

REVISED 6/21/07
SALT POND HOMEOWNERS ASSOCIATION
ANNUAL MEETING MINUTES
JUNE 2, 2007

The 2007 Annual Meeting of the Salt Pond Homeowners Association (SPHA) was held on Saturday, June 2, 2007 at 2:00PM. The meeting took place at the Lord Baltimore Elementary School on Rt. 26 in Ocean View.

Don Praisner, Board Vice President, called the meeting to order at 2:00 PM by introducing himself and welcoming a record number of homeowners. He announced that Bev Thierwechter, Board President, was unable to attend due to family commitments. The members of the Board, seated at the front table then introduced themselves. They were Chuck Gularson, Treasurer, Gerry Buckley, Secretary, Michael Headman, Katherine Coulson, Dick Crawford, Bill Kester and John Gilsenan.

Don P. then asked if everyone had received copies of the minutes from last year's meeting as well as the financial statement. He asked for approval of the minutes, Dick C. seconded and all approved.

Don then introduced Mr. Bob Valihura, our legal representative in negotiations with Salt Pond Associates (SPA) regarding the transition of the Salt Pond common areas to the homeowners. Mr. Valihura spoke of the difficult history of the transition over the three years that he has been involved with the negotiations. Much of the problems, he stated, were due to the lack of legal representation on the part of SPA. Once SPA obtained legal counsel the process was expedited and several additional hurdles were overcome. On Friday, May 25, 2007 the permanent legal documents were signed and the SPHA took possession of all roads, common grounds, ponds not on the golf course and the clubhouse with the pools. Mr. Valihura spoke of the problems connected with the Army Corps of Engineers and DENREC over the Conservation Easement and how all issues were now resolved and the SPHA would not be held accountable or liable for prior situations. He spoke of the negotiations with the developer of the Salt Pond Plaza, Mr. Zimmerman, and that the homeowners association was able to negotiate the best deal possible. Mr. Zimmerman has agreed to pay for the road improvements, a portion of the maintenance that directly affects his development and provide insurance for these roads.

Mr. Valihura then went on to discuss a major item of the transition agreement; the option to purchase the golf course for \$ 2.3 million dollars. He said SPA made two offers; one was to give the SPHA nine holes free and that SPA would develop the other nine holes. The other proposal was to sell all eighteen holes to SPHA. The first proposal was not agreeable to the Board but the Board was interested in the second proposal. The Board obtained the services of Dr. Bowers, a financial expert, to assess the true value of the course and whether or not SPHA could own/operate the eighteen hole golf course as a viable entity. The real value is in owning the land, while operating the golf course can be marginally profitable. Dr. Bowers will be at the July 14, 2007 meeting when we discuss the purchase of the golf course. Mr. Valihura stated that the destiny of the community is in our hands. SPHA has until November 2, 2007 to accept or reject the offer. SPA has offered to finance the sale over a three year period. In the meantime, Chuck Gularson, Treasurer of the Board will investigate financing options with various banks. In order for the SPHA to purchase the course we need two thirds of the five hundred and thirty-eight SPHA owners in favor of both the purchase offer and a special assessment. Each homeowner would be assessed about five thousand dollars. On Saturday, July 14, 2007 there will be a SPHA meeting at North Park, Ocean City, MD. at 10:00AM to discuss in depth this issue.

Mr. Valihura then entertained questions from the floor concerning possible increased traffic on McCoy s Way as a result of the development at Salt Pond Plaza, a motion to change the Covenant s requirements for a two thirds vote to a simple majority, whether or not there would be a change in out tax structure, fire and police coverage now that we have control of the development, and why people who have rental units in the development would not be assessed more than the owners who do not rent.

Don P. asked if there were any more nominations for the Board from the floor. Since there were none Bill K. moved to close the nominations and Michael H. seconded. Each nominee was invited to address the audience and had three minutes to speak. At the conclusion of the six speakers, Donna Hemphill of Legum and Norman then collected ballots from those who had chosen not to vote by proxy.

While the ballots were being counted Cheryl Wisbrock, co-chair of the Salt Pond Plaza Committee spoke about the present status. The parking plans of

the developer were rejected initially by the Planning and Zoning Commission but on the second attempt there were approved. The P&Z still needs to approve the landscaping concepts and we do not know when the actual construction will begin. Plans indicate that the plaza will house a Harris Teeter grocery store, a CVS pharmacy and an unnamed bank. The question was raised that telephone utility connections for the development are housed on the Plaza property and would they be moved. At this time we do not know the answer.

The results of the election for the three new Board members were completed. Don P. announced that Michael Headman, Dick Crawford and Bill Kester were elected to a three year term.

Don P closed the meeting at 4:05 PM

Gerry Buckley, Secretary