

5000 BOARDWALK CONDOMINIUM ASSOCIATION
UNIT OWNER'S MEETING
June 28th 2015
MINUTES

THOSE PRESENT:

David Gold	Vice President
Stanley Merves	Treasurer
Philip B. Papier Jr.	Secretary
Ben Coren	Director
Susan Green	Director
Miriam Holzman	Director

THOSE ABSENT:

Ron Cook	President
Sandy Montano	General Manager

Vice President David Gold called the meeting to order at 11:10am.

Director Ben Coren opened the meeting with the Restaurant Committee report. He was inviting everyone at the meeting to come and partake in the party. He opened the invitation to guests and friends of the residents. Director Miriam Holzman added to Director Coren's report. She mentioned that like all new restaurants there are going to be quirks that needed to be worked out. After speaking about the restaurant, Director Miriam Holzman gave her Website Committee report. Director Miriam Holzman asked the residents not to use the request for service button on the website, but for them to come to the Front Desk with any and all work orders to be filed. Director Susan Green spoke for the Rental Committee next. Director Susan Green made a motion for the Board of Directors to approve the Rental Committee of Stan Sussman, David Meyer, Steve Barnett, Marjorie Conti, Kenneth Rubin, Andy Purdy, David Gold and myself. All in favor unanimously passed. Treasurer Stanley Merves gave the Finance Report. Treasurer Stanley Merves reported that the Becht report had not come in yet. The loan from the bank at the end of December, 2014 was \$2,424,000 and as of June it will be \$2,241,000. If left alone it should be paid off in 5 years. As of May the 31st we have an excess of cash flow of about \$250,000 over the expenses. \$ 150,000 can be accounted for unexpectedly from the law suit and normally we are \$100,000 ahead at this time of year because the money comes ratably, but the expenses come in jumping higher in June, July, and August, so we are normally ahead to cover the shortage in the summer time. I would like to remind everyone that an extra assessment will be going for the end of July. Secretary Philip Papier reminded everyone that every Monday night in the summer there will be an Opera shown at 7:30. All are welcomed.

General Manager Sandy Montano gave the Manager and Physical Plant reports. The Penthouse is moving along through the approval stage and I'm hoping we get the approval we need to move forward. The window washing was done this year and a few residents voiced their concerns about the work that was done. The company that cleans the windows do not touch balcony windows or old windows. We also have our maintenance staff taking out the screens and putting them back in which is a time consuming task. I'm going to research this winter a better way of doing the window cleaning. I would like to reiterate the Rules and Regulation of the elevators. We all know which elevators to use when in bathing attire and bringing packages up or down. We have a lot more children running around with bare feet and wet towels coming from the pool. This is not what the homeowners in this building want to see so if we could inform our guest of these Rules and Regulations that would be great. We are seeing a lot of guest of residents, who are coming for dinner, at Social Hour which is not allowed. The electric car charger is now operational and we are putting a policy in place in case there is another electric car that needs to charge. Marjorie Conti asked where the charger was in the parking lot. The charging station is along the back wall closest to the building. Marjorie Conti questioned why it wasn't farther away from the building like originally planned. Security and the cost of running the electric farther was the two main issues for the charging station not being placed at the far end of the parking lot.

Director Miriam Holzman made a motion not to exceed \$147,000 for the fire system upgrade with a \$50,000 deposit. Director Susan Green seconded the motion. All in favor; pass unanimously.

Susan Farber, unit 1603, asked that if you have a guest that comes with an electric car will they be able to use the station. If so how will they be billed for it? Vice President David Gold said that the answer is no because we don't want this to be the charging point for Ventnor. It's just a charging station for the owners of the 5000.

Paula Soloman, unit 911/912 asked if there was any way to clarify that the expenses are higher when the owner of a unit rents as opposed to lives in their unit. Director Susan Green replied that if the unit is unoccupied in the winter, rather than a tenant living there year round, the expenses are not being used. Tenants are less likely to turn off a light or turn down the thermostat when they leave the house because they don't see an electric bill or gas bill. There is a difference in expenses between a person using the unit 4 months out of the year and a person using the unit year round. Paula Soloman asked what is the percentage of people that rent yearly and stay all year round. Director Susan Green stated that if there are 26 yearly rentals then the assumption is that 26 are here all year round. Wendy Somers, unit 701, disagreed with the assumption because she rents out her unit year round, but her tenants are away 3 to 4 months out of that year. Director Susan Green read a letter from the Insurance broker stating "You asked at what point tenant occupancy becomes an insurance underwriting issue. Our underwriter advised that when tenant occupancy approached 25-30% raises a flag and at that point they look for leases that are at least 6 months in length as opposed to short term seasonal or even monthly rentals. They also look more closely at leasing procedures meaning... are tenant background checks done, are

formal leases in place, are insurance requirement for the tenant and proof of insurance obtained from the tenants. Once tenant occupancy gets over 30% the excluder starts to look more like an apartment or even hotel which changes the risk characteristics."

Steve Barnett, unit 215, was looking into mortgages from a few banks and once the occupancy of the rentals go up to a certain percentage you cannot get a mortgage or it's at a higher rate, so there are mortgage implications as well. Director Susan Green explained that the Rental Committee is diligently looking into all the possibilities and are trying to come up with the best possible policy.

David Meyer, unit 1601, explained that if the condo is viewed as an apartment or hotel or largely a rental property the lenders will place additional restrictions on the willingness to lend. He witnessed this first hand. For the building owners, if the building is viewed as a largely rental building and you are trying to sell your condo you could face difficulties in having your buyer qualify for financing to purchase the unit.

Jeff Kolansky, unit 1014, said that when he tried to get a mortgage for which he got approved for up until the last part. A week before settlement Wells Fargo said that the building did not qualify for the FHA because of the rentals. He then went to a local bank and got lucky to get a loan.

Jerry Kline, unit 1812, wanted the Board to lay out all the information they have obtained for the change in the rental policy. Vice President David Gold replied saying the purpose of the Rental Policy Committee is to illicit opinions from the Owners. What the Committee will reflect the wishes of the majority of the Owners. We have to provide what is best for the community rather than each individual person.

Stu Farber, unit 1603, wanted to know of the existing units in the building when the Condo would be considered a rental building. Director Susan Green answered between 25-30%. Stu Farber replied that 30% of 324 units are 90 units. Vice President David Gold said that the 25-30% has to deal with the insurance and the man that was rejected was for a mortgage. Director Susan Green responded that with the amount of rentals increase the insurance companies and the lenders look at the trend that is occurring in the building. Stu Farber stated that they tried to refinance their unit 4 years ago with Wells Fargo and was rejected because of the flood plain issues and flooding. Director Susan Green said that this was for a Federal flood insurance policy.

Mitchell Corson, unit 1117, asked if the Finance Committee is considering moving the operating funds from Wells Fargo to another bank. Treasurer Stanley Merves said that the Finance Committee was considering the move to a different bank. Mitchell Corson asked if the Rental Committee is considering making phone calls to the non-respondents to the survey. If we do not receive the 75% in favor of limiting rentals then we are wasting all of our times. Director Susan Green said that the questionnaire that was not a ballot, but just a questionnaire to get the opinions of the Owners.

Director Philip Papier stated that he has been an Owner since the building went Condo. He is also in favor of the limiting of rentals and what is best for the community.

Lenny Rosenfield, unit 1402, was wondering if the Rental Committee or the Board has looked into the right of first refusal as a clause in our agreements and our sales agreements now. Vice President David Gold said that this has been suggested and it's still very early. If you look at the questionnaire, you will see a question asking should new buyers be prohibited from renting for 1 year, 2 years, or other.

Hope Gordon, unit 1805, told the Board that there were a couple of people who came up to her and asked what the term 'grandfathering' meant. Vice President David Gold explained that grandfathering a tenant is if the same tenant comes back year after year they will be able to continue to rent even if there is a cap in place. Grandfathering a landlord is that the Owner of the unit will be allowed to rent to anyone even if there is a cap. This is a little unfair due to that if someone else wants to rent later on down the road they will not be allowed. We will not be disturbing current leases.

Howard Goldberg, unit 915, how does Wells Fargo know how many rental units there are in the building, did the Board or anyone in the building talk to Well Fargo, and the fact that they denied the mortgage based on the insurance seems to me that the insurance issue the same as the mortgage issue not different issue. Vice President David Gold passed the question to Robin Mitchell, unit 210, because she is a real estate broker and deals with Wells Fargo.

Robin Mitchell, unit 210, wanted to make one correction and that was the reason that the mortgage of Mr. Kolansky did not go through was because of our blanket insurance policy and not having anything to do with rentals. they know how many rentals we have because when you apply for a mortgage in a Condominium the first thing the bank does is send out is a Condominium questionnaire with the first question being how many rentals unit do you have in the building. They allow up to 25% and they usually will still lend on that percentage.

Mark Hoffman, unit 801, stated that the banks want the Condo to put 10% of the budget into the reserve account each year and we have never done that which is a serious issue. Our loan lender, First Trust Bank, also wants us to put 10% of our budget into the reserve because they are only echoing what the requirement is which we are not doing and we are not in compliance with our loan.

Vijay Verma, unit 1417, wants to compile all the issues that we have across the board. We need a list of all the issues.

Arlene Smolen, unit 518, said that there is basic misinformation here. In the 18-24 months Fanny May has tighten their rules because many Condos here in the area cannot get any mortgages. Number of rentals and Condo reserves are reason for rules being tight. We should send out Condo questionnaires to all the major lenders in order to find out where we are deficient.

Ellen Kahn, unit 212, said we need to find a way to help lower the Condo fees because no matter how low the price of the unit is, if the buyer cannot afford the Condo fees. Vice President David Gold said we have some of things that need to fix in the 40 year old building. How do you find the amount of fee that will not kill the people, but will also cover the cost of the projects?

Wendy Somers doesn't know what she will do if her dad passes and she cannot rent or sell either of the two units. Vice President David Gold replied that one of the suggestions that were made was that if there is a cap there will also be a hardship exemption. If someone all of sudden has a problem the Board can exempt them of the cap. We also talked about people who inherited they would not be in the position to just dump it.

Paula Soloman had a question about the cap. Did you say that if the cap is set at 18% but the people that are grandfathered in as owners they would still be allowed to rent. Vice President David Gold replied no, what I said was if they have a tenant who renews that would be grandfathered then Mr. Purdy brought up the theory that because he is an owner and he was renting his unit out, but with different tenants each year he wanted that to be grandfathered.

Phil Edelstein, unit 112, is there any financial assessment for people that have rental units to help cover the costs? Vice President David Gold: the only thing we have presently is the \$500 fee at the beginning of each lease, is that correct Susan? Director Susan Green replied no it is yearly. Phil Edelstein asked if the Board was thinking about increasing this amount. Vice President David Gold said that they just increased. Director Susan Green said it was increased last year and we would consider increasing it again.

Andy Purdy, unit 1106, reiterated a little bit of what Susan Green said about the Rental Policy Committee trying to put in place a process that is transparent and that everyone thinks is fair which is why we were trying to get everyone's opinions. We were getting the facts to support the specific issues that could inform what a sensible rental policy would be. Andy Purdy asked the Board: "Do we currently have the good estimate what would cost individually to meter the units in the building?" Vice President David Gold replied "We once looked at that and it was prohibited." Andy Purdy said "that about a year ago we said it would be about \$325,000. Vice President David Gold: "it was much more." Andy Purdy then asked "have we asked what we're doing for the fire alarms is there any way that could be tied in with the electric company to allow a more economically individual metering of the units." General Manager Sandy Montano replied saying that the fire alarms are not going to be installing even close to the electric. It's independently running alongside the cable and phone lines." Andy Purdy suggested maybe a Wi-Fi connection. General Manager Sandy Montano said she did ask about the Wi-Fi and there was no way to tie into because the access points in the building will not work where we are going to be installing the alarms. Andy Purdy said "On the issue of the maintenance fee. The issue came up recently, by suggestion of the Finance Committee, about adding a special assessment to pay off the mortgage for the building. Which I hope will be discussed at meetings in the future. Vice President David Gold stated that the Treasurer is preparing a questionnaire and facts to give to the people to see what the consensus of the building would be.

Marjorie Conti, unit 1218, made a point about the last year the people that voted, voted overwhelmingly in favor of the Amendment; it was defeated about the people that didn't vote. Whatever your opinion is it is important for the Board to know how you feel. The lack of response made the Board wonder if they truly understood what was taking place. Please reply to the survey to give the Rental Policy Committee some help in understanding what it is the building wants for this policy.

Paula Soloman asked about the new exercise bike in the gym to which General Manager Sandy Montano replied that this bike is going to be here in the next week or so. Paula Soloman then asked about getting extra umbrellas at the pool with heavier bases. Paula also wanted to make sure that the rule about there being no lap swim on Saturdays because of the number of people in the pool. Last Sunday the pool was cut in half so that one swimmer could swim laps. She doesn't believe that there should be lap swim on the weekends unless it is in the late afternoon. Maybe we could look into getting another set of hooks for the pool to have a single lane instead of cutting the pool in half. Director Susan Green said that a few years ago we looked into getting heavier bases for the umbrellas which we are going to be looking into them again. Getting the heavier bases would result in them not being moved after they are placed on the ground.

Hope Gordon, unit 1805, said that the people who come to the meeting and are sitting here now are the people that you get the responses back from them. The big problem is the non-responders they would be the people to be beneficial for the Board to reach out to.

The 20 page meeting minutes from May 24th will be posted on the website and available at the front desk by Monday night. Vice President David Gold said the plan for the penthouse is that the Board is trying to get the approval from the Authorities to allow a second means of egress. There was a question of the elevators being upgraded. There are some plans to upgrade the elevators, but everything cost money. We have an agreement with one resident who has an electric car to use the car charger and we are going to put a policy in place.