

5000 BOARDWALK CONDOMINIUM ASSOCIATION  
BOARD OF DIRECTORS MEETING  
August 31<sup>st</sup> 2014  
MINUTES

THOSE PRESENT:

Ron Cook	President
David Gold	Secretary
Ben Coren	Director
Miriam Holzman	Director

VIA TELEPHONE:

Philip B. Papier Jr.	Vice President
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THOSE ABSENT:

Stanley Merves	Treasurer
Susan Green	Director

Sandy Montano	General Manager
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President Ron Cook called the meeting to order at 11:10 A.M.

President Ron Cook started with the Election of the Board Officers for 2015, the appointing of committee chairs, and then they would open up the floor for a three minute questions only. Statements from the owners will be discussed and the Board of Directors will have a few statements of their own. Eric Goldstein is sitting at the table as well. He is the building's attorney.

Secretary David Gold made a motion to elect Ron Cook as President for the upcoming year. Director Philip Papier seconds the motion. All in favor, motion carried unanimously.

Director Ben Coren made a motion to elect Director David Gold as Vice President for the upcoming year. Director Philip Papier seconds the motion. All in favor, motion carried unanimously.

Director Miriam Holzman made a motion to elect Director Philip Papier as Secretary for the upcoming year. Director David Gold seconds the motion. All in favor, motion carried unanimously.

President Ron Cook made a motion to elect director Stanley Merves as Treasurer for the upcoming year. Director David Gold seconds the motion. All in favor, motion carried unanimously.

President Ron Cook introduced the legal committee headed by Secretary Philip Papier, the budget is headed by Treasurer Stanley Merves, Director Ben Coren is head of the restaurant committee, President Ron Cook is in charge of the physical plant, Head of communication is Director Miriam Holzman, and Director Susan Green is head of decoration.

Vice President David Gold made a motion to approve the nomination of the committee chairs. Director Miriam Holzman seconds the motion. All in favor, motion carried unanimously.

The floor was then open to anyone that would like to speak about the rental policy, but they will only have three minutes to do so.

Todd Miller from QMA was the first to stand and comment saying “If the Board of Directors could explain why the change to the rental policy had to happen now before everyone voiced their concerns, maybe the residents could understand where the Board is coming from.” President Ron Cook replied “That the particular reason was an insurance question that is coming up and the rate of conversion of rental units from regular residential units is increasing rapidly. If we get to around 60 units, which we have about 35 now, then the insurance rate goes up by at least 27% that is one of the main reasons. We would also like to maintain the value of the apartments in the building for the other owners who are not renters. Todd Miller is concerned about the investments in the building, but he thinks that the policy is very onerous for everyone in this building not only the people who are considering renting but for everyone and the reasons are that this is a very expensive building in which to own a unit between city taxes and condo fees it is quite expensive to be here. If you are forced to sell your unit as many people are right now and you don’t have the option of renting it, people are going to sell their units at fire sale prices, and that will depress everyone’s value if you choose to sell or if you choose to sell in the future.

Jerry Kline said that it would be extremely helpful if the residents had a copy of the rules and regulations that were “blacklined” or “redlined” to indicate what exact changes were being made or proposed, which rules and regulations that existed at this time and which new rules and regulations were being recommended. In terms of the rationale of this, unless you can demonstrate with imperial evidence what exactly what the insurance rates would be comparatively and in particular what property values would be before and after this policy goes into effect. It is very hard for anyone to consider judgment. He was not going to take a position one way or another, other than having all of the facts laid out in great detail so that the people here can make a judgment and make their voices known.

Tibor Osztreicher said he was concerned with the legality of the rules proposed and if they get passed he is for seeing a lot of legal actions that will raise the condo fees because what is in there seems like a cost mover rather than a condo move. If this passes it will lower the property value of all of us.

George Grosh said he was concerned with the condo fees which are \$850 a month or over \$10,000 a year, the real estate taxes which are \$5,500 totaling over \$15,500, the garage another \$875, the City of Ventnor has various fees, there was an assessment which was another \$1,600, and over time these fees add up to over \$20,000. If you choose to rent over three months this means you have to have over \$7,000 a month in rent just to cover the immediate cost, this seems rather impractical. For the last ten years I have been fortunate enough to rent my units one to three years at a time. The renters who have been here, have been involved with the community and other activities. Some of the tenants nearby told me how happy they were with the renters I have had; they also participate in all of the functions which have made a much more stable environment rather than having people come in and out of here every three months like a revolving gate.

Louis Alfred stated that it is almost impossible to relate the property value to the rental policy. There are so many other variables going on right now with the economy that you can’t possibly say that if we pass this rental policy it is going directly or not directly affect the people. All the people that have moved in, we have owned a unit here for over twenty years, and all the people that bought did so on the assumption that they have the ability to rent the units out. Now you are telling them you can’t rent it out unless you go along with those regulations, which is quite unfair. There has to be other ways to make sure that the rentals are done properly. Maybe

we have to put more money as far security deposits are concerned, or a two year moratorium on rentals for new people, but it is impossible to tell somebody that after twenty years of renting their unit they can't rent their unit any more. For all intensive purposes you can only rent your unit for a season. We have rented our unit out for the past nine years. We have been very lucky that she has been terrific. Everybody that knows her said she was terrific. She is gone, now as soon as everyone else in here who rent their units out, as soon as their tenants leave they're stuck that's it, and if they don't resign their lease, according to these new rules and regulations. To me this is what's going to lower the property value of the building.

Andy Purdy stated that he information that they got for reasons to do the changes to the policy that were expressed at the beginning of this meeting. That was inadequate notice for the owners that was inadequate statement of facts in terms of number of units, how much they went up since the last printed minutes which was over a year ago that told us how many units were being rented and how many weren't rented. We haven't had written minutes since September 1<sup>st</sup>, 2013. I may speak for one or two owners that if you act on this policy and pass this policy without considering less restrictive alternatives, less restrictive burdens on the owners you are going to have a revolt of the owners of this association against this Board. I asked each member of the Board if they think that adequate notice and reasons have been given to the owners and this Board, an adequate communication with the owners with alternatives to this that warrants you taking a vote today. That's a question for each member of the Board.

President Ron Cook thanked Andy Purdy for his statement. Andy Purdy said that it was a question for the Board, not a statement. Andy Purdy would like the Board to answer the question. President Ron Cook said that they were only going to take statements, not questions at the beginning of this meeting. Andy Purdy stated that the Board first said it was only questions and to play back the recording. President Ron Cook replied saying it was only statements. Vice President David Gold stepped in saying to Andy Purdy that he has had his three minutes and to give someone else a chance.

Myra Nemeroff started out by saying she has been here for over thirty years. She wanted to draw something to the attention of the Board. First of all by passing the rental policy you are going to take the rights of the owners away. We bought it, we knew there was rental, and you are taking that right away. I'm going to tell you that my grandson just bought and sold a property in Philadelphia and the realtor said the reason why you're getting \$200,000 less of the same value here is because you have a policy in your condominium that you cannot lease out your apartment if more than 10% in the building have leased it out. Now he has a property there, he was transferred, he had to leave, he had to let that property sit in Center City Philadelphia, not rented for two years, and then take about \$200,000 less than he should have got because he has that rule. He didn't read it when he bought it. We certainly read ours and we know we can rent and we can sell. You are going to cut the value of selling they just won't look at the property.

Robin Fader states that she has sat on much larger boards than this one. "What is the ability to ask question, if the Board will not provide answers at this time?"

Arlene Grosh is a retired attorney that wanted to reiterate and reflect upon a statement that an earlier speaker made about a probability of litigation. If this Board votes today under these circumstances with the lack of notice, the lack of specificity, lack of ability of people to respond. I think you are going to take on and end up with a law suit that is going to cost you a lot more than the insurance increase that you fear.

Mark Hoffman knows two couples who were long term tenants in the building and then they become owners because they liked the people and the Association here. By proposing what

you are doing here, you are going to eliminate those people from here from becoming long term tenants and eventually becoming owners. This will hurt the values of units here. I can tell you who they are, but you know who they are as well as I do. Stan and Carol Sussman were long term tenants and David and Judy Kline were long term tenants and bought the unit they were renting. The Sussman bought a different unit. I don't know who many other people were long term tenants but I believe there were many others that become owners.

President Ron Cook said that Vice President David Gold is going to address the issues of today.

Vice President David Gold stated that he heard a statement that was just made that was not exactly accurate. It's not untrue but it's not true. We have had many long term tenants here, who come back year after year after year. They rent for the summer than go to Florida for the winter or they go back to Philadelphia. Many of the people Mark was eluding to, one lives across the hall from me. No names. I applaud what they because that is the best thing that can happen to this building. They rented here a long time, the people who were in the apartment unfortunately passed away. They were my neighbors for a long time. They bought the apartment at a very reasonable price. They gutted the unit; they took a 39 year old unit and brought it up to date. First class that's what we want to see. We don't want speculators, buying the apartments on the cheap, renting it out for 12 months, than selling it in 3 years from now. That doesn't help us, I'm happy to see Stan and Carol Sussman across the hall from me because he did a hell of a job. Number two: we are not outlawing leasing. Anyone that has a yearly lease is grandfathered. The numbers are as followed: last year we had a total of 20 some, now we have 43 leases. Every year for the last 4 years the number of leases has increased. That does not help the building. Now let's see what's in the regulations. We have always said and it's not a change but we will only allow one lease per year. We have always said that it will be a minimum of 3 months per year. We don't want this place to become another enclave, we don't want that. We don't want to be an ocean club. This is a class building and we want to keep it a first class building. The fact is and we have a regulation here that's new. I didn't draw this up our head legal officer Secretary Philip Papier did and I think he did the right thing and I think he did a great job. We don't want to have tenants that rent in the winter time. Number one, we have done our homework. In Cape May they have many apartments and building that rent in the winter for \$1,000 a month. They have people that move in there that you do not want to see as your neighbors, this is a fact and we have checked this out. They then move to shacks in the summer time when the owners come to occupy it. That does not help the value of the building seeing these people walking around. Number two, if you have a tenant, that is a yearly tenant, they are grandfathered. We are not telling you that you cannot renew their lease, you may. What we are saying is that in the future, you need to have a minimum of a 6 month lease. Now let me go a step further, one of our Board members owns an apartment that he lives in and he rents one. I'm not an expert on the return of rentals, but he has stated clearly that he has done some homework and contacted some realtors, that the seasonal rentals just about the same money as the annul renters. So we are not hurting any of the owners. In addition we have one other thing, which has happened a number of times. I know of some that are near here, where one man bought 8 apartments. 8 units not 5 and rented them out. Now what he'll do is get them all rented then he will sell them to a group. That doesn't help your value that kills the rating, so we don't want speculators. Buying on the cheap then renting them out and selling them for a profit. What I see is that even if an apartment goes cheap and I use Stan Sussman as an example of someone who buys it, upgrades it, for the benefit of the building, that is the perfect solution, not to have speculators come in a buy it figuring they will

cover their expenses for a few years until the market improves and then flip it. We don't need that. These will only hurt values not help them. Now we have added some safe guards to the rental policy. We have asked for background checks because let's face it we know who is here. We know that if you buy a unit here, fix it up, we know that you are a fairly presentable person or we hope, but when you get a tenant, you who they are, what they have done, or what their history has been so we are asking for these background in order to protect the residents. We don't want any undesirables walking around in our hallways. The cost would be what we pay to the company for the background checks \$250. We don't make a penny out of \$250, which is just the price of the check. We have asked for Certificates of Occupancy and the reason being, as you all know we have some units here that may be an efficacy; a small one bedroom, someone comes down the road and right away they have 12 people in them already. That doesn't help you. This has been the Queen of the Boardwalk and we want it to remain so and we are not taking away any rights from anyone because you still have the right to lease. The fact is I used to live at 191 and I was the president there for 8 years and I haven't been there for 16 years and I ran into a cousin of mine, who now lives there, she says to me they are barring all rentals. Now to me that's extreme. Now you may have situations where people need that just to carry it. I heard about how high our taxes are and we have no control over that, the City of Ventnor controls the taxes. Then I heard about how high our maintenance is. Let me tell you a little something, maybe you are not aware of what's going on. You know we have loan that has been in effect for about 12 years, we have had the rate lowered, but we still pay \$478,116 a year on that loan. That is 14.5% of your maintenance, which is before we spend a dime to run this building. The only answer for this is to be able to pay it off, but if we all paid it off then we would have an assessment. I don't know how many people would be in favor of that or not. Maybe we should send out a letter and ask the people. Would you be in favor of paying off this loan, so we could lower you maintenance but of course you would have to come up with the change right away. You know the joke about the old folks and I'm an old guy. You don't buy green bananas, you have heard this right? As a result I think I have answered what has been raised here and I would like to make a motion that the rental policy. Excuse me we have took the questions. Robin Fader exclaimed that Vice President David Gold has been talking for almost 9 minutes now and that they have not been asking questions just statements. Vice President David Gold agreed with President Ron Cook saying that the Board only took statements. If you have questions I will take the questions one at a time.

Mark Hoffman stood up and asked "of the people who have rented in the last couple of years, you had mentioned the numbers earlier in your talk. How many of them were new buyers and how many of them were previous owners that have been here for some time?" Vice President David Gold said he did not know the answer to that. Mark Hoffman replied "I think that's a very important question though David. If these people know who can afford the condo fee, which I agree with you is high because of the loan, well partly because of the loan. Then these are people that were hurting because of the economy or change in circumstance or whatever, had to rent had no choice either that or sell it a really low price to get out because they were overburden by the cost of living here. So I think it's important for me to know before I feel informed, if all of those people or some of them were new buyers or trying to do what you had suggested that has happened elsewhere. Vice President David Gold said Mark Hoffman lost him. Mark Hoffman said I think it's important whether the people who started to rent in the last several years whether they were former owners that were here for 20 years or maybe they were new people who purchased and then decided to rent. Vice President David Gold said that the

Board was not prohibiting renting, but to rent up to 6 months. Mark Hoffman asked the question again of those renting in the last several years were new people? Vice President David Gold said again that the Board is not preventing them from renting and the fact is that the rental that they receive for 3 months, 4 months, or 6 months is equal to that of 12 months. President Ron Cook said he will answer that question coming from the Board member with a rental unit. All of the rentals I have had over the last 6 or 7 years were previous owners most of people that want to live at the 5000 because of the quality of the 5000. There are no previous owners who are renting. You were asking how many people were renting were owners. Mark Hoffman said no how many owners bought it to rent the unit; speculators if you will, people who were here prior to ten years who had to rent because they could no longer afford to be here? President Ron Cook said he cannot answer that question quite right, but he does know that some of the people that sent us mail or telephone calls. One person in fact last night never even stepped foot in the building and he has been renting ever since he took it. There was a statement that they made that they bought into the building because their plan was to use this place only a few months a year and rent out the others. So this trend of people speculating in the building is there.

Marjorie Conti just wanted to comment. "I have been in the building for almost 20 years, I bought a condominium in a condominium building, I didn't buy a condominium in an apartment building and it is upsetting to me that this is the way this is going. People who rent apartments don't have the same care or reservations in our values, of our properties, or anything else.

Bonnie Squires stated that she tried to make sense of the many sheets that were mailed out to the residents. I am not an attorney, but over the past few months of board meetings that a lot of numbers have been thrown out and there seems to be a discrepancy between the number that the Board uses of "rentals" and the difference of renters for the season or renters for the year and nowhere was it outlined that these are the numbers. You keep threatening that the insurance rates will keep going up, but actually what is the possibility? Vice President David Gold asked to answer Bonnie Squires' question because he has the numbers in front of him. In 2010 as an example we have had 10 year round rentals, 2011 we had 11, 2012 we had 18, now this is only year round not seasonal, in 2013 we had 20, and in 2014 we had 23 and we have 4 owners that will be in effect in September that brings us to 27 for the year. Plus the part time or seasonal rentals is 20. So we have gone from 20 to 43 and that's a trend and these are actual numbers that I had received from management. This is something we have to consider. We don't want this to be a rental building.

Sam Karsh spoke about being here for over 20 years and prior to this he was an owner at another condominium building down the shore and have been in their condo in Philadelphia for over 20 years. He is a retired real estate attorney. My question is not with regards to the substance with what we are talking about, but rather the procedure. "my feeling is listening to the room here that there is a fair degree of unhappiness and uncertainty and concern about the way the matter was presented to us and indeed the substance of it and I would hope that the Board would consider some expression by vote from the floor of the people assembled here today to guide them in the process or alternatively to say that this is not a Board issue, but this is an owner issue and therefore an appropriate form of ballot should be designed and hindered to each of the owners, so they can express either a yay or neh. The yay would be to authorize the Board to proceed with the process along the lines that were brought up here today, not along the lines that were outlined in the 2-3 page that was handed out earlier that I received and had a hard time following and I drafted those kinds of rules and regulations and procedures. I think that it was in

a Middle English kind of format. I was unhappy with that kind of description. So I would ask that the chair or the Board express before the matter comes to a final position that they are willing to open the determination of this issue or an expression in whatever format they think is appropriate whether it would be hand raising, ballot or whatever to get some sense to guide them in the process. Vice President David Gold had no response and was just listening to all the questions and what people have to say. "I know this has been recirculated that was composed by Secretary Philip Papier and I want to hear from each and every unit owner before I cast my vote. If we could I would like to hear from people who haven't spoken yet first as opposed to people repeating what they had said previously.

Wendy Somers said I have been at this building for over 35 years. I started here as a teenager, both my parents own units here. I love this building, but I do rent it out. My mother passed away 5 years ago and my intent one day in the next ten years is to retire here and to live in this building, and until that time I need to rent this apartment out. I have a couple statements and then a couple of questions. I feel like we took a lot more time to deciding the design for the lobby more than we did addressing this issue. I have had three rentals in my mother's apartment since she passed away. All of them are fabulous, there has never been any complaints, and right now I have a yearly rental. I do background checks on the people that rent my apartment. I put it in to my rental agreement, Jane has a copy of it. They are responsible for paying everything, I take it out of their security deposit and first month's rent their background checks, their CO, and anything that is going to cost me anything. I rent to them all year round. That's what I do to somebody that is renting my apartment. I don't know why it would be up to the Board to do background checks. I run a preschool and I have to do background checks on every single one of my teachers before they come to work for me. My preschool is in Pennsylvania and it cost me less than a \$100 to do 4 different background checks on each person that comes to work for me. That is criminal, fingerprinting, and everything, but I do it for the people that rent from me and I do it on my own so I know who is renting my property. I think that should be up to the unit owner. Vice President David Gold say that Wendy Somers is a professional and she knows what she is doing with the background checks. We are going to require that every owner who rents get a background check. Wendy Somers stated that you can pass it on to the renters and that's all good, but I think that the problem is whatever Bi-Laws that you have. Vice President David Gold said that this is not a Bi-Law, but it is a regulation. Wendy Somers said the problem is that the fact is you letting people rent 3 or 5 and buying 3 or 5 units here. Vice President David Gold asked Wendy Somers how the Board can stop that. Wendy Somers stated make a Bi-Law that says you can only buy 1 or 2 units. Vice President David Gold said you can't do that. Wendy Somers asked why can't you change it for us. Vice President David Gold said it was just stated by our council Eric Goldstein that they can set up corporations and duct it 97 different ways. You really can't do that. Wendy Somers said you can't change it any way for them? Vice President David Gold said no you can't change it. You cannot extinguish against one you have to have a world for all because if you are disguised against one, then you are picking on that one and they knock it out of court in 2 seconds. Wendy Somers concern is I won't be able to retire here in 10 years because of the fact that if this rental leaves that is all year round and before that I have had 7,6,or 5 month rental because I did well living in Florida, but if this person leaves; who is lovely and has been here almost a year and a half, that everyone likes in the building and they are friends with the people in the restaurant, now if that person leaves I'm in a situation where if I can't rent it out for 6 months because these people came in looking for a yearly. Then if I can't rent it out I have to sell my apartment. The casinos are closing down here we are finding less and

less people that want to buy right away because the economy is down. Vice President David Gold said that the fact is we are not looking for people that work in the casinos. Wendy Somers was not saying that we are. There are less people and there are people who have a job here that do like the fact. Vice President David Gold says that the fact is that you can rent it for 6 months for just about the same money that you get for the year. Wendy Somers says she disagrees she makes \$1000-\$2000 less for a yearly rental than I do for just the summer months. The people that are here that are renting for the year and the people that I have talked to that wanted to rent here the last time around all wanted a yearly rental. They wanted to be able to come down over the holiday long breaks; they wanted to be able to have a getaway on the weekend. Vice President David Gold replied if she understood that she is grandfathered in so that if this tenant remains can stay for years and years. Wendy Somers said if this tenant stays. My average tenant with all due respect has passed away; they weren't here, whatever it is bought. I'm just expressing my concern that the fact is my heart is here I've been here for over 35 years. My father's here and I have probably been here longer than most people. Vice President David Gold said that she was right he has been here only 32.

Todd Dratch said he was a little late getting to the meeting so he didn't get to hear the beginning, but our family has been in here for well over 30 years we have 2 units in here and my uncle is a yearly renter here. We have a lot of pride in this building and he is also a real estate attorney and development. I do not believe that this action is appropriate by rule and I don't want to get into that here. I think that this is an action that is going to have to be amended. I'm not going to get into that here because there is no reason as long as the Board here makes the right decision on the action today, so with regard with the rentals legally I don't think the Board has the right to make it by rule but you have people that want to rent down here and they can't afford to buy but they can afford to rent or they want to put their parents down here. If you implement this rule you are going to have a lot of people selling their units and its going to be like a fire sale and what's going to end up happening here is it is okay to have proper screening procedures, but someone who wants to rent for a year as long as their screened properly is someone who wants to be here in this building and a lot of these people rent for a year or more and they don't want to just rent for a season they like to come down in September and October. Some people like to put their parents here full time. One of my good friends put his mother down here full time and he is not going to buy a unit, but he wants his mother down here because it's the most quality unit down here. With regard to this action is that it's not appropriate what you are going to do, personally I have no intention on leasing my unit because I just bought it, but if I want to and you implement this then what you are going to do is you are going to get a group of people together that are going to challenge you. That's going to be the first thing and the second thing that is going to happen because the challenge is not going to hold up is you are going to have people down here who are going to do what they want and not tell you and not follow the rules, so you are creating a rule that everyone is going try and figure out who to get a round and then not notify the building, but if you keep the procedures proper then people will follow them, but if you have bad rules then people are going to break them.

Rose Karr stood up and spoke about the electric charger. President Ron Cook told Rose Karr that in the beginning that this meeting was going to be about the rules and regulations only.

Bonnie Farber stood and voiced her opinion. Very few Board members have recently have been elected, those who haven't been elected this year, those who have been elected in the previous year's your responsibility is to represent your constituents; the owners of these units, they have voted for you because we all have confidence in your ability to govern, but in

governing it is important that you make a conscious effort to represent the will of the people. Now to sit in front as a Board member; like Mr. Gold, with finite or definite opinions and have answers rather than listening to the questions to resolve them is not right, and even though you might have all the information in front of you it is your duty to listen. I don't think that any of you have any idea of what the majority of the condominium owners want. There are applause on both sides of the issue and no one knows what the majority is and until you do your responsibly is to find out that answer and to create a plan accordingly. Vice President David Gold replied saying that he agreed with everything she said except that he does not have a precondition opinion because he comes here to represent what he feels is best for the majority. Bonnie Farber said that answering rather than listening to me shows that that is not the case. Now I'm not interested in your responses immediately, but I am interested in a discovery of what it is you are to represent be it no renters, be it all renters or whatever it is, but you have to know what we want before you make a decision.

Todd Miller wanted to start by saying thank you to the Board; I know that this is a really tough issue. I know you have had a lot of grief from us over the last hour and I know you are trying to do the right thing. We are all concerned about the expenses and condo fees and things of that nature. One of the things that I see is that I rent my place and I have occupied here for 15 years, but I do have other rental properties, and one of things I have found is that when I rent my property for the season I always get a lot less respect than when I get a year round renter. Now it seems to me that the Board are making these decisions and basing your decision on some undisclosed logic, I'm not necessarily saying that it is incorrect but I don't understand the process that a year round renter is not as good for this community as a seasonal renter and I'm not sure that I follow that logic because in my own experiences is the exact opposite. The people who come year after year after year not only does it save us money because we don't need marketing, background checks, and commissions to pay, but they are better people. They respect our home because it has become their home. It is not a place to throw a sleeping bag for a couple of days on the weekend for the big weekends. They are in our homes year round and they have a better respect for the home and the building, so it seems like the repercussions of this rule or action to get rid of all those good people; all the people in my opinion that tend to be better people, and to bring back the people that are here just to be here for a summer and they have no intention of coming back.

Mitchell Corson said that the Board said that if a short term seasonal renter gets the same income as the yearly renter that is not going to stop investors. Investors will purchase seasonal therefore we will still have investors. So if the purpose of the Board is to try and stop investors consider this: a new buyer that cannot rent for 2 years and must occupy the unit for 2 years and then they can rent by the year instead of seasonal. That would keep anyone who is renting now could be grandfathered in.

Diane Fayn said some people have said that we should be able to rent for a year if we wish to not only that but I feel that long term renters are very respectful of the property and I would like to see it open to if you would like to rent for 2 years or 3 years because they are respectful.

Rhoda Schulman had question that the Board didn't address the insurances going up for seasonal rentals as opposed to yearly rentals, but I also have a statement. We own an apartment in Florida, in a building like this, that they do have a minimum you have to own for 2 years before you can rent it so it keeps away some of those people who want to flip it and you also have from people speaking here, quite a few attorneys and some attorneys that own here to put

together a committee of these people who have that knowledge before you open up the Board for a decision and then get sued by a group of people. Go about it legally to find out the best way you need to do and utilize the members of the community that we live in who will be more than happy I think to donate their time to get that answer before you make that decision.

Vice President David Gold wanted to say that one thing that he has heard here, many things that were said, I'm really impressed and I think we should add that new owners cannot rent for 2 years because that is something the Board did not consider and I think that it is a worthwhile suggestion. It was not in the notice that was sent out, so based upon that I think we should make a motion to table this matter and we go ahead and add that because I think that it is an excellent idea and a few people have said that so I think it's a good idea.

Secretary Philip Papier spoke and said that the Board has the authority to limit a new owner for renting for 2 years.

Vice President David Gold said he was going to give that question to the outside counsel who he relies upon Eric Goldstein who is licensed. The question is can we put in a condition that new owners cannot rent their properties until they have owned for a period of 2 years.

Eric Goldstein said we could do this, but the issue would be notifying the buyer prior to the time they take title, so that can either go through the office or it can go through the realtor. as long as the buyer acknowledges that they are taking title with the premise that they cannot rent it out other than if they were buying a unit that is already tenant occupied, so if they are buying when it is tenant occupied technically there would be an issue of grandfathering in, but there is wording we can put together if need be that a new owner cant rent for a certain period, whatever that period is that is up to the Board.

Stu Farber said they have been here for about 8 years. This is just a general statement on the process. You have heard based on this turn out that a lot of people are displeased and having a very large amount of concerns with this process after you have heard all of this and have heard all of the concerns that everyone in this room has do you still consider taking a vote or tabling this discussion until further information has been distributed. Vice President David Gold said he was going to make a motion to table the whole thing because you are not going to do just one piece. I want to table it, I want to include the language I've heard and then we are open to suggestions that we will make it up at the next meeting. Stu Farber wanted to know if that processed includes providing more information as I've heard before or the impartial data on what the additional cost will be. Vice President David Gold said that we do know is that from our insurance broker is let me give you the number and these are not carved in stone. We can expect an increase in property insurance between \$40,000-\$50,000 if we are categorized as a hotel rental category even though we are not a hotel, but if we hit 20% then they start looking at us in that light as opposed to a condominium. As you all probably know as a result of Sandy there are other insurance, our flood insurance went from \$150,000 to \$320,780 but that has nothing to do with our rental policy so we are stuck with that. Stu Farber said that he understands that, but just let me finish my thought. Does that \$50,000 increase translate into a \$50,000 prorated distribution on our maintenance or is some going to come out of operating budget. Vice President David Gold said it will be covered in the maintenance for the extra \$50,000 in expenses we pick up and then your share will be depended upon based on percentage of ownership since everyone's is different, so I'm not sure how much yours would be. Stu Farber asked if we would be able to distribute that specific of what the maintenance would be. Vice President David Gold said he is not sure because it could be anywhere between \$40,000-\$50,000 and we are not sure what it will be if the category is changed and then when they do this they consider more long

term adverse light than they do short term leases. Stu Farber was not disputing anything that was being said he was asking if that information be disseminated to this group so that they have more information of this. Vice President David Gold said we can put down between \$40,000-\$50,000 but we cannot give you a hard number. So yeah we can disperse more information. President Ron Cook said that the insurance firm that was covered in the beginning is that the insurance company starts to look at long term rentals, annual rentals in an urban environment than they do at the seashore. Seashore they look more favored on seasonal rentals than they do on long term rentals.

Len Karp has been here for 6 years. I am really encouraged from where this conversation started to where it is now. Now we are talking about you providing more information to all of us in this room from where we started where many of us thought this was going to be completed. I think something has been accomplished, thank you for listening. I have another suggestion. There is more than just the insurance cost and I think I remember in a Board meeting 2 times ago we had talked about the cost of heating for the winter and the electricity has gone up tremendously. Vice President David Gold said that the gas went up as well. Len Karp said because of more and more year round tenants here that has an impact on that which is a percentage of our assessment. If you are going to be providing data back to us I would like you to look at the whole picture not just what the insurance is but the more information that we have to make a decision or help you make a decision. Vice President David Gold said we can give you numbers on how much they went up this year. We cannot say in all fairness is and this is taking the other side of the coin that this was solely because we had more year round rentals. Let's face it we had a very cold winter. How I can contribute so much of the \$35,000 extra for this and \$20,000 extra charge for that to the extra tenants that's impossible to do.

Ruben Winach a few years back I remember the topic of utilities. My understanding of the utilities was that they were based on the summer usage and extrapolated a crossed 12 months and divided by 12. So I thought our winter bills don't change because it was based on the summer months. Vice President David Gold said that this was not true. No what had happen was we had a water situation we were not talking about electric and gas. The water situation has changed because the City has installed meters, but in order to lessen the effect of the meter they had to put in a seasonal charge for each unit so we don't get the full credit that we should get and do better than we had done previously. This does not apply to gas and electric.

Mel Shuster has been President, Vice President, and Treasurer of 2 condominiums in Philadelphia. I am familiar with the processes that we have been discussing this morning. I have to say that I agree with the gentleman that just spoke that there has been considerable progress and communication that we didn't have before. Now when we did the hallways in Independence Place just recently it took about 2 and half years of going back and forth between the public and we were very concerned with the constituents to report for the changes were going to make. In this building there was a considerable amount of back and forth before the final design was reached. The proposals that we have been discussing this morning are far more far reaching and so commentary of process I agree with Stan Karsch and Todd Dratch that a great deal of more time and effort has to be put into the communication through management and the Board and feedback by everybody. This is potentially a very significant change that is being proposed. I have not read the Bi-Laws but I am seriously concerned; like Todd Dratch said, about whether or not this kind of change can actually be done by rule and regulation because it impacts on every owner's ability to alienate their property and use it in a legalistic term. So I would propose in the spirit in the way this meeting was being held; I think it has been productive, that the Board go

back to the drawing board, issue a request for feed back with information coming from the Board, with a consensus of everybody with an opportunity to express themselves, and David Gold said we will move to table. My concern is that now with the end of the summer session and there really won't be really a kind of input until next season. There is nothing really Earth-shattering about waiting until next season and getting all of this right and then we can take a vote. Last point I want to make is that the things that I've heard to justify this proposed change are about dollars and cents. \$40,000-\$50,000 if it is prorated across all the units is probably not all the significant. With respect to the quality of life and with the concern of the people resigning here, and I think that is something that all of us should have input on and not just the perspective of the people on the Board. It's not like there is right or wrong answer, but there is a way of going about it so that the people in this building reach a conclusion that they can support and that the rules and regulations don't become a mockery, but something that is best for the Association.

Paula Solomon said that Andy Purdy has had his hand up for the last half an hour has just gotten bypassed and I think he has the right to speak. Vice President David Gold said that everybody has spoke once and that if we go back to everybody twice then we will be here forever. Paula Solomon said she was going to say something that she was going to agree with what Mel had just said, and I am very fearful that this Board will have a meeting in a month or two when no one is here, show up to take a vote. President Ron Cook said he would like to interrupt. President Ron Cook said that the Board has never ever done anything without the open meeting in front of the unit owners. Paula Solomon said that there is the most amounts of people here from the summer and when we do have a meeting in a month or two when there are only 6 or 7 people at the meeting compared to what is here now. President Ron Cook said that I think that you are reflecting on the actions of the Board and we do not do things like that. Vice President David Gold said that if the people are really interested they will show up to these meetings.

Ron Paget said he was very conflicted. I can see both sides of the issue. I have a neighbor next to him that has 5 people in a 1 bedroom, and I don't like that. I can also see the other side what I respectfully ask is that everyone have a chance to vote; a written vote, Mr. Gold you have opened up the door and asked if you would like to send out the letter on the assessment. Please send out a letter on a vote so that way everyone can have a vote. Vice President David Gold said that there will be futher communication from the Board and I hope we get more important feedback from the people. Vice President David Gold makes a motion to table this matter at this time. Ben Coren seconds the motion. All in favor, motion carried unanimously. President Ron Cook adjourned the meeting.