

**Sterling Woods II
Master Board Meeting – Open Session
December 21, 2016**

Draft of the Minutes

Call to order and establish a quorum – Mike Palica called the meeting to order at 8:45 PM. Present were Mike Palica, President (President of the Elms); Jake McGuigan, Vice President (President of the Summit); Stan Kishner, Treasurer (President of the Birches); Valerie Dawson, Director (President of the Maples) and Bill Karten, Director (Oaks).

Absent from the meeting was Steve Griffing, Secretary (President of the Willows).

Art Stueck and Kim Murray attended on behalf of REI Property and Asset Management.

Request of owners to speak - There were no owners present who requested to speak.

Ratification of the Minutes – Stan Kishner made a motion to accept the draft of the November 16, 2016 Open Session Meeting Minutes. Bill Karten seconded the motion. Without objection, the meeting minutes from the November 16, 2016 Master Board Open Session were approved.

Treasurer’s Report – read by Stan Kishner

In November, the Association had \$180K in operating expenses. Income was \$125K for a monthly operating loss of \$55K. Expenses were dominated by the snow removal contract, lawn and shrub maintenance and premiums for the new insurance policy.

For the year-to-date, we have an operating gain in the operating account of \$121K. This is due in part to lower than expected general maintenance costs as well as the timing of tree maintenance invoices. Retained earnings from 2015 are \$50K.

We have completed buying shares in the S&P 500 by dollar-cost-averaging with monthly purchases. This year, we made ten purchases totaling \$99,700. The total value of these shares as of the end of November was \$105,562 for a total gain of 5.9%.

Total assets are \$1.1M and the reserve fund balance is \$806K. In November, a Beechnut sold for \$274K. We expect an Acorn to sell for \$255K in December.

Landscaping Committee Report – written by Julia Brzezinska

The year-end Landscaping Report is attached.

Maintenance Committee Report – George Torro

Since a maintenance update of the work that was done in 2016 was given during the owners meeting, there was no report given.

Management Report – REI

All REI follow ups, as a result of the last Board Meeting and contained within the monthly status package, were reviewed.

Unfinished/New Business –

The Board discussed a proposal from Bartlett Tree experts to either prune the arborvitaes around the utility box near 1306 Cypress and 1805 Cypress (\$435 plus tax) or to remove the arborvitaes in these areas (\$770 plus tax). The trees surrounding these utility boxes grew so tall, they are totally blocking the light from the lampposts they surround. Matt Flanagan stated if the Board chose the pruning option and once the work was done if the Board deemed the pruning to not be acceptable, he would remove them at no extra charge. The Board decided chose the pruning option. REI will inform the Unit Owners closest to these lampposts that this work will be done. REI will also inform Matt Flanagan.

The Board reviewed three proposals to repave Pinnacle Way, Cypress Drive and the clubhouse parking lot. Bouchard Construction's proposal for this work, choosing Option B for the curbing in the clubhouse parking lot, is \$612,300.62. Bouchard Construction is the lowest bidder by \$55.9K. The Board also asked Bouchard Construction to provide a proposal to add four more parking spaces on the corner of Cypress Drive (closest to Silversmith Drive). The proposal for this work plus the extra Belgium block needed was for \$4,250 plus tax. Stan Kishner made a motion to approve Bouchard Construction's proposal – Option B for the clubhouse parking lot and the proposal to install four extra parking spaces on Cypress plus the extra Belgium block. Jake McGuigan seconded the motion. All present voted in favor of the motion. REI will inform the contractor and put together the contract.

The Board reviewed an installation and services agreement from Comcast which will allow them to upgrade the infrastructure at Sterling Woods. This agreement was previously reviewed by the committee established for this matter along with legal counsel. Comcast has agreed to provide free cable in the clubhouse for the term of the agreement. The Association will also be compensated a per unit fee of \$125.00 (total \$44,750.00) for signing this agreement. Jake McGuigan made a motion to accept this agreement. Stan Kishner seconded the motion. Valerie Dawson opposed this motion. All others present voted in favor of the motion. REI will inform Comcast and assist the board with agreement execution.

The Board reviewed a proposal from Bartlett Tree Experts for work to be done in 2017 for \$81,409.85. Valerie Dawson made a motion to approve the proposal. Stan Kishner seconded the motion. Jake McGuigan abstained from voting. All other Board members voted in favor of the motion. REI will inform Matt Flanagan from Bartlett and put

together the contract. REI was also asked to remind Matt Flanagan when he provides a proposal going forward, he should put together a proposal that makes it easier to compare pricing from year to year.

The Board reviewed a structural inspection report from Archer Engineering in regards to a structural issue in 6004 Heartwood where a beam in the bedroom has become raised. Art Stueck stated the suggested repairs were estimated to be \$2.7K. The Board approved this work. REI will inform the Unit Owner what will be done in her unit to resolve this issue and schedule an appointment to perform the repairs.

The Board stated when they want to communicate information to Unit Owners quickly, an e-mail blast is the best way to do so. REI will include information in the newsletter asking Unit Owners who don't receive correspondence via e-mail to consider providing their e-mail address so they can receive notices quickly and it also saves the Association money to send correspondence via e-mail versus mailing correspondence in the mail. Currently, there are 288 Unit Owners (out of 358 Unit Owners) who receive correspondence via e-mail versus receiving correspondence via the U.S. mail.

REI will have new coupon books sent to Unit Owners.

REI will request an engagement letter (for taxes and an audit) from the Association's accountant.

REI will file the annual city registration.

REI will bring files to the REI for storage.

REI will perform the annual lease audit.

At 9:30 PM, Jake McGuigan made a motion to adjourn the meeting. Valerie Dawson seconded the motion. All present voted in favor of the motion.

LANDSCAPE REPORT – YEAR END 2016

COMMITTEE MEMBERS – Frances Revell, Claire Hines, Norma Schlager and Julia Brzezinska

The Master Landscape Committee meets on a weekly basis from April until November. Shrub, lawn and tree concerns by unit owners are brought to our attention to follow up on and take corrective measures, as necessary. We review work completed by our vendors to make sure it meets our high standards, and develop a short and long term landscaping plan to keep Sterling Woods well maintained. We make recommendations to the Master Board and, as always, our major objective is to minimize costs without compromising essential services.

EASTERN VIEW LANDSCAPING – Carmine Istvan – Owner
Anthony Brown - On site supervisor

Eastern View Landscaping provides ongoing ground maintenance of all lawn areas, shrub beds and tree rings. Specifically:

- İ Spring and winter clean-up, which includes leaf blowing and removal of leaves and two street sweepings per year. Due to road work, there was no spring and fall street sweeping.
- İ Weekly mowing.
- İ Weeding and edging of beds and tree rings.
- İ Pruning of beds – 2 times per year (June and September). Perennials such as day lilies, sedum and hosts are cut down in April; ornamental grasses are cut down in the fall.
- İ Mulching of beds and tree rings.
- İ Turf repairs.
- İ Aerate and overseed all turf areas in the fall.
- İ Clean up debris on premises weekly including Nabby Road and the access road from Nabby to the top of the hill.
- İ Replacement of dead and dying plants in the spring and fall.

The Landscape Committee compiles a shrub replacement list, which is made up from unit owners' requests and a follow up inspection of the entire complex in the spring. A total of 200 shrubs were replaced in the spring and fall in 2016. In 2015, 230 shrubs were replaced. There are over 4,000 shrubs in SWII.

In 2016, there were four additional projects.

1. The Revere Hill (rear of 1600-1900s units)

In May, 2,000 bare root crown vetch plants were planted to help stabilize the hill. The hill was watered twice and fertilized 5 times during the season. Monthly cuttings of the hill took place from May to December. Also, in early May and late December leaves were blown and debris was cleared off the hill. In 2017,

fertilization of the hill, as well as monthly cuttings will continue and we will monitor the growth of the bare root crown vetch.

2. Heartwood Lane

Heartwood Island had dying shrubs which were removed and replaced with 28 rose bushes and 4 ornamental grasses were planted.

3. Bradford Drive

In the back of the 1000 units, half of the cotoneaster plants on the slope died due to vine intrusion and were replaced with 40 cotoneaster plants, which were watered twice during the season.

4. Bradford Drive

In the back of the 1800 units, the Bradford slope had become unsightly and needed reseeding work. To do so, five tree stumps had to be removed.

In Spring 2017, all the project areas that had shrubs planted (bare root crown vetch, rose bushes, ornamental grasses and cotoneaster) will be checked out — all have a one year's warranty. The area where reseeding was done will also be checked out to see if additional reseeding work is necessary.

Eastern View removes and replaces mulch in two villages per year. In 2016, the Summit (Pinnacle Way), the Willows (Cypress Drive) and the Clubhouse area were done. In 2017, the Oaks (Heartwood Lane, the Elms (Bradford Drive) and SW Entranceway are scheduled to be done. This is done to avoid arterial fungus (black spots) from adhering to the siding on the houses and units.

LAWN DOCTOR - John DeMeyer, General Manager

Their purpose is to maintain all turf areas so they remain healthy and vigorous. The lawn care program includes all turf areas in front, rear and side lawns, including slopes, hills, medians and recreational areas. Frequent site visits are performed to identify and communicate concerns that need to be dealt with on a timely basis.

Specifically:

- İ Fertilization – 5x per year, early and late spring, summer, early fall and winter, Including one application of gypsum, which neutralizes salt from lawn areas due to snow removal.
- İ Grub and insect control in the summer.
- İ Weed control is applied early and late spring, summer and early fall.
- İ Lime, if needed, is applied to improve soil conditions. Lime was not applied in 2016 but will be applied in 2017.

Flags indicating chemical applications are posted at the main entrance and at every village.

Soil samples are taken yearly in every section.

Lawn Doctor uses the absolute minimum amount of chemicals to maintain a healthy turf. Also, notification of application dates is posted in SWII monthly newsletter.

BARTLETT TREE CARE - Matt Flanagan – Arborist Representative

Bartlett provides the care of all trees through inspection, treatment, pruning, vine reduction, removals and replacements. This includes pest management for fungus, disease and insects. Also, soil management services, that is, supplying nutrients to the trees and shrubs throughout the complex to maintain their health and vigor. Soil samples from each village are taken for soil analysis to determine what species of shrubs need fertilization the most.

A total of 10 trees were removed in 2016 and 3 were replaced. In 2015, a total of 18 trees were removed and 10 were replaced. In the 80/20 zone, in 2016 one tree was removed and replaced. In the Winter of 2015, in the 80/20 zone (entranceway), 6 trees were removed and 5 trees out of the 6 were replaced in the Spring of 2016.

Submitted by Julia Brzezinska on behalf of the MLC
December 2016