

BAY WATCH III CONDO ASSOCIATION BOARD OF DIRECTORS

P. O. Box 5429
Ocean City, MD 21843
410-723-9495

Bay Watch III Annual Owner's Meeting May 26, 2012 Minutes

CALL TO ORDER - The meeting was called to order by President of the Board - Jerry Quinn at 0905 in the HHIRA Center.

- A quorum was present. Representatives from 22 units were present with 12 units represented by proxy. Total owners represented - 33 or 68.8%.
- Proof of Meeting Notices was presented by Vonnie Baker.
- Jerry Quinn introduced the Board of Directors (all were present with the exception of Peter Skilton) and representatives of Management - Matt Shipley (physical management) and Vonnie Baker (financial management).
- A motion was made to waive the reading of the May 28, 2011 minutes and was unanimously accepted by the membership. A unanimous acceptance of the minutes was also made.

Committee Reports

- Financial - Dennis Luchey, Treasurer
- 2012 financials -
 - Cash position is strong - \$122k total cash - \$52k operating, \$70k reserve (\$30k of which is boat dock)
 - Accounts receivable - 2 units delinquent. Certified letters to be sent. Overall, AR continues to remain current, which is a testament to the owners. This allows the Association to continue to maintain the buildings.
 - Trend vs Budget through April 2012 - \$3k ahead of budget
 - The largest budget expenditure - B Building painting and carpets are complete and within budget.
 - Insurance is a large driver and will renew in July. At this point renewal rates are not known.
 - A question from the floor regarding the status of the reserves was asked.
 - The association is contributing 10% of the operating budget to reserve to grow the BWIII reserve. This 10% requirement is the minimum prescribed by Fannie Mae.
 - The annual building maintenance program budget is around \$40k per year. Roofs may need to be replaced during the next round of repairs and they will continue to be inspected to determine when that will be necessary. If needed, the building budget is expected cover the cost of the roofs during the next cycle and expected to avoid special assessment.

- Insurance - Dennis Luchey
 - Have 96% compliance with HO-6 policy confirmations. 46 units have HO-6 policies and have provided proof.
 - If every owner has an HO-6 policy, BWIII's insurance premiums may be lower.
 - Current policy deductibles are \$2,500 for non-water related claims and \$10,000 for water related claims. At renewal last year, the insurance company increased the water deductible for the Association.
 - Insurance renewal is in July. Unsure what impact the 3 water claims (in the past two years) will have on the cost of the policy.
 - Will look at increasing deductibles to hold costs. In addition, the Board will be providing copies of the Bulletins and the actions that the Board is taking to show that the Board is being proactive about the situation. 32 letters were sent to owners regarding water heaters and water lines.
 - A question was asked regarding whether the Association shops the insurance.
 - Shopped insurance 4 years ago
 - New rules would require the Association to end their existing relationship with the current agent in order to shop rates. The Association has a good relationship with our current agent and does not want to terminate it.
 - Current agent will shop the rates among the carriers that they have access to.

- HHIRA - Betty McAllister
 - Main pool beam has been repaired
 - New motion lights and lighting has been installed
 - Bathroom will now be locked during off-hours
 - Tennis court gates/wireless system was repaired
 - New Treadmill in the gym
 - Audit was completed in 2011
 - As a result, the owner bonds were paid off and replaced with a standard mortgage
 - It was determined that the new ADA rule that would have required a lift (\$30k) to be installed is not applicable to the HHIRA because they don't qualify as a public pool.
 - HHIRA is taking a vote at their meeting today to determine whether babies (with the rubber potty pants) should be allowed in the pool. With this rule, the pool only had to be shut down once in the past year, where as in other years it was more frequent.
 - Betty took a vote of the owners present - 17 of the 21 owners present voted to not allow babies in the main pool. She took these results to the HHIRA meeting.
 - Reminder: Renters must use the Red Card to access the pool. Renters do not have clubhouse access, unless with the owner.
 - Betty can no longer be BWIII's representative, since she no longer owns in BWIII. Request was made for a volunteer to replace Betty, no one volunteered.
 - HHIRA to be revisited at the end of the meeting.
 - The Association thanked Betty for her work on the HHIRA.

Election of Directors

- Al Ulmer and Bob Simpson's positions were up for re-election
- Both volunteered to remain on the Board.
- Both nominations were accepted and both were unanimously voted to the board.

President's Report/Old Business - Jerry Quinn

- Water Heaters and Water-line Replacements
 - Audit of water heaters and waterlines was performed in early February (for those units that could be entered.)
 - Requiring that water heaters greater than 10 yrs old are replaced and that all waterlines (washer, ice maker, refrigerator and dishwasher (upon replacement) are replaced with braided stainless steel.
 - Note: OC water erodes water heaters from the inside out, so even though a water heater may look in good condition there is no way of knowing for sure.
 - Discussion ensued over whether refrigerator lines had to be braided stainless steel and where to secure the lines (Lowe's, Home Depot and Hardware store on 54).
 - Unit owners are getting conflicting information from plumbers even those recommended by the Board
 - OC water erodes copper and therefore when the refrigerator is moved, pin holes in copper lines are created.
 - Braided stainless steel remains the recommended water lines.
 - It was suggested to put the water heater inventory on-line. The Board will explore this.
- Deck Maintenance
 - Carpeting on decks causes the building siding to rot.
 - Board will be sending out a proposed to disallow carpeting on the decks in the future. If an owner chooses to install carpeting, the owner is then responsible for any damage that a carpet may cause due to the wicking.
 - The Draft of Information Bulletin #13 was handed out. A final draft and new rule will be sent out shortly.
- Annual Building Maintenance (painting and carpeting) on B Building is complete, in addition to the installation of Aztec trim at the base of each building. C & D building will be next. Next round may include the roofs on a building by building yearly schedule depending on the results of the inspections. The roofs were cleaned and inspected last year to remove the black streaks/fungus.
- Going out to bid this year for the yearly maintenance work in C building.
- Board walk - needs to be treated and cleaned.
 - Two years ago the Crosbys, took on this project themselves and treated the Board walk.
 - The association voted to take this on as a work project sometime in the fall.
 - Missie Capizzi from the D building volunteer to lead the project. Thank you Missie!
 - One owner pointed out that there are some warped boards that need to be replaced

Jerry opened it up for comments and questions from the floor:

- Single family homeowners sometimes dump trash in BWIII containers - is there anyway to prevent?

- o Internet is not working very well and was noted by many owners. Owners should call company to complain. Owners' comments from PY were passed on to the internet company, which indicated that more hot spots were added.

New Business

- 2011/2012 Projects - Matt Shipley
 - Access panels to crawl space were replaced
 - D Building Insulation will be removed. C Building is already down. Owner asked that it be double confirmed that insulation in both buildings is removed.
 - New fire safety system
 - Some blocks in front of B Building were replaced. Association will look to replace blocks in front of C-D buildings in 2013.
 - New fire safety system was installed in C building.
- July 4th picnic - it was determined that the picnic will be held on Saturday, July 7th. Last year 41 folks attended the picnic representing 12 units.
- The new website was previewed by Al Ulmer. The association wants to use this as the main communication tool. The ability to change passwords was recently added. A request was made to send an email when a new item is posted. The Board also agreed to review adding an owner's roster to the website down the road.
- A question was posed as to whether the owners that typically do not attend the annual meeting comply with the rules and regs? It is believed that they do, although it likely takes more prodding.
- C/D Building Irrigation needs adjusting. Lawn is flooded. (Completed)
- Landscaping - Janie and Jerry Quinn volunteered to take the lead on the B building landscaping. He asked for volunteers to lead A & D, since C building was already handled by the Mack's.
- HHIRA Representative - Al Ulmer volunteered to be BWIII's representative on the HHIRA. A motion was made and then seconded. Al was unanimously made the BWIII volunteer. Thank You, All

A motion was made and seconded to close the meeting. All voted in favor. The meeting was adjourned at 10:40am.

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Bay Watch III

Organizational Meeting of the New Board Scheduled Immediately in Accordance with the By-Laws
 May 26, 2012
 Minutes

- Board was established with the following positions

**Bay Watch III
 Board of Directors
 May 26, 2012**

<u>Position</u>	<u>Last Filled</u>	<u>Term Expires</u>	<u>Person Holding Position</u>	<u>Role on Board</u>
1	May, 2011	May, 2014	Dennis Luchey	Treasurer, Insurance
2	May, 2012	May, 2015	Bob Simpson	VP, Insurance

3	May, 2012	May, 2015	Al Ulmer	VP
4	May, 2010	May, 2013	Jerry Quinn	President
5	May, 2010	May, 2013	Pete Skilton	Secretary, Dock Master

2012 Meeting Dates were established:

- September 22, 2012 - 8AM - Review of summer season
- November 10, 2012 - 8AM - 2013 Budget
- April 6, 2013 - 8AM - 2012 financials, preparation for May 2012 Owners meeting
- May 24, 2013 - 8AM - Finalize BOD Annual Meeting Preparation
- May 25, 2013 - 9AM - Annual HOA meeting.

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Baywatch III Board of Director's Meeting
May 23, 2011
Minutes

CALL TO ORDER - The meeting was called to order by President of the Board - Jerry Quinn at 11:00am via conference call. A quorum was present.

Attendees were as follows:

- President - Jerry Quinn
- Vice President - Al Ulmer
- Vice President - Bob Simpson
- Secretary - Pete Skilton
- Treasurer - Dennis Luchey
- Property Manager -Physical - Matt Shipley
- Property Manager - Accounting - Vonnie Baker

The purpose of the meeting was to prepare for the Annual Owner's meeting. All topics discussed were as noted in the annual meeting minutes.

Meeting was adjourned at 12pm.