

**ORLEANS COURT ANNUAL OWNER'S MEETING
MAY 21, 2011**

I. CALL TO ORDER

Craig Smith called the Annual Owner's Meeting to order at 10:12 AM 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 Mills 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 44 owners were either present or were represented by proxy. This represents a quorum, consisting 52.3% 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 15, 2010 were distributed and reviewed. There were no corrections but there was some discussion regarding what PKS does for us regarding the finances is an audit or a review. Paul Schnitman, Unit 207, moved to accept the minutes. Jane Sewell, Unit 127, 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 discussed the courtyard renovation and how it progressed from contract signing at the beginning of January, through four separate suspensions, and up to the current state of completion, expecting to be complete by Memorial Day.
2. A representative of Jim Almand's office is in attendance to discuss the parking space issue.

B. Treasurer's Report

1. Balances in bank accounts as of December 31, 2010:

Special Assessment Account:	\$ 45,740.39
Operating Account:	\$ 83,628.80
Reserve Account:	\$ 10,338.48

2. Balance in bank accounts as of May 19, 2011:

Special Assessment Account:	\$263,267.70
Operating Account:	\$ 79,235.95
Reserve Account:	\$ 14,948.03

3. Special Assessment Account interest earned:

2010	\$ 331.63
2011 to date	\$ 541.75

4. Reserve Account interest earned:

2010	\$ 277.84
2011 to date	\$ 20.55

5. Accounts Receivable as of May 19, 2011: \$104,052.17

6. Invoices paid for Courtyard project in 2011:

REI	\$ 20,432.12
Allstates	\$135,887.40
Furniture	\$ 7,438.00
Total:	\$163,757.52

<u>Previous REI Expenditures:</u>	<u>\$ 25,252.00</u>
Total Courtyard To Date:	\$189,009.52

Upcoming Expenses:

Allstates payment on completion	\$155,327.60
REI estimated PE expense	\$ 15,200.00
Furniture balance	\$ 6,830.00
<u>Landscaping estimate</u>	<u>\$ 10,000.00</u>
Total estimated upcoming expenses	\$187,357.60

Estimated Balance in SA account:	\$ 75,910.10
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Remaining funds will be used to complete the renovation and may include such items as landscaping/hardscaping of the driveway once the parking issue is resolved and potential update for beds on both sides of the North building.

7. In December 2010, checks were sent to the owners for the reimbursement of excess membership income from 2008. The total amount paid back was \$38,768. Each owner was paid based on their percentage of ownership. Funds were transferred from the Reserve Account to the Operating Account to cover this expense.
8. Also in December, the special Assessment for the courtyard renovation was sent to owners. Total Assessment was \$400,000 and each owner was assessed based on their percentage of ownership.
9. On January 10, 2011, Brett Staley opened a new Special Assessment account at PNC bank and the payment coupons for the Courtyard Renovation were paid directly into this new account.
10. On January 18, 2011 Andrea Hutt closed the special Assessment account at BB&T with a cashier's check made out to Orleans Court Condo Association for the balance of \$43,589.39. this check was sent to Brett for deposit into the new PNC Special Assessment account.
11. PKS submitted their 2010 final audit dated February 25, 2011. As in previous years, they recommended a replacement study. The board agreed to defer the study until the courtyard renovation is completed.
12. 2010 tax documents were prepared by PKS, signed by Andrea and returned to the IRS and State of Maryland.
 - a. Overpayment made to IRS in the amount of \$3,690 is to be credited towards 2011 estimated taxes.
 - b. Overpayment made to the State of Maryland in the amount of \$2,429 is to be credited towards 2011 estimated taxes.

C. Management Report

1. Brett Staley introduced himself once again as the "new" property manager from Mana-Jit, Inc. and summarized his actions on behalf of the Association during the past year, including setting up bike racks, flags, getting the laundry rooms tiled and getting an exhaust fan to keep the first floor laundry room cool, where the internet equipment is located.
2. Brett indicated that he had not heard anything recently from owners regarding washing machine problems we were having so he believes the vendor is now doing his job.
3. Brett has been working with Jim Mills and they are getting new signage for the courtyard.
4. The pool lights aren't in yet and there will be early pool closing hours until they get installed.
5. Brett mentioned that there was a water heater failure recently on the second floor and he urged all owners to check their heaters and preemptively replace older ones.

VI. OLD BUSINESS

1. Brett Staley told the owners that Comcast is going all digital and that they personally need to contact Comcast by July 1st to obtain free converter boxes. There was a discussion concerning different types of boxes and whether to call or go to the office.
2. It was pointed out to Brett that various items needed attention around the property.
3. There was a complaint from an owner that the fire alarm kept going off and it was indicated that this was due to the work going on around the property.

VII. NEW BUSINESS

1. Attorney Heather Sanford of Jim Almand's office was introduced and presented a discussion of the parking space issue and explained how and why the association intends to resolve it. There were extensive questions and answers. Heather stated that she believed the issue could be resolved by calling a special meeting of owners, introducing the consent forms that had already been signed, and if 2/3 of the owners agreed to change the documents that it could be done by amendment. Heather promised to get a final determination on the matter and get back to us very soon.
2. While the courtyard was being dug up, a "Time Capsule" was discovered and was saved to be opened at the annual meeting. At this point in the meeting the capsule (a large jar) was opened. It was found to contain a quantity of news clippings and was determined to belong to John Harmon, former resident manager. Howard Levin, Unit 102, requested that the association purchase new flags for display.

VIII. RECOGNITION OF UNIT OWNERS

1. Rose Torosino, Unit 212, asked to find a new location for the bike racks that was under cover.
2. Leon Rickards, Unit 326, had problems with the way in which the board was handling finances and presented a long list of issues he was unhappy with.

IX. ELECTION OF BOARD MEMBERS

There were two candidates nominated for the two open seats on the Board. The candidates were Andrea Hutt, Unit 101, and Barry Bleiweis, Unit 113. Marjorie Bleiweis, Unit 103 moved that the candidates be elected by acclamation. The motion was seconded from the floor and passed by unanimous voice vote.

X. ADJOURNMENT

The meeting was adjourned at approximately 11:30 AM by unanimous vote of the owners.