

**ORLEANS COURT ANNUAL OWNER'S MEETING  
MAY 15, 2010**

**I.      CALL TO ORDER**

Craig Smith called the Annual Owner's Meeting to order at 3:03 PM at the St. Peter's Lutheran Church, 10301 Coastal Highway, Ocean City, MD, 21842. Present from the board were Craig Smith, John Bleiweis, Andrea Hutt, Jim McGrath and Steve Turnbaugh. Brett Staley of Mana-Jit, Inc. was also in attendance.

**II.     ROLL CALL**

Brett Staley proceeded with the roll call. It was determined that 30 owners were present and that 15 additional owners were represented by proxy. The total of 45 owners comprised a quorum, representing 53.6% of the 84 units.

**III.    PROOF OF NOTICE OF MEETING OR WAIVERS THEREOF**

Brett Staley provided a copy of the meeting packet that was mailed out 30 days prior to the meeting; in addition, the presence of the owners at the meeting was proof that the meeting notice was sent out and received.

**IV.    APPROVAL OF MINUTES**

The Annual Owner's Meeting Minutes of May 16, 2009 were distributed and reviewed. There were no corrections. Brenda Wolfe, Unit 301, moved to accept the minutes. Paul Schnitman, Unit 207, seconded the motion and the minutes were approved by a unanimous voice vote of the owners.

**V.     REPORTS**

**A.    President's Report**

1. Craig Smith noted that at this meeting there will be two people elected to the Board of Directors. Jim McGrath's term has expired, and Andrea Hutt was appointed to replace Carolyn Remington; both positions will be filled today.
2. Craig Smith read a letter from an unhappy owner regarding the renovation.
3. Craig Smith reported that there were now only 3 delinquent accounts on the assessment.

4. Craig Smith discussed the status of the courtyard, talking about the fact that money that was originally slated for the courtyard needed to be used for change orders on the renovation project. That fact, coupled with the delinquencies, will force the need for another assessment in the future.
5. PKS has completed the 2009 audit and the results are available for review.
6. Craig Smith briefly mentioned changes to the Maryland Condominium Act that were recently approved. These allow owners to obtain financial statements and Board of Directors meeting minutes via mail or electronic transmission. Other documents are only available for review at the office of the management company.

**B. Treasurer's Report**

1. Balances in BB&T accounts as of May 13, 2010:

Reserve account (RA)	-	\$ 33,839.73
Special Assessment account (SA)	-	\$ 43,725.87

2. Balance in PNC account as of May 13, 2010:

Operating account	-	\$103,123.19
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3. Totals paid to contractors:

REI	\$ 160,942.87	BAL. -0-
Lindman	\$1,319,730.30	BAL. -0-
<u>BRS</u>	<u>\$ 641,508.84</u>	<u>BAL. -0-</u>
Total from SA:	\$ 2,122,182.01	

Screenmobile	\$ 30,062.66
<u>Homeowner reimbursement for screen doors</u>	<u>\$ 1,902.70</u>
Total from RA:	\$ 31,965.36

TOTAL PAYMENTS: \$ 2,154,147.37

4. On May 13, 2010 a Deposit was made to the Special Assessment account in the amount of \$42,162.02 for unit 320.
5. No refund of \$1,675 has yet been received from L&N for June payment that they wrongly paid themselves.

6. Excess membership income comments:
  - \$38,768 that was left at the end of 2008 resulted from funds budgeted that were not spent. 2009 had no excess funds.
  - Reference page 6 of 2009 Financial Audit by PKS.
  - Audit suggested we use amount toward courtyard project to reduce a future assessment.
  
7. Replacement fund comments from the PKS audit report:
  - Purpose of replacement fund is to provide funding for future major repairs and replacements.
  - Recommended “rule of thumb” amount to put into replacement fund is 20% of annual income.
  - Replacement fund amounts: 2010 - \$20,160, 2009 - \$17,100 and 2008 - \$0.
  - 20% for 2010 would be approximately \$34,000.
  - Historically we have not put the recommended amount into replacement fund.
  - Since Restoration project is complete, our percentage most likely should be less than 20%.
  - Best way to assure we’re saving appropriate amount to cover future expenses is to have a new replacement study done. This has been recommended by our accountant.
  - Replacement study will itemize components of property common elements and assign an estimated useful life to those components.
  - Last replacement study was done in December 1999, 10 years ago.
  - At that time the estimated remaining useful life of the concrete pool deck and courtyard was 12 years.
  - All other pool items, excluding structure and filter were 0 years remaining useful life.
  - Asphalt pavement had 0 years estimated useful life at time of last replacement study 10 years ago.

### **C. Management Report**

1. Brett Staley introduced himself as the “new” property manager from Mana-Jit, Inc.
2. Brett indicated that he had been working with the washing machine vendor to straighten out the problems we were having.
3. Lastly, Brett pointed out that for owners needing it, insurance information and directions on obtaining coverage certificates are available on the website and it would be wise for all owners to check their insurance coverage.

## **VI. OLD BUSINESS**

1. Craig Smith received numerous complaints from owners who indicated that they still had incomplete punch list work from the renovation. It was decided to collect a new set of lists and Craig would deal with REI to have them completed.
2. It was pointed out to Brett that various lights were out around the property.
3. There were various discussions from the floor on financial matters, including: rebating the renovation contract for the screen doors that were not installed how we intend to refund the excess membership income money to units that were sold and the \$15K that was erroneously transferred from the Operating account to the Reserve account but was moved back.
4. It was pointed out that 6 units were delinquent on their condo fees.

## **VII. NEW BUSINESS**

1. Kep Kepler, Unit 107 stated that we had a problem of various people who were non-owners and non-renters coming in and using the pool. In discussing the matter with the police, he found that we need to post No Trespassing signs in order for the police to be able to kick them out.
2. It was repeated for all to hear that no glass bottles are allowed in the courtyard.
3. Howard Levin, Unit 102, requested that the association purchase new flags for display.
4. John Bleiweis led a discussion on the various options available to the association for renewing the cable TV service. At the end of the discussion, Leon Rickards, Unit 326, moved and Brenda Wolfe, Unit 301 seconded a motion to send out a questionnaire to the owners on the subject. An immediate consensus of owners was obtained by a show of hands, by which the majority of owners wanted to leave things as they are currently. This eliminated the need to send out a questionnaire.
5. It was reported that several of the coach lights outside the front doors of the units had been broken. Mana-Jit was asked to contact REI for the information and to purchase extra light fixtures before they go out of production.
6. A brief discussion was held on the desirability of a well funded Replacement Reserve. Chuck Dohrman, Unit 328, indicated that banks when they issue mortgages like to see a good reserve account, so we should start doing it. Leon Rickards, Unit 326, pointed out that instead of paying for an expensive study, software was available to aid Boards in doing their own study.

## **VIII. RECOGNITION OF UNIT OWNERS**

A statement was made by Kep Kepler, Unit 107, that he was not in favor of expanding the courtyard. There were no other owners who wished to speak at this time.

**IX. ELECTION OF BOARD MEMBERS**

Written ballots were cast to elect two directors. The votes were as follows:

Andrea Hutt (two year term)	43 votes
Jim McGrath	26 votes
Jim Mills	28 votes

Jim Mills was elected to a three year term and Andrea Hutt was elected to a two year term to fill Carolyn Remington's unexpired term.

*[Post-Meeting Note: Subsequent research by the Secretary revealed the following: Craig Smith's term expires in 2011. Andrea Hutt's term expires also in 2011 and is therefore a one year term, not a two year term to which she was elected. Jim Mills' term will expire in 2013, and John Bleiweis' and Steve Turnbaugh's terms expire in 2012. The Webmaster was requested to update all term expirations on the website.]*

**X. ADJOURNMENT**

Paul Schnitman, Unit 207, moved and Sid King, Unit 112, seconded a motion to adjourn the meeting. The motion carried by unanimous voice vote of the owners. The 2010 Annual Owner's Meeting was adjourned at 5:15 PM.