holes in skirting, 911 house numbers missing or not visible to emergency responders, trees & shrubs need attention/water, gas tanks need painting/you all Sharp (Sharp has been contacted and will come out and evaluate needs.), clothesline left open, house and/or shed needs power washing, shrubs need attention, steps need painting, excessive landscaping (lawns will be weed wacked if mowers can't get in), shingles missing from roofs, rusting roof vents, dogs running at large and/or not using dog walk areas, boats in driveway over 48 hour limit, unauthorized drivers of golf carts, renting property without a written lease agreement, golf cart without required lot numbers, etc. Hopefully we have not offended anyone but want to maintain the beauty and value of our homes and community.

Welcoming Committee: George Fauth reported that 17 houses have changed ownership since January. He and his wife Pauline have visited and welcomed 11 of the families and have been in contact with the rest. He asked new residents to stand and be recognized and welcomed.

Para 8. Old Business: Joe McGee reported French drains have been installed behind many homes. Tell Wendy about any standing water problems. Courtesy personnel are trying to minimize/eliminate abuse of entrance gate cards/remotes by activating Cut-Off switch. This inconveniences residents. ALL VISITORS, GUESTS, RENTERS, except immediate family MUST REGISTER! Homeowners are encouraged NOT to loan gate cards/remotes to others. Courtesy personnel mark occupied homes on maps each evening so if homeowners have a problem when they arrive, they can see if their place was occupied. Pet owners must keep pets on leash, use dog walk areas and pick up droppings. Homes need to be kept neat. Troy said if there are erosion control problems, tell Wendy and they will schedule fixes in the fall and spring so digging won't adversely affect vacationers' time. Troy noted that fertilizing and over-watering of lawns causes excess runoff in ponds, causes grass to grow so fast that mowers make a mess. Joe asked residents to discuss individual problems with Wendy, Troy, Joe or other Board members rather than waiting for Annual meeting.

Para 9. New Business: New Carpet for the Rec Center, re-facing of the pools, fountain for phase III, Fence between here and Frontier town, dead trees to be removed/replaced on East side of boat storage area, and introduced CANDIDATES FOR THE BOARD. Each of the candidates spoke briefly. (Also see bio sketch of each candidate on the last page of the handout packet.) Joe asked if there were any nominations from the floor. There being none, nominations were closed.

Para 10: Open Discussion from Residents: George Fauth, Lot 319 reported of hearing reports the some residents want to get rid of Troy Purnell as property manager and/or member of the Board, George, 10 year resident, 4 years on Board, 2 of them as President of HOA, believes it is important to re-elect Troy Purnell as a member of the Board because: (1) He is a full-time resident of Berlin and knows the local, County and State rules and power-players that impact on our community; (2) He helped develop Assateague Pointe, owns property here, and knows the ins-and-outs of this unique community better than anyone else; (3) While he is also property manager and wears other hats, being a member of the Board provides important knowledge & expertise to the other Board members at Board meetings, and enables them to stay in immediate and recurring contact on important matters; and, (4) While some believe we should consider other Property Managers, I did that a couple of years ago. I developed the spec's for and solicited bids from about 10 Professional Property Managers. Five responded - all were within a couple thousand dollars, but most lived way up on Coastal Highway and knew little or nothing about this unique community called Assateague Pointe. The bottom line is, I encourage you to vote for and re-elect Troy Purnell. Muriel Snyder, lot 367 was pleased at how helpful the office and Chuck Davis were when she added a room. Joe said she must complete an ECC form; she misses Saturday night bingos; golf carts should have lot numbers on back of cart; paddle boats should have a time limit on use; thanks to Wendy for colorful and informative Newsletter. Barry Hart, Lot 210 noted Lot of water from Boat Lake and Berm undercutting road entrance to dumpster area. Board will look at ways to fix. Elaine Galeone, Lot 447 noted that the \$50K line of credit last year for cash-flow problems had not been paid in 2002. At the June 2003 Board Meeting the

Board approved another \$45K line of credit. Therefore, we started 2003 with \$50K in the hole. How can this happen? Why wasn't it paid in 2002? Troy responded that the \$50K line of credit was repaid in Feb/March 2003. Elaine then questioned why 2003 funds were used to repay a 2002 debt? Troy explained that the HOA uses line of credit to accommodate cash flow needs, especially during July, August & Sept, while waiting for the 3rd quarter HOA dues to come in. The HOA could use a special \$100 assessment instead. Moreover, the papers show that the \$50K was paid! Elaine countered that the 2nd Qtr. Ledger showed an \$18K loan from Troy to the HOA and asked Ray Coates if the Board could approve such loans? Elaine earlier asked Vince Castelli if he knew about the loan and he said he had no knowledge of it. Please explain that. Troy responded that there was a need to pay an electric bill, no Board meeting was scheduled soon so he paid the bill by loaning the money to the HOA out of his own money. This could be avoided if the HOA billed homeowners monthly instead of quarterly. Then Elaine said she wanted to amend [Article IX] Section 3. Conflict of Interest, of the By-Laws. Elaine made a motion that No person employed by the HOA or any business or employees under contract with the HOA shall serve on the Board of Directors. Ray Coates observed that as long as the possible conflict is "disclosed," then the existing relationships are fine. Joe McGee added that whenever the Board discussed pay, etc. for HOA employees, which it typically does at length, Troy recuses himself. Francis Triolo, Lot 349 seconded the motion. After some discussion, it was decided that the required quorum may be present, and despite the fact that some had already voted and placed their ballots in the box, the remaining owners would write on the bottom of their ballot either FOR the motion or AGAINST the motion. Cathy Ortel, Lot 338 asked Elaine if she had a problem with the books? Elaine said she did, especially that the HOA charged her to look at the HOA records. Elaine said she has paid \$140. already. Ray Coates said the HOA may recover the cost of retrieving and copying such information. Elaine added that one of the community's fountains was getting electricity from Troy's home and that he was back charging the HOA. Joe McGee noted that he was not aware that Troy's dad was part owner of the contractor the Board selected to repave Assateague Way; and, Troy recused himself from that selection process. Troy spoke in his own defense and said he couldn't understand why Elaine was waging this continuing "vendetta" against him. Cathy asked Elaine if she has submitted any questions in writing to our accountant? Elaine said she has submitted certified letters to the Board but it has been taking 15 days to get answers. Joe McGee responded that answers do not take 15 days. Susan Hart, Lot 210 said we must depersonalize the discussion. The by-laws have covered Conflict of Interest. Our Board members have earned the trust and respect of the home owners. We do not elect members recklessly. Rosemary Patricelli, Lot 321 said residents have the right to call for an independent audit. Where are the monies going? \$18K loan? There seems to be some serious financial issues. We shouldn't act precipitously. Further investigation should be conducted with the results being sent to the homeowners. It was noted that the books had been audited and the results were in the package that was handed out with the Agenda. Joe said we could get a new auditor. Troy noted we can have a 3rd party auditor but we do have John Comegys, our in-house accountant who has done well taking care of the HOA finances for many years. Jackie Davis, Lot 12 said she was on Troy's side. He has not hurt Assateague Pointe. David Lewis Lot 458 noted that the amended by-laws would mean that not only Troy would be ineligible but so would Vince Miller. Bill Daywalt Lot 271 said he sent a letter requesting that the pools remain open 2 extra hours during July & August. Also, he's been here 12 years and the Rec Center pool is the dirtiest he has ever seen it. Girl was writing her name in the dirt. There were 2 life guards, one

was listening to the radio, the other reading a book. Neither guarding. Also, pool painters left blue paint on Assateague Way. Troy said Ed Bruno will put sealer on that area. Joe McGee added that the pool company shows up between 6 and 7AM to clean and vacuum both pools. The life guards in question have been let go. Joe continues to pursue the pool issues with Troy and John Jarvis, owner of the pool company. Ms. King, Lot 268 Asked why the pool wasn't open on a weekday the week after Father's day? It could have been raining, thunder and/or lightening or too cold? Joe used to close the pool if it was too cold. Now he instructs lifeguards to keep the pool open until the scheduled closing time, except when it is storming. Ms. King asked about the transformer by the pier. How many people are served? Metering is her business. Why is the HOA in the electric business? Troy responded to save money. Ms. King responded that 11 cents per kwh is too much. Who is profiting? Troy responded that the extra cost covers the electric for the common areas. She also noted that the underground cables may ultimately fault and have to be replaced. Joe McGee reiterated that we are not in the electric business to make money. Assateague Pointe is zoned as a campground and the power companies provide power to our transformers. Rosemary Patricelli, Lot 321 asked how will the people who haven't paid their paving assessment be billed. Troy said the bill will be included on their quarterly billing. She also asked who was responsible for upkeep in the boat storage area? Troy said the grounds crew. They used pellitized Prental? that didn't work well so they are going to go back to Round-Up. Troy added that Carl Thompson's list falls into grounds keepers responsibility. We appreciate it if Carl and Ray Howard can do it and save money. If they can't, the grounds crew will do those things. With respect to erosion control, they try to do something every year, e.g. put piping and/or stones in. John Hale, Lot 17 reported that birds are nesting in the structure over the BBQ grill at the clubhouse, This is more noticeable now that the parking lot has been paved. Can chicken wire or something be put in to prevent nesting birds? We'll pass that on to Carl.

Joe McGee apologized for overlooking the Boat Storage Committee report back under para 7. Belatedly, Darlene Hale, Chair reported that they went through the storage area and gave a list to Wendy. The list noted: 13 empty spaces and 39 slips had items with no stickers on them. Each item must have a sticker They plan to "tag" violations and charge \$100. or more if a boat or vehicle has to be moved. Last year they added lights in the area. This year they added more stones. They plan to replace 22 cinder blocks with numbers on them. Paul Davis, Lot 12 asked if it was a mistake to black top individual driveways? Joe said we discussed this yesterday and if a resident paves their own driveway, the HOA will pave to the road. Paul asked if a permit would be needed? Joe and Troy believe the answer is yes, but contractor will worry about that. Wendy has the name and phone number for asphalt contractors, e.g. Diamond Paving.

Joe McGee thanked everyone for attending and the names of three vote-counters were drawn from the box: Elaine Galeone, Lot 447, Philip Villanueva, Lot 186 and Beverly Oden, Lot 460. Joe McGee, Vince Castelli and Wendy Anspacher will oversee the vote counting process.

The meeting adjourned sometime between 1130 and noon.?

Respectfully submitted. /s/ George Fauth, Lot #319