

**MINUTES**  
**SPECIAL MEETING OF THE BOARD OF TRUSTEES OF**  
**THE FOUNTAINS AT SEA BRIGHT CONDOMINIUM ASSOCIATION**  
**HELD ON JUNE 12, 2014**  
**AT THE PATIO ALONG THE RIVERSIDE OF THE COMPLEX**

The Special Meeting was called to order at approximately 6:00 p.m.

Trustees Present At Meeting: Marc Leckstein, who acted as Chairperson and took minutes in the absence of the Property Manager, Rick Girardi (via cell phone) and Izzy Plasner (via cell phone)

There were no unit owners present.

**SUPER STORM SANDY INSURANCE PROCEEDS**

The Board referenced the Notice of the Meeting which indicated the new policy which had been adopted relative to the release of super storm sandy insurance proceeds to unit owners. A copy of that meeting notice is attached to and made a part of these minutes.

Rick put forth a motion to adopt the policy stated in the meeting notice. The motion was seconded by Izzy. All in favor.

**RENTAL OF UNIT # 33**

It was also noted that the Board needed to officially approve the lease for the Association's new tenant in Unit # 33 which had been agreed to at the rate of \$ 1,500 a month. Rick put forth the motion to approve the lease. The motion was seconded by Izzy. All in favor.

**ADJOURNMENT**

Thereafter, as there was no further business to be conducted by the Board, Rick put forth a motion to adjourn the meeting which was seconded by Izzy. The motion passed unanimously and the meeting was adjourned at approximately 6:05 p.m.

Respectfully Submitted,

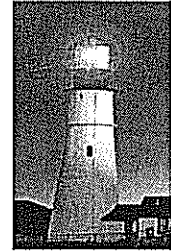
*Marc A. Leckstein*

*Hearthstone Central Management*

*265 Highway 36*

*Suite 209*

*West Long Branch, N.J. 07764*



*Voice 732-460-2800*

*Facsimile 732-460-2810*

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June 9, 2014

Dear Fountains Owner:

As you are aware, the Fountains is currently engaged in a long running dispute with its Sandy Remediation Contractor, ANC Construction. Unfortunately, as a consequence of this situation, the Association has been unable to release any remaining insurance monies to the first floor homeowners who have been requesting them. Since the amount of insurance proceeds are being called into dispute by ANC, the Association would expose itself to potential financial liability if it were to release any of the insurance monies to the homeowners, only to later have ANC prevail in a court proceeding that the money should have gone to it instead.

So that there is not any misunderstanding, the Association is not currently in litigation in ANC. Both the Fountains and ANC are working together in the hope of resolving all pending issues in an amicable manner, thereby avoiding any future legal disputes. As most of you are aware, an inspection of the units which ANC worked on was performed by the Association's Engineer, O&S Engineering, on Tuesday, May 20<sup>th</sup>. A second inspection was conducted on June 5<sup>th</sup> for those units which were not able to be inspected on the original date. The Engineer's findings should be released shortly after the second inspection and it remains the Board's sincere hope all issues concerning ANC will be resolved sooner rather than later, the appropriate figures will be agreed to, and insurance proceed checks can then be issued to each unit owner entitled to receive them.

The Board also wishes to assure everyone that all of the insurance monies are currently being held in Trust by the Association. The money is not now, nor ever has been, held by ANC Construction. The insurance proceeds will not be released until all issues related to Sandy Remediation work are resolved.

With the above said, the Board has, at the request of several unit owners, and in consultation with its legal counsel, decided to adopt a policy under which the disputed portions of the insurance monies may be released to the individual homeowners immediately. However, in order for this to occur, the homeowner requesting the disputed funds must be willing to completely indemnify the Association in the event it is later sued by ANC Construction for having released those proceeds. This means that if ANC Construction were to ultimately sue the Association, the unit owners to whom insurance monies were released would have to pay ALL of the Association's legal expenses defending against that litigation as well as any damages that might be awarded to ANC if that company were to prevail.

Due to the high costs always involved with litigation, the Board does not recommend unit owners accept this offer. The consequences of taking advantage of it may ultimately prove too costly for those who do. Unit owners who nevertheless wish to take advantage of the offer will first have to complete an indemnification agreement drafted by the Association's counsel. It will also be highly suggested that you consult your own attorney prior to signing the document due to the nature of the serious legal issues involved.

In order to formalize this policy, the Board will be holding a special meeting on Thursday, June 12, 2014 at 6:00 pm. The meeting will take place in the patio area in the rear of the complex and is not expected to last more than five (5) minutes as the Board Members have indicated they have other personal obligations to attend that day.

The Board also reserves the right at the special meeting to approve any other items which may be available for consideration by the time of the meeting. No such additional items are known as of the writing of this Notice.

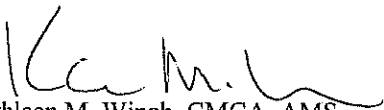
Please be aware that as this will be a Special Meeting, no other matters will be discussed at that time.

Once again, the goal of the Board is to keep the Association out of litigation in this matter. We thank everyone for their continued patience as this process continues.

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Very truly yours,

HEARTHSTONE CENTRAL MANAGEMENT



Kathleen M. Winch, CMCA AMS  
Community Manager

For the Fountains at Sea Bright Board of Trustees