

Assateague Pointe Homeowners' Association, Inc.
Minutes from the Board Meeting, Saturday June 19, 2004

Call to Order and Welcome: Vince Castelli, Vice President, called the meeting to order at 9:04am. Joe McGee, President, was absent, at home, convalescing from surgery. Troy Purnell, Treasurer & Property Manager; Vince Miller, Member-at-Large; and, Elaine Davidson, Secretary were also in attendance. George Fauth, temporary Recording Secretary took the minutes and recorded the conversations.

Troy Purnell made a motion that the Board adopt "Member's Code of Conduct for Association Meetings" from the "Community Association Management Insider", June 2004 issue, "Run Meetings More Efficiently by Setting Members' Code of Conduct." Vince Castelli seconded the motion and the Board approved unanimously. Inasmuch as there were only 60 copies of the rules available, Troy read them into the record for all to hear. "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. 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." Let's be nice, follow the rules, get the meeting done and everyone will have a chance to be heard. Elaine Davidson asked if we need to set a time limit and the consensus was to be flexible.

Treasurer's Report: Troy reported as of May 31, 2004: The majority (about 97%) of the Special \$200. Assessment has been received with \$80K being deposited in a "Special Assessments Account" at Taylor Bank and \$20K used for Cash Flow, e.g. to accommodate the up front cost of the Pool contract. Troy noted that it was not fair to require the contract be paid in full by 1 August, so the Contractor will forego last payments until the pools close after Labor Day and have been inspected by Troy. With respect to expenses: Admin' is \$2,322 under budget; Maint' is \$6,299 under budget, Utilities \$510 under budget, and Amenities are \$9,772 under budget because the lifeguards had not been paid \$10,250 yet. Overall, we were \$18,904 under budget as of 31 March. Vince Castelli moved, Vince Miller seconded and the Board unanimously approved the Treasurer's Report.

Old Business: Pools - Baby Pool: The Baby Pool at the Clubhouse needs repairs to 2 skimmers that are cracked. Pool guy will check and let Troy know what needs to be fixed and the Board will decide on what can be fixed now and what must remain till after this season. For example we must dig up some concrete to see where the water has been leaking out. All else is up and running. The Lifeguards are terrific. "One elderly gentleman about 38 is especially nice." ☺ Troy apologized that pools weren't ready on time. We even let the contractors stay in our houses to expedite the process but we still only had one pool open by midday on Memorial day weekend.

New Business: Vince Castelli asked Troy to Explain the **status of the Sales Office**. Troy, admitted there were lots of questions. He responded that as long as the Developer, Resort Homes and Assateague Pointe, Inc. are involved in sales and re-sales in the community, they have a right to stay on site. The deed says so. Troy does not need a lease; however if the Board wants one, our Attorney Ray Coates will not develop it to avoid conflict of interest. Joe McGee has been checking with other attorneys, e.g. in Annapolis. Troy said his property management contract would run out in Feb 2006, and he will be on the Board until July 2005. Vince Castelli said we'll take the lease off the table. Troy noted that Assateague Pointe, Inc. the original developer turned things over to Assateague Pointe, HOA, Inc. to manage the affairs of the community. He also noted that there is a "right of reversion," that in the event that Worcester Co. hooks Assateague Pointe up to another wastewater system via possibly 611, the land reverts back to the original developer. Vince Miler asked about easement to spray fields, etc. if that happens. Troy said Assateague Way is owned by Assateague Pointe, Inc. and Assateague Pointe HOA, Inc has use of the Road.

ECC Update: Bill LeFevre, Lot #20, Temporary Chairman of the Environmental Controls Committee r (ECC) reported that Floss Mackin, Chair moved out of the community and there were only 2 of the 5 remaining, him and Al Taylor. There are currently 3 vacancies. Despite that, they completed their

inspections. 95% of the properties are well above standards. Several need professional attention from the Board to bring them up to standards. Not sure of the status but believe letters have been mailed. Al and Bill will give people ample time to fix any problems, then they will re-inspect and report to the Board to cite any continued violators. The ECC Committee needs several more volunteers to review applications, etc. Sorry to report that some residents are not following the guidelines, consequently we've lost some control. We are studying several issues: 1. Metal awnings versus canvass; and 2. Tents/Gazebos in courtyards. Not sure if they fall within the guidelines. Guidelines say "No Tents," but gazebos are not "tents." Considering recommendations, e.g. canvas on gazebos be removed when homeowner is gone and they not be anchored to concrete. One homeowner has 2 in their courtyard. Issue needs to be resolved. 95% of awnings are canvass, roll up type. There are 2 separate sections in the Guidelines which are not completely consistent. The real issue is metal vs canvass. There are 8-10 metal awnings over side doors in the community and I can't find any approvals. Are we going to allow grand-fathering those in? We may recommend allowing them over the doorway? We are holding up a request for a 4' x 6' aluminum awning, pending clarification of the issues/concerns. Standard porches are 4' x 5'. Should we restrict size? What if double doors? Complete deck? These issues need to be resolved. Everyone thanked Bill for filling in as Chair and doing his good work. Until the vacancies are filled, approval of applications will take longer. It takes 3 signatures and the ECC must approve, NOT the Board. Residents dissatisfied with the ECC decision can appeal to the Board. After the meeting Bill received interest in filling the vacancies from the following people: Gerald Phillips, Lot 450; Joyce Hudson, Lot 184; Cathy Ortel, Lot 338; Bill Landano, Lot 228, John & Angela Bonomo, Lot 54; and Mike Hendrickson, Lot 143. **Bill asked: "Please send a letter from the Board thanking individuals and advise them that he as chairman will be contacting them individually once selection has been made."** Two other issues are under review: #1: **GOLF CARTS**, being driven by children. While this is private property, how long will it be before there is a serious accident? If you see children driving, stop them and follow them to their home. If we don't enforce the rules, we may be liable for consequences, i.e. co-defendant in libel suit? The next step would be to outlaw golf carts and we don't want to do that. #2. **Citations** We're drafting a multi-part ticket e.g. for most flagrant violations to home appearance and golf carts, etc. Vince Castelli asked Bill to also check on motorized scooters which are not allowed in the development.

CAMERAS & GATE SYSTEM: Troy reported that our existing system is about 14-15 years old. Two years ago we received a lot of information showing significant technological advances and more affordable prices, e.g. for digital technology. It's been about 4 years since we replaced the gate cards. Past homeowners are continuing to use extra cards to come in, alone or with friends and neighbors. The Board needs to look into replacement systems and budget accordingly. This dovetails into an expanded camera system. Broadband connections are much clearer than what we have. Also, we won't have to rotate video tapes as we're doing now. While we won't be able to stop all theft and vandalism, we might reduce the frequency and catch perpetrators, e.g. with infra-red cameras, etc. At the lake? Basketball court? Storage area? Vince Castelli said, when you have enough info and feel ready, let us know and we will schedule presentations. Any homeowners who have expertise in these areas should let us know. Vince Miler noted that our entrance gate was open for 3 days because we couldn't get it to work.

Protocol for questions and comments to board: Troy reported that in the last 2 weeks he received over 270 e-mails. If you have questions or comments, state them and we will answer. All are currently directed to Troy. Many of these could be handled by the front desk. Some questions the Board must address. There are no dumb questions! If you copy your questions to many, let our answer go back to the same addresses. All questions can be answered and responded to. The time and place to discuss these is at the Board meetings.

Absentee Ballots: . One of the biggest questions is on Absentee Ballots. Vince Castelli spoke with our lawyer and because a new system would take too much time, we can't do that this year. We must stick with the proxy system we have - the one that's worked well for over 10 years. Problem with secret proxy ballots is who gets them and which ones go in the trash? Troy noted that Ocean Pines is the only community in the area that uses absentee ballots and that's because there are about 11,000 members. The board is willing to discuss any proposal that is thought through, however a "Written Proposal " helps to determine what is to be considered. To adopt a system like they have at Ocean Pines would require a lot more work than the system we now have. We can't react to something that is not written.

Owners' Questions and comments: Vince Castelli moved to close the Board meeting and invite/address owners' questions and comments. Motion seconded and approved. Residents were reminded of the need to be recognized by the chair, come forward and give their name and lot number before speaking. Bob Mackintosh, identified himself as an attorney who was asked to speak on behalf of the "Ad Hoc

Committee," one who was not emotionally involved. He began noting that Troy Purnell was unlike most developers who build and leave, leaving the homeowners on their own. APPLAUSE! Troy as Developer wears many hats, Resort Homes, Property Manager, Board Member, Treasurer, which can cause the perception of conflict of interest. Lawyers must avoid any perceptions of conflict of interest or improprieties. I'm not saying that Troy has done anything wrong, but because he wears many hats, many misperceptions exist. The Ad Hoc Group asked Bob to ask Troy several questions. 1. About the electric grid, are meters read quarterly and electric charged at 11 cents per Kwh? Troy responded that Choptank Electric is our supplier. They have 8 different meters in the community. Two meters at each location: kilowatt units used + demand meter to measure total cost, e.g. on 4th of July when everyone turns on a/c. There are 2 charges on each bill based on the meter reading on your home. The rate is based on the last 3 months, taking the demand charge and the kilowatt charge divided by total kilowatt hours used. Homeowners are billed at that rate. Included in that is all common lighting but in a separate bill. Bob: Any difference between what Choptank bills and what you bill homeowners? None. Bob, are sales office and warehouse billed separately? Troy: yes. Bob: For Board: What can the Board do for HOA to keep expenses down so there are not regular increases in dues? Vince Castelli: 2 Assessments one to repave Assateague Way and the other to eliminate the need for a Line of Credit. Board tries not to raise dues but everything goes up in price. Troy is honest and brings best estimates to the budget meetings on what we need to keep abreast of inflation. If we don't increase dues when needed, the option is to do a special assessment for every overrun. Bob: Related question regards Grounds Maintenance: Have you considered a landscape company as a way to save money? Vince Miller: Those companies only landscape. Our grounds crew scrub chairs, maintain own equipment saving us on repair bills. Vince Castelli. We got a bid just for grass and it was much higher. Our people paint, power wash pier, decks, etc. etc. Can't believe we can find better. Bob: You've answered my question. I don't want to appear critical. Troy: Level of Service since day 1 has been very good. As business owner, there is no better way. Outside landscapers mow, blow and go. We need guys to paint clubhouse, etc. with no markup, no surcharge that we'd pay with outside contractors. Vince Castelli: Please explain this to the people who asked you to represent them. Bob: There was a lease proposal for Resort Homes for having a trailer for 10 years with two ten year renewals. That proposal caused more concerns than anything because you wear so many hats. Just doesn't look right. Troy: I believe I have the right to remain there as long as I choose. I don't need a lease. If the Board so chooses to argue with that they need to hire an outside attorney to argue with that. Bob: Next issue: How does the Board go about bidding contracts for outside services? Vince Castelli: For example, Assateague Way, Troy brought 3 or 4 estimates with spec's and costs. Speakers made presentations. Board members reviewed all info and picked the one who in our judgement would do the best job. The selected contractor could remove water on parking lots and meet other specs. With respect to pools, two bidders, two presentations, we reviewed the information and picked the one we have now. Troy: We get bids on all projects. For example, for Assateague Way, we invited contractors to give suggestions. We came up with two options: 1. Tar & chip at lower cost, with less lifetime and 2. Asphalt, more expensive, longer lasting. We asked homeowners and they chose Asphalt. We decided on thickness with 1 1/2 overlay and solicited bids. One bid was from my Father's company and I removed myself from bidding. American paving was selected.

Bob: Bids come in sealed? Vince Castelli: Contractor brings their own bid in when they come to make a presentation. Troy, did the same way with the pools. Bob: Special Assessment, 95% in, 522 homes x 200 = \$104,400. Is the Line of Credit still open? Troy: Yes. Bob: Balance? Troy: Zero. Troy; used Special Assessment primarily for cash flow for electricity. Put \$80K in bank and kept \$20K for cash flow. Bob: No need to use LOC? Troy: No. Bob: Keep communications lines open to kill rumor mill, innuendoes, etc. Use e-mail, recognizing that some people don't have computers. Bob: Guess large number of questions are repetitive. Troy: Yes. Bob: Use the Newsletter: Here are questions from many and here is our response. Keep homeowners happy. Troy and Vince Castelli agree. Troy: We hold 3 Board meetings and one Annual HOA meeting each year. That's where questions and answers should occur. Unfortunately attendance at the Board meetings is usually poor. (Unlike the 118 that signed in for this meeting because of the controversy.) Bob: Budget: Could there be more detail or line items to explain "excess elec, big dollar items, what's this about, etc. Perhaps include footnotes that explain, especially on unusual line items. Maybe each line item on budget could have footnotes, e.g. what is Admin, etc. Troy: with respect to "excess elec" in the past everyone got 300kwh free, but were then charge for the "excess" over 300 kwh. We changed that, eliminating the "freebies, so we should eliminate the word "excess" and remove the ambiguity.

At this point we decided we really needed a microphone so the people in the back of the room could

hear what was going on. Unfortunately we could not get our current system to work. Ⓢ

Bob: Who is your accountant? Troy: There are two. Our daily accountant is John Comegys who works for Purnell Properties. There is an audit done every year by Wigglesworth, Layton and Moyers. Bob: Final Question: Is there a limit on number of terms a board member can serve? Troy: No. Bob, thanks for your courteous response. Applause!

E. Corinne Bush, Lot #205: How can emergency vehicles get in? Vince Castelli: Gate attendant will let them in, some police and emergency vehicles have gate cards. Troy said they are instructed to run through the gate if necessary. Vince Miller noted that there is a cell phone number posted at the gatehouse that may be used in an emergency. Ms. Bush: I agree with discussion on golf carts but am concerned about lack of supervision at boat lake. I often wait for little children to come in with no life vest on and no one 14 years or older. We keep talking about it. I've been an owner since May 2002 and hear very heated comments challenging the honesty and veracity of the Board. Wonder if challengers aren't in conflict? Have they offered their services? Own more than one property? Jeanette Fairbanks, Lot 199. 1. Be very careful of aluminum versus canvass. Aluminum can get very tacky. 2. I agree with Bill LeFevre on golf carts. Maybe we need signs saying drivers must be licensed? 3. Bidding process. Didn't realize oral presentations and if you like it they get job. 4. Do you differentiate between owners of 1 versus several homes? No! Should there be some difference between investors and others? Troy: Bylaws say we cannot differentiate. She worries about renters. 5. Change the way you come in the gate, register, etc. Would renters have same card as we? No! Vince Castelli. Those who rent must turn in copy of their lease, but some have not done that. Bob Moore, Lot 253. Algae on Pond where we lived for 12 years has really been bad in the last 3 years. Fountain helps but... Troy: We put expensive aquacide in but it takes a while to work. We continue trying to find a solution. Mike Hendrickson, Lot 143: Own my own company and can't understand why it isn't cheaper to outsource grass cutting, service contract, etc. Vince Castelli: Our grounds crew paints, cleans, repairs, etc. etc. Mike still believes HOA could save money. Elaine Galeone, Lot 447: Followup on March 13th meeting. Attorney said Board was not bonded. Ray Coates advised that we do that. Troy: It was done in March I believe. Elaine: Can I get a copy of the paperwork? Troy: Yes. Bill Daywalt, Lot 271: We should amend the bylaws to require term limits, e.g. serve 3 off 3, etc. Vince C.: What if no one runs? Troy: The bylaws did allow 5 new people to come in each year and we amended them to provide staggered terms. Bill: That's good but still believe we should limit the terms. John Bonomo, Lot 54: New resident. Sat for one Board meeting but didn't get anything out of it. Why don't we get a vote on what contractors come in, etc. Vince Castelli: We, the Board, must decide to get work done. John: Why can't the newsletter include solicitations for bids? Troy: We normally discuss plans at meetings. That's the time to participate. John: I came to the meeting where pools were discussed and got the word to be quiet, the Board is handling it. Vince Castelli: We met with 2 pool contractors and try to treat everyone with respect. Karen Healey, Lot 147: Pedal boats are in appalling condition. Hole in the back of the boat house. Dirty life preservers on the floor. Needs to be looked at. I donated a bungee cord. Vince Castelli: Users just throw life vests on the floor. Troy: We will clean that area up. Karen: Thanks to Mike Stasulli for the Golf tournament that went well. Thanks to Linda Gladfelter for good Flea Market. Thanks to Lucille and Smitty for Easter events. Kids happy in spite of rain. Donna Dinkleacker ?, Lot 383. 1. How often are security cameras in Rec. building reviewed? There have been cases of vandalism but nothing seems to be done about it. Troy: they are reviewed by gate attendants between 5pm and 9am. Additionally, the gate attendants can see people in the rec' center and clubhouse and can tell them to get off the pool table, etc. Residents should also discipline kids when they appear to be destructive. 2. Will life guards be maintaining bathrooms to be sure they are kept clean? Troy: Lifeguards do not do that. The bathrooms are cleaned every morning and people trash them later in the day. If the majority of residents want to pay for a full time attendant, let us know. We aren't sure what to do about it. Maybe we can get the grounds crew to check it periodically? Linda Hendrickson, Lot 143: Suggest that minutes of Board meetings, budget meetings and the budget be added to the Newsletter. Troy: Most of this information is distributed at the Board meetings, available on our Web site, in the Sales Office and/or Annual HOA meeting, etc. Elliott Neal, Jr. Lot 442. If it ain't broke don't fix it. Well, it is broke! 1. Some spoke about term limits for Board managers. I think we should limit the term of our Management Company. Troy: The Management Contract is up in Feb 2006. Six months prior to that, August 2005, the contract can be reviewed and re-bid. 2. Was that a Board decision? Troy: Yes. Our prior contract could be cancelled by both parties with 90 days notice. Board felt too risky, e.g. if contractor decided in March to quit, we'd be up the creek for the summer season. So, they rewrote that portion. 3. Elliott. What happens if we're not satisfied? Troy: Contract would have to be terminated. Troy: Please write down what you think is broken and get that to me. Angela Bonomo, Lot 54: How many people by show of hands want to have a say in contracts, etc.? Many hands went up. If you have trouble getting candidates for the Board,

my husband and I will run! Troy: You want to be nominated? Angela: Yes. Troy: I nominate Angela Bonomo as a candidate. Please get a bio sketch to Vince Castelli ASAP so he can add you to the ballot. Tom Cramblitt, Lot 49: I've been here 3 years and you guys have a thankless job. APPLAUSE! Need some information about who you are, home, compensation, etc. Vincel Castelli, NO Compensation! 1 home, VP, former steel worker in Pa; Vince Miller, Member-at-Large, ran Neighborhood watch, 3 years on board, retired Navy E8, here since 1994. Elaine Davidson, Secretary, here 12 years, Chaired most events at some time; Realtor in Pa, have 20 year old daughter. Troy Purnell: here since Day 1, developed community with Lee Williams, on Board since beginning, Very good understanding of community, my term is up a year from now. Tom? We don't need 500 people reviewing contracts and proposals. Mike Hendrickson, Lot 143: Good job! Put more information out. Give us the numbers, etc. Didn't know we had a web site. Troy: Yes we do, it is: assateaguepointe.com. Delores Rollins, Lot 390: Question, few years had excess? Vince Castelli explained LOC. Troy then explained the "excess" that appears on the ballot every year. If there is excess revenue over expenses, residents must vote at the Annual HOA meeting to: 1. Put it in the general fund (the most popular choice), 2. Apply it to the Reserve fund, or 3. Return it to the Homeowners. It is always a small amount. Last year we had an \$8K shortfall, no excess.. May have surplus this year? Delores: Why don't people teach their children how to keep bathrooms clean? APPLAUSE! Gerald Nikolaus, Lot 234: Luxury all around us. We are "last of the Mohicans." Let's keep it that way. Our value has doubled because of good management. Nothing broken to fix! Troy: At last Saturdays "Ad Hoc Committee" meeting, Ed Bruno suggested I was getting a kickback from contractors who come in to do work for residents. I don't know how that could happen because homeowners call their contractor, inspect work and pay the contractor. I don't get involved. I checked with the contractor that Ed named and the contractor said it was not so! THAT WAS A FRAUDULENT ALLEGATION! Ron Joos, Lot 136: Been here 11 years. Everything is super except getting two special assessments in two years: asphalt and line of credit. I had to open my own line of credit to pay. © Bill Landano, Lot 228: Talked to Troy regarding propane tanks. Fire code says tank must be at least 10 feet away from electricity. Troy: Many folks ran out of gas. Sharp said find somebody else. Some went to Valley. Troy: Eastern Shore Propane is running a line down Rt. 611. Could eliminate all tanks. Many, e.g. emergency personnel, would like to see this happen. But, we don't want to be bound to one supplier who might then raise prices. Bill: Are we worried about appearance or fire violation? Vince Castelli: This is the first we've heard about this. Bill: In New York, if in violation, insurance won't pay claims. John Bonomo, Lot 54. Tanks need to be 10 feet from electricity, not 10 feet from house. Has community investigated doing somethings with same company? Friend in Golden Sands pays \$70. Per year for premium cable, after residents negotiated with provider. Troy: We said we'd do it but too much trouble. Give me the name(s) and I'll call them and check it out. John: Consider propane too. Mike Hendrickson, Lot 143: Had problem with Sharp and they were rude. I believe it was Ron Joos, Lot 136 who made a motion to adjourn. Approved at 11:38AM.

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