

FOUNTAINS AT SEA BRIGHT CONDOMINIUM ASSOCIATION
BOARD OF TRUSTEES MEETING
OCTOBER 25, 2014
MINUTES

Meeting Location: The meeting took place at the Monmouth Beach Cultural Center

Present at the Meeting: L. Delisio, E. Santiago, D. Casapulla, H. Sassone, M. Leckstein, K. Winch
(Management)

Owner's Present: 26

The meeting was called to order at 10:07AM by President Lou Delisio.

Lou Delisio said the new Board has been in place for about two months and they have all spent a lot of time and research and the purpose of the meeting right now is to find out where we were and where we want to be as an Association.

Lou stated we just settled the litigation from the fire. He thanked Don Casapulla and Marc Leckstein who spent fourteen hours during the mediation. There was a settlement, so the lawsuit is officially over. Lou stated as a result of the mediation, the Association has to pay \$100,000.00. The Association is applying for a loan to cover the money. If the loan does not get approved, the Board is obligated by the settlement to pass an assessment.

Marc said that due to a confidentiality agreement, the Board is very limited in what can be said. There was a court hearing, the judge ruled against the association in August 2012 to finish the work as soon as possible. The work was almost done but then Hurricane Sandy arrived. The Board does not agree the judge made the right decision and could appeal it, but the entire Board decided to settle it. It was asked how many units were given the money. The Board said they could not say due to the agreement.

It was asked if the settlement money could be covered by insurance. The Association has filed claims with three different carriers. The carrier as of the date of the fire denied coverage. We have not heard back from the carrier as of 2012 and our current carrier. The Association's attorney feels it should be covered, but the Board will have to make a decision after they hear from the two carriers to see if it is worth paying the attorney fees to find out if it will be covered.

It was stated that being there is already one loan being paid, that the new loan would be factored into the budget and be paid as part of the maintenance fee.

Henry Sassone stated there are two loans existing, one after the fire and one for the bulkhead. He said from his point of view, assessments have been passed for construction projects. He said as Eddie Santiago has pointed out, the money should come out of the reserve account. Henry feels we need to take better care of the financials. He said since 2006, the Association has assessed \$1.6M in assessments. He said the doors need to be repaired, landscaping in front of building has to be done, beach stairs, door locks, docks, etc.

Marc Leckstein stated on April 5, 2012, the Board voted for a loan in the amount of \$305,000.00, but only passed an assessment in the amount of \$150,000.00. The Board at that time deferred the rest of the cost through the maintenance fees. He stated as of July 20, 2012, there was \$478,000.00 in bulkhead costs, which are more than bulkhead, such as parking lot. The Board raised the assessment to 343,000.00, which is what the owners paid.

Eddie Santiago said one of the loans currently has a balance of approximately \$44,099.22, and the Board plans to pay it off in full in the near future.

There was a discussion beach steps. The Board said they are not moving forward with the mason at this time but had some other ideas. One of the ideas is that the Association can use the public beach stairs, but build a deck at the top of the sea wall. There are repairs that have to be made to the existing stairs so they can be used going up. Henry said if we could use the public access instead of paying for stairs, it would save money.

It was asked if there is an advantage for the Fountains owners to have a separate entrance to the beach rather than using public access. Lou Delisio said the Association would keep its easement. The Board stated they are still discussing plans. There was discussion that if the public access steps are not installed, the Fountains should install the stairs. Lou said that Tradewinds Homeowner Association is allegedly obligated to install two sets of public access stairs.

Eddie Santiago said the 2015 budget has not yet been developed, but it will be done in November.

Don Casapulla said the dock is also an issue that will be coming up. Marc Leckstein stated we still need Army Corp approval.

The Board currently has four estimates for the dock, ranging in price between \$134k-250K. None of the estimates include electric or water to the dock. The types of materials depend on the pricing. Lou said that once we get an idea of where we are from a financial perspective, the Board will then begin work on the dock.

Lou gave an update on ANC. This week, ANC removed the trailer and container that were in the back of the community. He thinks it is a sign that ANC wants to start to negotiate a settlement. There is still money owed to unit owners that have not signed a settlement agreement. The Board would like to settle and move on.

There was a discussion regarding Unit 27. The Board is looking to see if they can take over that unit like has been done at Unit 33. The unit is in foreclosure and the bank is paying the maintenance fees so the Association does not foreclose on it.

There was a question regarding the ownership of Unit 33. Marc Leckstein stated the Association foreclosed on the unit because the prior owner was not paying maintenance fees. There is a significant mortgage, which the bank is foreclosing on. The Association does not pay the mortgage or taxes and collects \$1,500.00 per month in rent.

It was asked if the broken window can be repaired at unit 27. The Board stated the Association would have to pay for it. The Board does not have access to the unit. The Board discussed sending a letter to the bank asking them to replace the window.

The Board is going to hire a contractor to assess the doors and intercoms that are not working. The intercoms will be part of the same scope. It was asked if the Board surveyed about intercoms. It was stated it was done last year.

It was asked if there was insurance fraud done at the Association and why is there not litigation. The Board said it would have to be reported to the district attorney in Monmouth County. It is a possibility to go that route, but in the interim, the previous Board hired an engineer that went unit to unit, who gave a report and spreadsheet of what each owner would be due. Lou said if we can't come to an agreement with ANC, the next option would be to pursue insurance fraud.

Jackie McNeil (Unit 23) stated a supplemental claim was filed that corrected some of the issues, but there were still some things remaining and that is what the engineer reported.

Shelly Schlossberg (Unit 12) said she found out from the Borough that there is an open electrical permit in front of her unit. Lou Delisio said Marc Leckstein went to the Borough of Sea Bright and got a copy of all of the open permits, which Lou has. The majority of the electrical permits that are not closed are people that had work done by their own contractor. Lou has called the Borough several times and the Borough secretary has said that an OPRA request needed to be filled out in order to get more information. Per the Borough, the only people with Sandy damage that were required to get a C/O was those people that rent their unit.

The Board discussed installing a roof heating element on Building B to prevent ice damming from happening again. The Board has one price and is waiting for others. The plan is to have this in place in Building B before the winter. It is a heated wire that will run down the downspouts to prevent freezing.

It was noted there will be another meeting in November in order to approve the budget. A notice will be sent once the date is set.

Lou said the Board is interested in making enhancements to the front landscaping. The grass in front of Building A has been aerated and seeded. There are plans to replace the entrance and exit signs.

Dr. Barsky (Unit 15) feels the ground cover needs to be replaced as well. The Board said that is part of the plan.

It was asked if flowers can be put in the brick walls. The Board will be doing some plantings.

The Board would welcome input from the owners about the landscaping and is planning on creating a landscaping committee.

Management was instructed to send the unit owners Lou's email address.

Lou stated he feels the Association's website should be updated. He asked if anyone in the community has the ability and is willing to donate time to make it more informational to improve communication. The Board does not want to spend money on this at this time.

The Board talked about enhancements around the pool area to dress it up and is looking for owner's input.

Lou said there is an issue on the south end of Building A where the brick is becoming separated from the sheathing. The plan is to do the work before the winter.

It was noted that the trash container on the south side of building was going to be replaced with a smaller one. The waste management company is charging an additional \$280/month. The reason it was originally done is that people were complaining about the size.

There was a question about the dock. It was asked if the slip rate would be increased. The Board said they don't want to raise the rate to what you would go to a marina to pay, but have talked about raising the slip fees. It was asked about selling the docks and making it separate from the Association. It was stated that would require 75% of the membership to agree to do so. Lou said in his opinion, he does not agree to it.

Joel Hershey (Unit 39) said an amendment had been tried to get passed that upon a new sale, the owner would have to pay a membership fee. He asked if we can make the effort to get the 75%. It was noted that this previously was presented to the Association to be passed, along with other amendments, but the Board could not get 75% of the membership to vote on it. There was discussion to just focus on passing on amendment at a time and perhaps have a committee involved to help encourage voting.

The minutes from the February 12, 2014 meeting were approved by Marc Leckstein, amended to the correction to change the dates.

A motion was made by Marc Leckstein and seconded by Lou Delisio to approve the minutes from the February 26, 2014 meeting. Motion carried, all in favor.

Marc Leckstein approved the minutes from the April 28, 2014 meeting.

Marc Leckstein approved the minutes from the June 12, 2014 meeting.

A motion was made by Marc Leckstein and seconded by Eddie Santiago to approve the minutes from the August 23, 2014 meeting. Motion carried, all in favor.

A motion was made by Marc Leckstein and seconded by Eddie Santiago to approve the audits for the 2012 and 2013 calendar years. Motion carried, all in favor.

A motion was made by Eddie Santiago and seconded by Marc Leckstein to approve a one year audit engagement letter from Synkowski and Normann. Motion carried, all in favor.

A motion was made by Marc Leckstein and seconded by Eddie Santiago to approve the snow removal contract with Landstyles. Motion carried, all in favor.

A motion was made by Marc Leckstein and seconded by Don Casapulla to approve the mediation settlement. Motion carried, all in favor.

A motion was made by Marc Leckstein and seconded by Eddie Santiago to pursue a loan on behalf of the Association to pay for the settlement. Motion carried, all in favor.

The Board tabled the lighting proposal for the fountains in the courtyard until the Spring.

A motion was made by Eddie Santiago and seconded by Marc Leckstein to approve the installation of a heat trace line not to exceed \$9,858.00. Motion carried, all in favor.

A motion was made by Eddie Santiago and seconded by Henry Sassone to table the 2015 landscaping proposal. Motion carried, all in favor.

A motion was made by Marc Leckstein and seconded by Don Casapulla to proceed with the work on the south side of Building A where the brick is separating from the sheathing not to exceed \$6,000.00, with the money coming from the insurance proceeds. Motion carried, all in favor.

The meeting was adjourned at 12:30PM.