

Hearthstone Central Management
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January 11, 2012

**RE: NOTICE OF SPECIAL MEETING OF THE UNIT OWNERS
SATURDAY - JANUARY 28, 2012 - 10:00 AM
MONMOUTH BEACH CULTURAL CENTER - 128 OCEAN AVENUE, MONMOUTH BEACH**

Dear Member:

The Board of Trustees has been approached by a group of Unit Owners who have requested the Association take advantage of the ongoing bulkhead project and extend the existing roof leaders along the riverside of Building "B" to the river. Currently those leaders only extend as far as the landscaping immediately before the riverside sidewalk. A concern has been expressed that during heavy rain in the winter months, water may drain on to the sidewalk and freeze. The Unit Owners have indicated that if the roof leaders are extended underneath the parking lot and through the new bulkhead, their concerns would be eliminated.

The Board has solicited two bids for such a roof leader extension project and they have come back with proposals of \$10,180.25 and \$ 11,200.00 respectively.

As both proposals are in excess of \$ 10,000, the Board of Trustees lacks the authority to approve such a project. Instead, the Association's By-Laws, pursuant to Article VI, Section 1, mandate that any capital improvement project costing more than \$ 10,000 cannot be approved without the consent of 75% of those Unit Owners in attendance, or appearing by proxy, during a Special Meeting of the Unit Owners which has been called to vote upon the item.

So as to allow the Unit Owners an opportunity to vote upon this important issue, the Board of Trustees has called a Special Meeting of The Unit Owners which will be held at the Monmouth Beach Cultural Center, 128 Ocean Avenue, Monmouth Beach on Saturday, January 28, 2012 beginning at 10:00 AM.

To be clear, unlike other 75% votes required under our By-Laws, approval of this project will not necessitate a 75% vote of the entire membership. Instead, Article VI, Section 1 is clear that an approval by 75% of those who cast votes during the Special Meeting is sufficient to authorize the expenditure. In other words, if only 33 Unit Owners attend the Special Meeting (the minimum number required to obtain a quorum), and 75% of those 33 Unit Owners vote to approve the project, the measure would pass.

In addition to the roof leader project vote, the Board will also be asking the unit owners to consider ratification of the By-Law Amendments which have long been requested by a majority of Unit Owners.

The first proposed By-Law Amendment is one which will correct the designation of the Unit Numbers listed in our By-Laws so that they conform to the actual Unit Numbers. To remind those who might not recall, or are new to the complex, the By-Laws were written prior to Units being identified as #'s 1 through 64. Originally the Units had been designated in the following sequence: 1, 1A, 2, 2A, etc... This format was extremely confusing and after objections were received by the Sea Bright Post Office, the Fountains adopted the Unit numbers we use today. Unfortunately, the By-Laws were never corrected to reflect the change and they continue to reference the Unit Numbers from the old system.

The second amendment being offered for consideration is one seeking to require an election for membership to the Board of Trustees to take place every year. Under the present By-Laws, the terms of office for our Trustees operate on a three-year cycle. Two of those seats, presently held by Glenn Gorab and Izzy Plasner, will expire in August 2014 while the remaining three seats, presently held by Manny Curcio, Marc Leckstein and Todd Bauer are all set to expire in August of 2012. This means that under the current election cycle, there will not be an election conducted in August of 2013. The proposed By-Law amendment would restructure the Trustees' election cycle so that one of the Trustees up for re-election in 2012 would have to seek re-election in 2013. Elections would be held every year thereafter.

Finally, one last By-Law amendment will be proposed in the hope of easing the financial burden on our community. Pursuant to New Jersey law, condominiums are entitled to charge Unit Owners a one time non-refundable contribution when they join the Association. However, such a fee requirement must be included within the Association's By-Laws. If adopted, this Amendment would not affect anyone currently owning a unit at the Fountains. The fee could only be charged against new unit owners as part of their closing expenses. Such a fee is becoming standard in condominiums throughout New Jersey and there is no reason the Fountains should not be taking advantage of such an opportunity.

All three of these Amendments have been offered during past Annual Meetings and all have been overwhelmingly supported by the Membership on each occasion. However, pursuant to Article XII of our By-Laws, an affirmative vote from 75% of the Membership (or 48 Unit Owners) is necessary for a By-Law amendment to pass. We have never had enough Unit Owners in attendance at our Annual Meeting for these Amendments to be officially adopted.

It is our sincere hope that with the roof leader extension project at issue, and therefore the question of whether the Unit Owners wish to authorize a project costing in excess of \$10,000.00, enough Unit Owners will be in attendance to finally achieve the 75% required approval.

In order to save on postage and copying costs, the official Proxy form, the aforementioned roof leader extension project proposals and the actual text of each of the above referenced By-Law amendments will be available, in pdf format, on the Association's website at:

<http://www.fountainscondominiums.com/>

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If you are unable to access the internet and wish to complete a Proxy, review the roof lead proposals or the text of the By-Law Amendments, or just have a question in general, please do not hesitate to contact Hearthstone Management directly. We will be more than happy to answer all questions and fax a copy of any requested materials to you.

As per the Association By-Laws, the agenda for the Special Meeting shall be as follows:

- I. Roll Call
- II. Proof of Notice of Meeting
- III. Reading of Minutes of Preceding Meetings
- IV. Reports of Officers
- V. Report of Board of Trustees
- VI. Reports of Committees (if any)
- VII. Appointment of Inspectors of Election (To be used to count By-Law votes)
- VIII. Unfinished Business – (No such business)
- IX. New Business – (Roof Leader Proposal and By-Law Vote)
- X. Adjournment

Additionally, as in year's past, if you have a specific question you would like answered during the Special Meeting, we do request you notify Hearthstone in advance of the meeting, in writing, so as to give us an adequate opportunity to research the inquiry for you.

Following the adjournment of the Special Meeting, the Board of Trustees will convene its regular meeting for the month of January.

Finally, we would be remiss if we did not remind you that in order to exercise your right to vote, Article III, Section 10 of the By-Laws require you to be a Unit Owner in "good standing". This means all fees owed by you to the Association, including assessments, must have been paid, in full, at least five (5) days prior to the date of the Special Meeting.

Once again, if you have any questions regarding any of the above, please do not hesitate to contact me. Otherwise, I look forward to seeing you at the Special Meeting.

Very truly yours,

Kathleen Winch
Property Manager