

MINUTES OF MEETING

EASTGATE HOMES CORPORATION

May 11, 2010

A regular meeting of the Eastgate Homes Corporation Board of Directors was held at 7:30 p.m. on Tuesday, May 11, 2010, at the Lake Marion Community Center, Montgomery Village, Maryland.

Directors Present

Mary Helen Amery, President
Jeffrey Amtmann, Vice President
Carl Paperiello, Treasurer
Tina Dasler
John Hildreth

Directors Absent

Mike Amery
Caleb Grabowski
Marla Wolff

Others Present

Aimee Winegar, Community Manager
Laura Hovenier, Recording Secretary
1 resident

Residents' Time

There were no comments from residents.

Call to Order

Ms. Amery, President, presided. She opened the meeting at 7:30 p.m. with a quorum present.

Approve Minutes

Mr. Amtmann moved to approve the minutes of the regular meeting held March 9, 2010, as presented. The motion was seconded and passed unanimously.

Review Financial Matters

a. Review Financial Statements

The Board reviewed the February 2010 and March 2010 financial statements. Mr. Paperiello reported that total assets for the current year are \$479,901.30 and for the prior year total assets were \$508,907.54. He stated that total assets have dropped because of snow removal costs following the record setting snow storms, and capital improvements to the tot lots.

Mr. Paperiello moved to accept the Eastgate Homes Corporation financial statements for February 2010 and March 2010 as presented. The motion was seconded and passed unanimously.

b. Review Delinquency Report

The Board reviewed the Delinquency Report. Mr. Paperiello reported that first quarter delinquent assessments total \$17,581.45. He stated that this sizable delinquency rate (5-8% of the budget) is a reflection of the current economy. A discussion ensued regarding the collections process. It was noted that owners must be delinquent for a quarter before the legal process to collect begins. During discussion, it was noted that it's necessary to budget for bad debt. Ms. Winegar noted that if board members have questions about specific accounts, questions can be directed to the MVF Collections Administrator.

Committee Reports

a. Audit/Reserves/Budget

No report.

b. Communications

Ms. Amery asked the Board to send her information to include in the *Village News*.

c. Maintenance

No report.

d. MAC Report

Ms. Amery reported that a representative from HOC attended the last MAC meeting. The representative described the housing programs, standards and inspections. He noted that those who qualify must meet income eligibility, must be citizens, and must pass criminal background checks. Ms. Amery stated that the representative was very responsive to problems

and urged homes corporations to contact HOC when there are issues to address. Ms. Amery asked the representative to consider serving on the Eastgate Homes Corporation Board of Directors as HOC is a part of the community. Ms. Winegar noted that she follows up with contacts at HOC regularly to address problems with tenants in the community. She stressed that residents should be very specific and clear when providing actionable information.

Ms. Amery noted that a representative from Verizon will attend the next meeting.

e. ***Election***

No report.

f. ***Nominating***

No report.

g. ***MVF Representative***

No report.

Adjourn to Annual Meeting

The meeting adjourned to the Annual Meeting at 8:00 p.m. and reconvened at 8:35 p.m. The minutes of the Annual Meeting are recorded separately.

Management Report

a. **Note Covenant Report**

The Board noted the Covenant Report.

Ms. Winegar presented the Management Report and highlighted the following items:

1.a. The board considered a request for write off.

Mr. Amtmann moved to write off the uncollectible balances for 7928 Otter Cove Court, Account No. EG92113, in the amount of \$1,122.95. The motion was seconded and passed unanimously.

1.b. Mr. Wollins of Morgan Stanley/Smith Barney informed management that three banks, where Eastgate Homes Corporation had CD's, went out of business. Because of FDIC Insurance, Eastgate Homes will receive their full amount of money. The board agreed it would be best to reinvest those funds into CD's replicating the dates the originals would have come due.

1.c. The board considered proposals for the 3-year audit contract.

Mr. Paperiello moved to accept the audit proposal from DeLeon & Stang for 2010 (\$2,300), 2011 (\$2,300), and 2012 (2,400) as presented. The motion was seconded and passed unanimously.

2.h. The Montgomery County DEP funded some repairs to the Cross Jack Pond. Mr. Amtmann stated that Eastgate is only responsible to mow and pick up trash in the area.

3.a. The board reviewed the initial PPM inspection statistics.

3.b. The board agreed not to drop the PPM violation for 8039 Harbor Tree Road and will ask the resident to maintain the yard and remove spreading and noxious weeds that can attract rodents.

4.a. The FEMA application has been completed and submitted for reimbursement for emergency snow removal expenditures for the December 2009 snowstorm. Management will also submit applications for the February 2010 snow storms.

4.g. Ms. Winegar asked board members to email any comments regarding proposed changes to the criteria for sheds for townhouses and zero-lot-line homes.

4.i. During the snow storms in February 2010, an unidentified plow damaged a sidewalk and driveway in Kings Pointe. The board denied the request from the resident of 7519 Oyster Bay Way to replace the driveway apron that was damaged. The board agreed that the repairs to the adjacent sidewalk are adequate and the maintenance contractor does not accept responsibility for damage to the driveway apron.

Per board request, Management will send a letter to Ridgefield home owners regarding parking on sidewalks.

Ms. Winegar reported that at a recent CAI convention in Las Vegas, she learned that many newer communities nationally are facing delinquency rates of 70%. She stated that

Montgomery Village, as a more established planned community, is faring much better in comparison.

Unfinished Business

A. Consider maintenance items

Painting

Painting is planned for Charlesgate, Ridgefield and the Mews (firelanes only). The areas are faded and painting is recommended. The board agreed to use tic marks rather than bay lines to save money. The board agreed that the Maintenance Committee Chair will authorize work at the next inspection.

Path proposal

In Charlesgate, on Otter Cove Court, there are 2 townhouse rows that have sidewalks that do not connect on all sides. There is clear evidence that the residents are walking and in some cases driving across the greenspace to access the backs of these back-to-back units. The board decided that spending \$8,000 to install paths in these areas is too expensive. The Maintenance Committee will consider other, less expensive ways to create barriers, such as planting bushes.

New Business

a. Election of Officers

Ms. Dasler moved to re-elect the officers in their current positions: Ms. Amery as President, Mr. Amtmann as Vice President, and Mr. Paperiello as Treasurer of the Eastgate Homes Corporation Board of Directors. The motion was seconded and passed unanimously.

b. Appointment of Committees

Ms. Dasler moved to re-establish the committees as currently appointed. The motion was seconded and passed unanimously.

c. Review MVF Collection Policy

Mr. Paperiello moved to acknowledge the MVF Collection Policy as presented. The motion was seconded and passed unanimously.

d. Reaffirm Board Policies

Mr. Paperiello moved to reaffirm the following Eastgate Homes Corporation policies as presented: Ballot-Proxy Policy, Community Concerns Policy, Procedures for Dispute Resolution, Private Property Maintenance Policy, Policy Relating to the Use of Eastgate Greenspace, Investment Policy, Parking and General Vehicular Rules and Regulations, Policy for the Private Use of Community Property, Private Yard Maintenance Policy, Policy Governing Storage on Private Property, Procurement Policy, Reserved Parking Policy, Snow Removal Policy, Towing Policy, Trash Policy, and Tree Policy. The motion was seconded and passed unanimously.

e. Establish inflation and interest rates

Mr. Paperiello moved to establish a projected interest rate of 3.5% and a projected inflation rate of 5% for the 2011 reserve program. The motion was seconded and passed unanimously.

Consider MVF Transportation Policy

It was noted that the MVF Transportation Policy states that the Foundation advocates the expansion of bus service in and around Montgomery Village to include more extensive routes through the communities of East Village and Eastgate. During discussion, the board agreed that the community is currently well-served by existing bus routes, and they do not want to increase bus service. It was noted that youth from outside of the community catch the bus at Shady Grove Metro and come to Martin Roy Park.

Ms. Dasler moved to support the MVF Transportation Policy with the exception that Eastgate Homes Corporation is satisfied with the current bus service in the community and does not wish to include more extensive routes. The motion was seconded and passed unanimously.

Adjournment

Ms. Dasler moved to adjourn the meeting at 9:30 p.m. The motion was seconded and passed unanimously.

There being no further business, the meeting was adjourned to closed session at 9:30 p.m. The reports, authorizations, and other documents presented at the meeting have been initialed for identification and attached hereto or filed in the offices of the Montgomery Village Foundation.

Laura Hovenier
Recording Secretary

Approved: _____