

MINUTES OF THE BOARD OF DIRECTORS
OF THE
PROPERTY OWNERS' ASSOCIATION OF ARUNDEL ON THE BAY
TUESDAY, JULY 10, 2007
7:00 PM

In attendance: Board Members: Bob Krohn, David Kayea, David Zeman, David Delia, Michael Postlewaithe, Andy Grannell, Yvonne Leacock; Officers: Harvey Young, President; John Moses, Vice-President; Pamela Duncan, Secretary; Becky Morris, Treasurer; and Frank Florentine, Past-President.

Location: Hillsmere Library Community Meeting Room.

President's Remarks: Harvey Young convened the meeting with an acknowledgement of the need for orientation of newly elected Board and Officers at a future meeting. He indicated his wish for a lower intensity level as we interface with the community. Bob Krohn responded that previous actions were not intended to be provocative. His comments, Harvey noted, were prompted by the spirit of the Association's Constitution and a re-energized spirit at this time of rotation of officials, as well as his wish to encourage open-mindedness.

Election of Board Chair: The first order of business was the election of the Board Chair. David Delia nominated Bob Krohn to continue as Board Chair; the nomination was seconded by David Zeman. After discussion as to the time Bob had been able to put to the job and the possible availability of other candidates, Andy Grannell moved the closure of nominations; the motion was seconded by Yvonne Leacock. Upon a show of hands, Bob Krohn was elected unanimously.

Treasurer's Report: Becky Morris presented four documents: the FY07 Year End Financial Report, the FY08 Special Community Benefit and Shore Erosion Control District's Budgets, the first financial report of FY08: "Profit & Loss Budget vs. Actual, July 2007 through June 2008," and a Cash Flow Projection through November. She noted that she is preparing the materials needed for the final audit.

She indicated that end of cash year balance forecast for end October 2007 was \$1,178. New revenue will not be received until November. Carryover from the end of last October was not as much as had been estimated.

Discussion was heard as to why \$30,000 that had been budgeted for roads in FY07 had not been used. Becky noted that attention to cash flow dictated fiscal discretion. Frank Florentine pointed out that cost estimates for road work were only received

Page Two

at the end of May. A variety of concerns surrounding the presentation and understanding of budget data and expenditures were discussed. Becky noted that the county provides a power point presentation to orient community association officials on the financial system. It was agreed that Becky and newly elected Board Member Andy Grannell, retired as a professional Certified Public Accountant, would meet to discuss the format for presentation of AOTB budgetary information.

Approval of the Minutes of the Board for June 12, 2007: With several changes and upon the motion of David Zeman and second of David Kayea, the Minutes were approved as written. Andy Grannell abstained from voting.

New Business: David Delia noted the trash left by a beach party over the weekend. Although it had been bagged by the party-goers, it had not been picked up as the beach is not serviced by the county. It was noted that parties of 24 or more require a permit from the Security Chair Wayne Gerrish. Also discussed was a recent eviction on Narragansett Avenue resulting in personal belongings remaining visible on the lawn for several days. David also cited a dead tree at Oak & Narragansett.

It was noted that Andrews Miller released a request for bids on part of the work necessitated by damage from Hurricane Isabel. The Maryland Emergency Management Agency has requested that the Federal Emergency Management Agency grant an extension of the date of September 30, 2007 for the community's expenditure of federal grant funds. Bob Krohn and Harvey Young are to follow up on the extension request. Andrews Miller is to evaluate the bids.

Andy Grannell noted that Frank Florentine volunteered at the Annual Meeting to chair the Pier and Boat Ramp Committee as Tee Allen had resigned. Harvey Young indicated that this would be discussed at the next Board meeting. Frank Florentine is now unable to chair this Committee.

Old Business: John Moses stated that paving of unpaved roads was 80% of the aggravation generating the current lawsuit against the Association and named officers. He noted that plaintiff Sherry Bellamy had prepared a document for the Board in its consideration of any settlement. Paving had been a big issue for years, as was cutting trees on Chesapeake Walk and any attempt to pave Chesapeake Walk, he noted. John indicated that there was no hatred or intent to restrict access involved, and that he would like the suit to go away. Use of herbicides is also an issue to plaintiffs.

David Delia delivered the document cited at the request of Sherry Bellamy.

Page Three

Harvey asked Frank Florentine whether he would accept an appointment as the Primary Contact to the Association's legal counsel for this litigation because of his unique domain knowledge. Frank declined the appointment, noting that he was no longer an elected official of the community and had no authority to take action or commit the Association. Additionally, he noted, whoever testifies for the Association should a trial be held need only be a member of the community, not necessarily an official named in the lawsuit. There was some disagreement on this point, and it was noted that any Association representative must be knowledgeable of the facts.

David Zeman agreed to accept the designation as liaison to counsel for this litigation.

The meeting dissolved to closed session for the discussion of the proposed settlement. Plaintiff John Moses, now Vice-President, removed himself from the meeting.

After discussion, the closed session ended and the meeting was adjourned at 8:50 PM.

Respectfully Submitted,

Pamela T. Duncan
Secretary
July 19, 2007

Approved by the Board of Directors with amendments, August 14, 2007