Rivers Run Second Annual Meeting
September 18, 2012, in the Riparian Lecture Hall

Present: J. Thomas, H. Maslich, L. McLaughlin, W. Fischer, P. Tobin C. Aikens and a quorum of homeowners as attested to by L. Krenzer of Kenrick Corp.

The meeting began at 5:35 pm

J.Thomas introduced the Board Members and welcomed new homeowners: Beverly Reid, James and Charlene Galvin, Deborah Barsel, Helga Gurtsen, Daniel and Virginia Phelps, and Julian and Shelly Braiman. People becoming community members before year end were also mentioned: William and Marty Schmitt in 1601, Lois Goodman in 1402, David and Shirley Hoag in 403, Dorothy and Bruce Doane in 302, and Thomas and Shelby DeJong in 1201.

2012 Board Accomplishments - J. Thomas

- We are in the process of resolving RG&E contract
- The Time Warner contract is under negotiation
- A number of 2011 Invoices were corrected
- Time Warner Adjustments are scheduled to be mailed to homeowners this week
- Oversaw landscaping and snowplowing
- Dryer vent cleaning program initiated
- Pet station decision deferred due to cost
- Appointed S. Rausch to head team to develop emergency plan
- Negotiating future snowplowing contract with G. Romig
- Discussing alternative management companies
- Formed committees: Finance, Policy, Buildings and Grounds and Hospitality and Communications

Financial Reports - H.Maslich

H.Maslich reported a broad brush picture. Costs to maintain our 33 acres run around $120,000 per year. Our current individual unit assessment is $210 per month. It is projected we will become 40 units next year. At our current rate, we will collect $100,000 which would create a $20,000 deficit in the budget going forward. In 2012, the management company took funds out of our reserve fund to balance the budget. In order to balance the budget and keep up our reserve fund we will need to increase our monthly HOA fees by $50 per month starting in January. This will give us a $5,000 surplus each year to pay back the reserve fund in four years.

The reason for the deficit is the transfer of the HOA from the developer to the community. In the past, the Developer covered shortfalls. In 2011, his contribution was $42,000. When control passed to the residents, the Developer became responsible for only those units belonging to Living Communities. His contribution dropped to $22,000

for 2012 leaving the $20,000 shortfall. Our HOA fee in 2006 was $191. There has been about a 5% increase per year since then.

Developer Report - P. Tobin

There are five sales and closings in the next few months. There is an additional potential sale on an existing unit. A new building, Building 1000, has one purchaser and there is potential for another. It will be a three-unit building. Building will start in the Spring. Overall activity has been good. The Riparian is 73% occupied. Twenty have moved in since the beginning of the year. Nine have left for various reasons. There have been staffing changes. Matt Cole is now Executive Director and responsible for the kitchen. P. Tobin will again have Fireside Chats around Holiday Time, once new people have moved in.

Management Company Report - C. Aikens

A copy of the 2011 Annual Management Report was passed out to all who attended the meeting. Additional copies are available on request. It detailed Administrative Activities, Management of the Real Property, Financial Report, Service Requests, and Property Inspections.

C.Aikens read the proof of notice of annual meeting which was an email dated August 15, 2012 and is part of the record for this meeting.

L.Krenzer verified that at least 51% of the HOA was present. D. Barsel and P. Tobin volunteered to count the ballots.

J.Thomas called for nominations from the floor for the open Board position. There were none and J.Thomas declared the nominations closed.

The issues for voting were:

Article VI -- Covenant for Assessments, Section 6: Due dates for annual Common and Special Assessments. Change "Late charge, which shall be a percentage of the assessment not to exceed the prime lending rate charged by **M&T Bank** at the time of the charge plus three (3) percent." to "...not to exceed the prime lending rate charged as published in the **'Wall Street Journal'** at the time..."

General Provisions -- Section I. Change "Any amendments must be recorded in the **Ontario County Clerk's Office** ..." to "...must be recorded in the **Monroe** County Clerk's Office."

A new amendment to the Offering Plan under Section 6, Exhibit F regarding rental/lease of units was proposed. A full copy of the exact wording of the proposed amendment was passed out and is available on request. Highlights are that the Board must approve any lease, only 10% of the units may be rentals, only the entire cottage may be rented,

the initial lease must be at least 12 months, and all leases must contain a clause whereby the tenant agrees to abide by the rules and regulations of the Association.

There was considerable discussion of the 10% rental limit. That is only four units. People felt that circumstances change in a person's life. In economic downturns, units may not sell quickly enough for an individual's needs and rental would be an option. Empty units detract from the value of the entire community. It was asked if the restriction is necessary? There are safeguards in place; the Board approval process and age limitations. The ability to rent might also widen the potential market of residents.

On the other hand, many banks are requesting community rental limits before granting mortgages and loans. Also, if people can afford the rental rates in a property like ours, they generally prefer to buy. A limit also provides the community some protection against uncaring residents.

It was proposed that the discussion be tabled.

The vote was then taken.

Election Results

P.Tobin reported the results
- Item #1, Change of Charge Rate reference - yeas 26 to 2 nays, passed
- Item #2, Change of County reference - yeas 27 to 2 nays, passed
- Item #3, Rental/Lease Policy - Nays 19 to 10 yeas, rejected
- James Galvin elected to Board

J.Hannan volunteered to work with the Policy Committee to draft criteria for rental/lease approvals. The amendment may be revised and submitted for a vote at a subsequent annual meeting.

General Discussion

N.Weinstein thanked the Board for 2012 Service.

K.Petras asked if positions will change when the new member joins the Board. It was explained that the Board will meet after the election and choose the positions.

J.Galvin questioned the budget figures for Utilities which appeared off by $5,500. C.Aikens said that a new budget is usually estimates. The utilities item in our budget is primarily for the street lights, but the numbers shown include the Time Warner costs.

C.Kastner asked that at some time in the future the Board meet with people to discuss specific issues. J. Thomas said he intends to talk to the Board about having meetings, not regular Board meetings, just open discussion.

There was discussion about Time Warner requiring people to stay in their contract. The bottom line is that either we keep the bulk savings plan as TW proposes or we go to each individual signing up on their own at additional cost.

J.Thomas expressed the HOA and Board's appreciation to P. Tobin for serving so well on the Board for the past year.

K.Petras moved to adjourn. D.Barsel seconded and J.Thomas adjourned the meeting at 7:00 pm.

WFischer
HOA Board Secretary