



APPLEGATE, A CONDOMINIUM

Board Meeting | Thursday, January 26, 2023 | 7:00 PM

Meeting Minutes

I. Call to Order & Roll Call

The Board meeting was called to order, Thursday, January 26, 2023, via Zoom at 7:06 pm with Bernetta Reese, President and CEO, presiding. President Reese conducted the roll call of the Board. All officers and members were present, and quorum was met.

Attendees: Bernetta Reese, President and CEO, Catherine Walfall, Vice President, Margaree (Lundy) Major, Member-at-Large, and George Perry, The Law Offices of Gregory Alexandrides.

II. Approval of Agenda & Minutes

The agenda was adopted as presented by unanimous consent. Approval of meeting minutes were tabled until the next meeting.

III. Ratification of Email Votes

The following Board actions and email votes were ratified by unanimous consent:

- Appointment of Board Member — Barakat Shakir (December 15, 2022)
- Termination of Contract with Blackstone Management, LLC (December 16, 2022)
- GreenSweep to Install Drainage in the Playground Area (January 5, 2023)
- Reallocation of Funds from Truist Bank Account(s) for Continuity of Operations (January 10, 2023)
- SHANCO Services for Trim, Siding, and Related Repairs (January 11, 2023)
- Emergency Roof Repair for 4112 Crab Apple Ct (January 18, 2023)
- Appointment of Board Member — Margaree "Bonnie" Major (Lundy) (January 19, 2023)

IV. Announcements

Closed Meetings: By the authority granted under Article V. Section 13. of the Bylaws and Section 11-109.1 of the Maryland Condominium Act, the Board of Directors held the following meetings:

- Friday, December 13, 2022, at 9AM in person with Proteks Fire to provide services.
- Wednesday, December 14, 2022, at 2PM in person with SHANCO to discuss services.
- Thursday, December 15, 2022, at 5:30PM online with The W2 Group to discuss forensic engagement.



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- Thursday, December 16, 2022, at 5:30PM via Zoom to discuss personnel matters and removal of Board Treasurer Natalie Bennett.
- Thursday, December 22, 2022, at 5:30PM via Zoom with Toepfer to discuss services.
- Thursday, December 22, 2022, at 6:15PM via Zoom for Board Orientation with Barakat Shakir.
- Thursday, December 29, 2022, at 2PM in person with Ingenuity Security to discuss services.
- Thursday, January 5, 2023, at 7PM via Zoom to discuss personnel and emergency matters.
- Monday, January 9, 2023, at 4:30PM via Zoom with attorney to discuss legal matters.
- Monday, January 9, 2023, at 6:30PM via Zoom with new vendor to discuss management services.
- Thursday, January 12, 2023, at 6PM via Zoom with new vendor to discuss management services.
- Thursday, January 12, 2023, at 8PM to discuss emergency matters and resignation of Barakat Shakir.
- Monday, January 16, 2023, at 6PM online with The W2 Group to discuss forensic engagement.
- Monday, January 23, 2023, at 6:30PM via Zoom for Board Orientation with Magaree "Bonnie" Major (Lundy).

Parking Passes: Extended dates for parking passes distribution will be January 28 and February 25 from 11AM to 1PM. Enforcement will begin on March 1, 2023.

Bulk Trash Pickup: Starting in January 2023, a new quarterly bulk trash pickup will be provided to supplement County services for items that the County does not pick up. Additional information was distributed via the community newsletter.

Termination of Blackstone: The Board of Directors terminated Blackstone Management, LLC, for cause due to the following:

Failure to adhere to the Bylaws and Maryland Condominium Act

Failure to follow the direction of the Board

Failure to obtain authorization from the Board

Failure to provide transition meetings per the service proposal and transition plan

Misrepresentation of information and services

Unprofessional conduct.



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The Board is in the process of selecting a new management company.

V. Reports

President and CEO: President Reese presented a detailed report summarizing actions taken in 2022 to improve operations from previous Boards and management companies, address internal Board conflict, and restore the community. The President's full report is attached to the minutes.

Treasurer: The budget was distributed out via the newsletter. All bills and invoices have been paid, except for two outstanding. Tax records still have not been obtained.

Committees:

Covenants Committee

Ms. Walfall reported activities and accomplishments:

- Community-wide inspections were completed with vendors.
- Phase 1 of the Roof project completed.
- Removed dead/overgrown trees & pruned bushes.
- Added water drainage at playground.
- Streetlights replaced with softer lighting.
- Parking lot was re-stripped and renumbered.
- New bulk trash pickup service performed.
- New speed humps installed.
- Fire lane curbs repainted.

Additional projects are also in progress and pending completion, including mailboxes, playground mulch replacement, basketball hoop and pole replacement, retainer walls, fences, water drainage, door frames, pond repair, more roof replacements and siding, yard beautification, gutter cleaning, remodeling of the community center, rail repair and replacement, drainage grate in front of the community. Most of these projects have been budgeted for the 2023 fiscal year.

Ms. Walfall closed with the following recommendations:

Recommendation 1: Call 311 to determine what the Board is responsible for vs the County.

Recommendation 2: Find ways to communicate with owners about the status of their requests.



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Ms. Major also asked Ms. Walfall asked about making repairs to exterior columns on units. The Board agreed to make a note of the concern.

Property Management: The property management report was not held as the current management company was terminated and a new management company has not been selected.

VI. Open Forum

Madame President conducted the open forum and asked Mr. Perry to introduce himself and the law firm for the Association. Mr. Perry explained how Board meetings must be conducted and the process for Open Forum and that questions may be asked although the Board is not required to respond. Responses to questions are at the discretion of the Board. Mr. Perry also explained the Board of Directors is the governing body for the Condominium, votes, and makes decisions per the Maryland Condominium Act and the Bylaws.

In addition, Mr. Perry explained insurance coverage, owner liability for up to \$10,000, the benefit of having an individual HO-6 policy, and how claims (accepted/denied) can affect insurance coverage for the Association. Homeowners were also encouraged to contact the attorney's office to resolve accounts.

VII. Unfinished Business

- 🍏 **Audit and Tax Preparation:** President Reese noted the completed report was received from The W2 Group and will be forward to the law firm after Board review. The Board still needs to select a tax firm to complete tax filings and obtain tax records.
- 🍏 **Budget & Association Finances:** The Board discussed the process for invoices, budget distribution, assets and account transitions.
- 🍏 **Board Vacancies:** The Board discussed vacancies on the Board and provided a link for volunteers to sign up.
- 🍏 **Website:** The Board reviewed and discussed plans for the website. **President Reese motioned to obtain the domain applegatecommunity.com and applegatecommunity.com for the Association. The Board voted unanimously in favor and the motion passed.**



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- 🍏 **Community Projects:** The Board reviewed and discussed roof replacements & siding, mailboxes, gutter cleaning and repairs, erosion, retainer wall and fences, tree clean up, and yard beautification.
- 🍏 **Community Center:** The Board reviewed and discussed renovation and repairs for the community center. President Reese also informed the Board the security system and cameras are fully in place and operational, additional fire extinguishers have been added for a total of four (4) for increased safety, and smoke detectors were added and tested.
- 🍏 **Parking:** The Board discussed handicap parking, new sign installation, and the process to request accessible accommodations for parking.
- 🍏 **Insurance Policy:** President Reese informed the Board that the Fireman's Fund Insurance is no longer in the market and a new company is being sought as quotes are being gathered. She also noted the insurance agent recommended caution before submitting claims during renewal periods to avoid losing coverage. Unit owners were also reminded that they are prohibited from any conduct in the Condominium that will lead to an increase in insurance premiums or a cancellation of the policy.

VIII. New Business

- 🍏 **Management Company Transition:** This item was addressed earlier in the meeting during announcements.
- 🍏 **Declaration & Bylaws Amendments:** The Board reviewed and discussed the process for distributing proposed amendments. President Reese asked Mr. Perry to provide a review of each amendment.
- 🍏 **Maintenance & Alteration Requests:** Non-emergency requests are on hold until after the management transition.
- 🍏 **Annual Meeting:** The Board reviewed and discussed the upcoming annual meeting, notice options, and Board election process. Mr. Perry also explained electronic voting options under the new Virtual Meeting Act and recommended working with the new management company on this method.



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IX. Adjournment to Executive Session

The Board moved to closed session to discuss business transactions, personnel, and legal matters. The open portion of the meeting was adjourned at 9:11 PM.

These minutes were approved by the Board of Directors.



Applegate, A Condominium Office of the President

January 26, 2023

Applegate Board of Directors, Owners, and Guests,

I have a great deal to share with you all and want to have a form of a heart to heart with the community. You all know this past year was fast-moving and filled with changes throughout the community and across the Board. Our community greatly needed strong, reliable, and transparent leadership after so many years of neglect. I knew this when I became President. My primary focus was to improve our operations from previous Boards and management companies, to reinvigorate the community, and give the residents of Applegate a renewed sense of hope and spirit.

To ensure our community was restored, I created a new mission and vision statement for the Association. I also created our first-ever Strategic Plan and Board Action Plan. I acquired ownership and management of our financial investments and bank accounts for the Association, one-by-one. I researched every account and walked into every bank and secured the accounts and funds for our community. The Board Treasurer who was responsible for this role reported they could not do it, so I stepped in to get it done. I engaged every single vendor to hold them accountable. I also met with new vendors and spoke with Board Members, one by one, to ensure they would give Applegate the best, going forward.

For years, our community was unaware of our financial assets and operations. No one knew where the money was, who the insurance company was, who was on the Board or how to join the Board, how and when decisions were made, or why we changed management companies. There was zero accountability and zero transparency, which in turn resulted in enormous liabilities for the Association, including a fraud examination and potential legal action to reacquire thousands of dollars in missing funds. As your President, I had worked extremely hard to uncover the truth, to restore transparency, and to fix the problems that have plagued us all, including outstanding maintenance requests and community-wide repairs, misappropriation of funds, conflicts of interest, improper records and documentation, unsatisfactory vendor performance, communication barriers, and more.

It has certainly been a lot to take on with little to no reward, rare appreciation, and daily complaints, but I engaged the community, nonetheless, with very little time and have made numerous sacrifices to support my community to do what had to be done. At the time, this wasn't a job that could be done with a smile as many have noted. It was a job that had to be done with deliberate action and determination.

Additionally, but not uncommon, there was growing internal conflict on the Board as it became clear that everyone did not have the same selfless dedication or desire to fix the community and follow our governing documents. As your Board leader(s), we are here to ensure this community is properly governed and maintained. You put your trust in us. We are not here to play games or mislead you. My leadership style and responsibilities as your President, include ensuring accountability of everyone you elected to serve you and everyone who serves us. Unfortunately, some of our management companies as well as former Board members did not want to be held accountable and abused that trust. With every instance, they were given the choice to consider and uphold their fiduciary duties or resign or be removed.

Our former Vice President, Mr. Walker, had several breaches of duty, including disclosing contract amounts to competing vendors and attempting to give contracts to his family and friends, harassment of the management companies, one of whom threatened to sue the Association, interference and negligence with vendors, misrepresentation of the Board, bullying the Board, refusal to follow Board protocols, volatile and impulsive actions leading to altercations with residents, vendors, and more, and repeated attempts to create a divide since his resignation.

Our former Treasurer/Secretary, Ms. Bennett, also had several breaches of duty, including lying to and withholding information from the Board and the community, attempts to sabotage the Board, disclosing information without authorization, behaving unprofessionally and repeatedly neglecting her duties, including failure to review and approve vendor payments and invoices on time, failure to verify budget expenses and contracts for several months, failure to obtain records and secure bank accounts despite reporting otherwise, and more. Often, the information in the Treasurer reports was a result of the work of others behind the scenes. Ms. Bennett resigned after the Board called her out for her actions and the Board collectively decided to remove her from her officer position to prevent any further harm to the Association.

The Board and the community can rest assured all these matters have been documented with the Association's official records as we cannot allow repeated and deliberate breaches of duty. Your elected leaders should not be permitted to jeopardize the community, and it has been extremely challenging for the Board to deal with all that has transpired, while trying to focus on the needs of the community and protect the Association.

Being a leader is not a popularity contest and everyone in our community isn't always going to like the Board or agree with our decisions, but as your elected leaders we still have a fiduciary duty to serve you. We have a job to protect and preserve. We must be able to do our job without being harassed and bullied by the people we work with and the people we serve. You don't always see me smiling because I'm too busy working and fighting for you and putting protocols in place so that what happened with previous vendors and Board members won't happen again.

Collectively, this community is worth over 75 million dollars. We cannot take that lightly or turn a blind eye to what happens here. Ultimately, we all must ensure the Association, by way of the Board, carries out its fiduciary responsibilities and that we do what we're supposed to do, responsibly. And that includes the residents of this community doing their part responsibly as well and knowing what's in our Bylaws. I still believe we can be one of the best Associations in Prince George's County. But we need leaders and partners who are willing to do the job and do it right.

Now make no mistake, your current Board is still working hard on your behalf. Our relationships with our vendors are stronger than ever before. Those of us who truly want to help our community are still here doing just that, despite the naysayers, rumors, and negativity. We have not abandoned you. And we are working in your best interest every day.

So, I encourage the Board and the community to remain positive and attentive. Stay informed. Stay engaged. And seek the truth.

This year, we continue to rebuild and further the progress made in 2022 as we've received a great deal of positive feedback and encouragement from many residents. And we truly appreciate it. Please continue to send us your thoughts, your feedback, suggestions, and ideas. We always respond.

I hope everyone read the Annual Report and all that we accomplished in less than a year. Well over 30 accomplishments were listed in the report. We still have many challenges before us, but we remain steadfast. Thank you for your continued trust and resilience.

Bernetta Reese

Bernetta Reese
President, Board of Directors
Chief Executive Officer of the Association
Applegate, A Condominium, Inc.