

Sterling Woods II
Master Board Meeting – Open Session
August 17, 2016

Draft of the Minutes

Call to order and establish a quorum – Mike Palica called the meeting to order at 7:35 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); Steve Griffing, Secretary (President of the Willows); Valerie Dawson, Director (President of the Maples) and Bill Karten, Director (Oaks).

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

Request of owners to speak –

Bill Karten, Unit Owner of 1004 Heartwood Lane, requested to speak to the Board in regards to replacing the mailbox stations in all villages but the Birches with lockable mailbox stations. He stated recently someone went through the mailboxes on Heartwood Lane. The license plate was given to the police and an arrest was made. REI will request a copy of the police report.

The Board asked Bill if he would like to head up a new committee looking into details of obtaining lockable mailbox stations and he agreed. REI will ask Unit Owners if they would like to join this new committee in the upcoming newsletter.

Ratification of the Minutes – Jake McGuigan made a motion to accept the draft of the July 20, 2016 Open Session Meeting Minutes. Steve Griffing seconded the motion. Without objection, the meeting minutes from the July 20, 2016 Master Board Open Session were approved.

Treasurer's Report – read by Stan Kishner

In July, the Association had \$110K in operating expenses. Income was \$125K for a monthly operating gain of \$15K. Expenses were dominated by lawn and shrub maintenance and deck staining. For the year-to-date, we had an operating gain of \$80K. Retained earnings from 2015 are \$50K.

We continue to buy shares in the S&P 500 by dollar-cost-averaging with monthly purchases. So far this year, we have made purchases totaling \$69.4K. The total value of these shares as of Tuesday, July 16 was \$73.9K. This represents a 6.5% gain of \$4.5K. We plan 3 more monthly purchases for a total of \$100K.

Total assets are \$1.3M and the reserve fund balance is \$1.04M.

The Treasurer's Committee will begin the budget planning process in September, culminating in a 2017 budget recommendation at the November Master Board meeting.

There were no home sales in July. In August, we expect an Acorn to sell for \$242K and a Grey Oak sell for \$375K.

Landscaping Committee Report – Julia Brzezinska

In September, mowing will start on Revere Road. In August, the Landscape Committee is inspecting shrubs throughout SWII for replacement. In September, we are anticipating doing shrub replacements. We will follow the same procedure for shrub replacements and reseeding work as we did in the spring for the villages that have road paving work scheduled. Also, in September aeration and over seeding of lawns, and pruning of shrubs will take place at a date to be determined. We do maintain a “no pruning list” and if a homeowner wants to be put on it please notify Kim before the next pruning in September.

August 16th was the most recent scheduled date for a blanket application of fertilizer with crabgrass control to all turf areas but has been postponed until August 23rd. At that time, broadleaf weed control will be sprayed as needed and liquid post emergent of crabgrass will be spot sprayed on or between visits. Lawn Doctor does monitor inspections of our lawns between application visits. The last lawn application for the season is scheduled for September 27, 2016, weather permitting.

Pruning of selected evergreens and arborvitae will be done late August. Also, the last foliar treatment to designated spruces to suppress needle cast disease was done. In addition in August, the last monitor inspection of all ornamental trees and shrubs located at fronts and sides of units for insect and mite pests, diseases and cultural problems that could impact plant health will be done.

In September, the following work will be done: fertilization of designated shrubs located on Bradford Drive, Revere Road and the Clubhouse area, and ornamental trees (birch, crabapple, dogwood, magnolia, plums & cherry trees) located at the fronts of units will get a prescribed soil treatment to supply necessary nutrients according to soil analysis results, and the maples trees (70 trees) in the entranceway will also receive this treatment.

Last month, the Landscape Committee reported that there are two trees in the entranceway (located on the island/median where there is the entering and leaving SWII sign) that are seriously distressed and need to be replaced. Since that time our arborist found another tree on the 80/20 zone that is distressed and needs replacement (an original tree). However, the Landscape Committee is recommending removal and replacement of only one tree now — a distressed tree (that is completely brown and dead) on the median with the entering and leaving SW sign. The other two trees still have green leaves and we would like to wait and see if these trees show any signs of improvement. If not, then we would like to remove them in the winter to get the winter discount and replace them in the spring.

Roof Committee Report – George Holland

The Board reviewed a document stating what the Roof Committee's recommendations are in regards to replacing the roof on the 1500 Bradford Drive building. The Board also reviewed the bids that were received and the specifications for this work. Bill Karten made a motion to hire Richie's Roofing (lowest bidder) to replace the roof on the above mentioned building for \$27.5K. Valerie seconded the motion. The Board also looked at five samples of shingle colors and unanimously chose the color Pewter Gray.

REI will inform Richie's Roofing and put together the contract. Once the contractor informs REI when he will begin this work, the unit owners in this building will be informed.

Decks Committee – Steve Griffing

The Board reviewed a document from the Decks Committee who gave an update on the condition of the stain that was applied two years ago to five different decks using five different stains to see which stain would hold up the best. It was noted that the solid stain we are currently using on the decks in the community has held up the best with one exception that appears to be holding up slightly better. The Committee will continue to monitor the decks.

REI will contact the representatives from Behr and Sherwin Williams and ask them to come and look at the decks since they have been involved in this project since the beginning.

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 reviewed a new rule – Article XV of the Rules & Regulations – Association Collection Policy which was sent out for comment to Unit Owners on July 29, 2016. Stan Kishner made a motion to approve this new rule. Jake McGuigan seconded the motion. All present voted in favor of the motion. REI will send the new rule page(s) to Unit Owners.

When Stan Kishner discussed the resale information that was provided to him, it listed 1805 Revere as a Chestnut Unit selling for \$242.5K. It was stated there may be an error what model style this Unit is. REI will clarify.

The Board reviewed a proposal from Jason Valdivieso from Just Call Jason for a two year contract for maintenance and service on the equipment in the fitness center twice a year. He has kept the prices the same as the current contract (\$600 per preventative maintenance visit). Steve Griffing made a motion to accept this proposal and put together a two year contract with Just Call Jason. Valerie Dawson seconded the motion.

Mike Palica and Stan Kishner also approved the motion. Jake McGuigan and Bill Karten opposed the motion. REI will inform Jason Valdivieso and put together the contract.

The Board reviewed a proposal from United Alarm for monthly monitoring of the clubhouse alarm system and annual inspections for a five year contract. The prices have stayed the same for the monitoring and inspection fee. There is a new monthly charge of \$11.75 for the cellular monitoring radio in lieu of a phone line. Previously, United Alarm used the office phone line which is paid for by REI for the alarm system line but recently REI purchased a new phone system and United Alarm can no longer tie into the office phone. Stan Kishner made a motion to approve the proposal and put together a new five year contract. Bill Karten seconded the motion. All present voted in favor of the motion. REI will inform United Alarm and put together a new contract.

The Board reviewed three proposals for concrete and caulking work. A fourth contractor declined to bid. Steve Griffing made a motion to hire Complete Excavation whose proposal was for \$9.9K and was the lowest bidder to do the concrete/caulking work. Bill Karten Seconded the motion. All present voted in favor of the motion. REI will inform the contractor and put together the contract.

The Board reviewed proposals from Greenacres Company to start up, service and shut down the irrigation system in the entranceway and at the clubhouse. The Board stated the price is increasing from the previous contract approximately 2% each year. Stan Kishner made a motion to approve the proposals. Valerie Dawson seconded the motion. All present voted in favor of the motion. REI will inform Greenacres and put together the contract.

The Board reviewed a document from the current insurance company (CAU) who is not renewing with the Association due to the loss history. The current policy will expire on 10/1/16. The document states the Association can purchase an Optional Extended Reporting Period Endorsement which would cover any future claims submitted that took place during the current policy and before the termination date for three years. The Association's insurance agent stated this was not necessary if the new policy covers "full prior acts". REI will ensure when we receive quotes for a new policy that it covers full prior acts.

The Board discussed a suggested new maintenance standard stating if a Unit Owner is away from their unit for more than one week, they should turn off the water in their unit by shutting the main water valve. This was sent to owners for comment on July 29, 2016. The Board stated they would like changes made to the wording of this new standard. Steve Griffing will work on the wording of this new standard and will include the suggested change in the September Board package.

The Board reviewed a letter that was sent to the unit owners/residents in the 1800 Cypress Drive building stating the cost of water for their building was higher in the recent bill versus the previous water bill for this building. Two units confirmed they checked their unit for leaking faucets and running toilets and there were no issues in these units. REI will follow up with the remaining unit owners and ask that they respond to the letter.

The Board reviewed a proposal to install a heater in the pool for \$5.1K. The Board stated at this time they will not be installing a heater in the pool.

REI will turn off the pool phone after the pool closes.

REI will contact the cleaning vendor to inform him to discontinue cleaning the clubhouse twice per week after Labor Day.

After the pool closes, REI will have the pool furniture cleaned and put away.

REI will begin budget preparation.

At 9:00 PM, Valerie Dawson made a motion to adjourn the meeting. Steve Griffing seconded the motion. All present voted in favor of the motion.