

BAY WATCH III CONDO ASSOCIATION BOARD OF DIRECTORS

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Baywatch III Board of Directors Meeting November 10, 2012 Minutes

CALL TO ORDER - The meeting was called to order by Vice President of the Board - Al Ulmer at 0800 in the HHIRA Center. A quorum was present. Attendees were as follows:

- President - Jerry Quinn (via phone)
- Vice President - Al Ulmer
- Treasurer - Dennis Luchey
- Property Manager -Physical - Matt Shipley
- Property Manager - Accounting - Vonnie Baker

The reading of the minutes of the Board Meeting on September 29, 2012 was waived and the minutes unanimously approved.

Reports

- Financial - Vonnie Baker:
 - Good Cash position - \$51.8k in operating funds. Reserve balance totals \$81.6 consisting of \$51.4k in condo reserve and \$32.2k in boat dock reserve. Reserve balance reflects all budgeted reserve contributions.
 - AR - One unit delinquent on 4Q12 assessment. Reminder was sent on 10-23-12. Attorney letter is next step.
 - Deposits totaling \$10.5k were made on C Building maintenance for painting and carpet.
 - 2012 actuals through October shows spending over budget by \$1.8k. Full year forecast is expected to end the year ahead of budget.
- HHIRA - Al Ulmer
 - New Management Company - L&N is in
 - Association is looking at purchasing a Universal gym
 - If anyone has meetings booked with Shore management, you need to rebook with L&N
 - HHIRA assessments will be collected in the same manner as in the past. BWIII owners will pay HHIRA with Bay Watch Assessments.
- Insurance - Dennis Luchey
 - HO-6 Request letters were mailed - have received 29 out of 48 so far.
 - The Association has been made aware that the valuation of the foundations was reported separately and need to be added to the insured value of the building to make sure that BWIII is 100% insured. Cost is approximately \$700. Board unanimously agreed to increase coverage.
 - Question arose as to whether contents is included as part of flood insurance and whether owners need to get their own flood for contents. Based on confirmation

from Tina Stephens, BWIII's agent, Flood coverage is only included for the Buildings, not contents. Owners should obtain their own flood insurance for contents.

- Another question arose as to what kind of coverage BWIII has for their Boardwalk. Per Tina Stephens - Fire insurance coverage is included on the bulkhead only for a covered loss. There is no other property type insurance coverage for the bulkhead at this time.
- BWIII Board would also like to meet with underwriter to determine if there are any additional steps the Association should be taking to lower insurance premiums.

OLD BUSINESS:

- Sposato Contract Renewal - Matt to contact Sposato to obtain terms of renewal.
- Heaters in Closet - Dennis and Al to check to make sure heaters are on in the closets.
- Water Heater Inventory - Matt will be sending certified letters to the owners that have not yet complied. The letters will indicate that the owners have 45 days (approx Jan 1) to make their unit compliant or the Association will have it taken care of at the owner's expense. Matt to resend to Jerry for review prior to sending.
- Email and Pit Bull Survey - Surveys are still being returned. 19 responses have been received. 4 of those owners still want to receive correspondence through the mail. No owners have Pit bulls.
- C Building - Work is underway on C Building. Contracts have been signed. Jerry requested that Matt keep a tight leash and monitor the work very closely, since this is the 1st year BWIII is using Shore Painting.
- D Building - Electrical Panel on D building is missing and needs to be replaced - Matt to have this taken care of.

NEW BUSINESS:

- Adoption of the 2013 Budget - The 2013 budget, as distributed to the owners, was unanimously adopted.
- 2013 Coupon Mailing - Items to include in the cover letter to include the following:
 - Temperature in units should be left at 55 degrees
 - Turn off water if leaving unit for more than 24 hours
 - Notice to owners to notify Board if they get a pit bull.
- FHA Changes - FHA has loosened some regulations. Previously, no more than 15% of units could be more than 30 days delinquent. Now, no more than 15% of units can be more than 60 days delinquent. Additionally, no more than 30% of the units can be owned by the same owners. This is up from 10%.
- Hurricane Sandy - Fare very well. Repairs required - Many of the dock outlets have been repaired and many shingles have been replaced.
 - Jerry will write a new Information Bulletin on the Hurricanes prior to the next season.
 - Vonnie to contact Steve Crosby over the approved hurricane shutters.

Next Board Meeting - April 6, 2013 - 8am in HHIRA clubhouse.

The meeting was adjourned at 8:50am.