RRHO BOARD MEETING MINUTES
FEBRUARY 14, 2012
5:30 p.m. in The Riparian Lecture Hall

PRESENT: Julian Thomas, President; Linda McLoughlin, Vice President; Howard Maslich, Treasurer; Wanda Fischer, Secretary; Patrick Tobin, Living Communities and Chris Aikens, Kenrick Corporation

CALL TO ORDER: The meeting was called to order by J. Thomas at 5:30 p.m.

COMMUNITY MEMBER COMMENTS:

Surveyor was seen walking around Buildings 1400 and 1800 on January 30. The question was asked if we could be advised when these things happen. It was explained that the person was checking the lot size for Building 1600 and we don't always know the exact date they will perform this type action.

A welcome was extended to Jim and Charline Galvin who have moved into Unit 1303.

Construction workers are still leaving materials on the road. P. Tobin will talk to them again.

APPROVAL OF MINUTES: J. Thomas moved the minutes from the January 10, 2012, meeting be approved as circulated via email. H. Maslich seconded. The motion was passed.

COMMITTEE REPORTS:

Finance: As of December 31, 2011, assets balance with liabilities and funds at $67,902.27. There is a shortfall for landscaping. C. Aikens said this would be addressed at year end. The 2012 landscaping contract was discussed later in the meeting.

Hospitality: Advance copies of the Cottage Community Member Handbook have been distributed to the Board, Susan Bussey and Cindy Lowenguth for review. When their comments have been received, appropriate changes will be made, the book will be printed and then distributed to the whole community.

An expense summary was also distributed which outlines HCC costs incurred to date. It is estimated that the Handbook will cost approximately $600 for 30 copies. This is well within budget. Color pages, printing and color tabs were the major expenses.

Policy: Deferred discussion until Old and New Business topics.

Buildings and Grounds: Deferred until contract discussion.

OLD BUSINESS:

We still do not have signed copies of the management company contracts.

RG&E service bill. L. McLaughlin has checked and all items are related to HOA. The question was asked as to who has the authority to talk to RG&E in order to get taxes taken off the bill and to put the contract out to bid to other providers. P. Tobin will designate J. Thomas. The Board will make the final decision on provider. The HOA meters will also be transferred to J. Thomas. P. Tobin will designate J. Thomas as contact for RG&E. The billing address will be the Homeowners Association c/o J. Thomas.

Offering Plan Questions:

- Section F-5 regarding assessment for penalties or overdue dues. The section states that they are not to exceed M&T current rates. M&T was chosen because they were the original bank for the project. It was suggested that the current Wall Street Journal rate be used instead. This can be changed along with the next amendment.

- The Declaration refers to Ontario County. This can be changed with the current Budget Amendment 9 which is due in June or July.

- Do we have/need a Fidelity Bond? It was thought that the Directors' Insurance is enough. C. Aikens stated that the fidelity bond is in place.

Responsibility for doing amendments. P. Tobin will take care of designating the changed responsibility in the next amendment, Amendment 9.

Date for the Annual Meeting. The Board will decide.

Time Warner Contract. We are close to reconciling the TW list of subscribers with the Kenrick list of subscribers. The current contract has lapsed. The current contract is for condos and we need to change that to town homes. The new contract needs to be orchestrated with regard to how many people are living here. There needs to be an allowance for unoccupied units so that everyone else is not penalized. There needs to be a clause ramping up the occupancy rate, and there needs to be a clause creating a minimum number of sign-ups before the advantageous rate is lost. P. Tobin will set up a meeting with Karen Stuber of Time Warner to resolve these issues. J. Thomas will get a list of what the basic services include. We need to be sure people know they have to sign up with J. Thomas/Kenrick for basic and internet and with Time Warner for other services in order to get the correct billing. People need to be sure to tell TW that they are getting their basic service under a business contract.

2010 Corporate Franchise Tax was paid.

Streber

NEW BUSINESS:

Guidelines:

- Policy Committee needs guidance as to what goes into Handbook and what should be in the Offering Plan. The Handbook becomes part and parcel of the overall offering. The lawyer determines whether policies go into the handbook and which violations require a variance.

- Rental/leasing guidelines. There are options which other communities use. Policy Committee will prepare a list of these and get some wording for consideration. Issues include requiring that the rental contract be approved by the Board, specific number of units which may be rentals and the status of a "long-term house sitter" etc. It was recommended that a standard contract be used, specifying that the amount or percentage of units to be rented be limited and requiring residents be 55 or up. It was also suggested that we limit the number of rental units which any one entity could own. The owners need to know that even if responsibility is included in rental contract, the unit owner has the ultimate responsibility for the unit.

- Smoking in common areas. The concern is littering, making sure the community looks good. We could make this a non-smoking community. The Riparian is one. However, people may smoke in their own unit. It was suggested that the issue be included in one general littering policy, including pet leavings.

- Policy is meeting next week and will put a proposed bullet list for discussion and approval, including leasing, signs, cleaning up litter and grounds etc.

- At-home businesses. The concern is traffic, parking and business signs in front of a unit. Businesses like a consultant with few visitors, if any, would be acceptable. Policy will put a proposed guideline together for approval.

- Determining fines and their collection. What are we assessing fines for and how much should they be? Could be as simple as noticing a policy violation and notifying the violator. The penalty then to be determined by the Board on a case-by-case basis. Should be discussed with legal and see what Kenrick's experience is.

Pet station. J. Thomas made a motion to install two pet litter bag stations on the circle. H. Maslich seconded. Motion was passed. P. Tobin will price bag dispenser.

Landscaping Contracts

Buildings and Grounds reviewed sealed bids for chemical treatment and landscaping.

Chemical treatments. Includes pre-emergent and Round Up. Building and Grounds recommends Brocolo. They were the second lowest. The lowest has a reputation of watering their chemicals.

The landscaping budget for 2012 is $16,800, based on 2011 expenditure. However, the 2011 contractor was fired early causing a lower than expected expenditure. We will have to address increased 2012 cost. Buildings and Grounds reviewed the sealed bids and recommends Romig be chosen. We know him, he works with us. He is proposing a 3-year contract which we can cancel after 1 year. It was noted that chemical treatment of the borders appears to be included in both contracts. C. Aikens will resolve this.

A motion was made by J. Thomas that the recommended contracts be approved by email once the bed treatment question is resolved. L. McLaughlin seconded. It was passed.

Certificate of Compliance. It was agreed that a Certificate is not needed on a new unit. It was asked if we could issue the certificates rather than Kenrick. C. Aikens responded that there is considerable work involved, physical inspections of the property, variance file searches and an architectural committee would be required. In addition, the issuer would be responsible for any discrepancies.

Attic Dryer Fans. P. Tobin will have all interior booster fans and exterior vents checked and will look into problems submitted in L. McLaughlin's list. HOA should clean external vent two times per year. C. Aikens will get price on external vent cleaning. He will also check to see if we could get a group rate on internal vent cleaning.

HOA Web site. We have rrhoadocs website file which has documents and forms. We have an internal distribution list for HOA emails. It doesn't seem necessary to have a web site. In addition, maintenance is a major problem. If we do it, it should be connected to the Rivers Run web site. J. Thomas made a motion that we table the question. H. Maslich seconded. The motion to table was adopted.

Effect of Number of Units on Reserve Fund Assumptions. Trend toward the larger buildings reduces the number of units in the project. This affects the calculations of funds needed in reserve fund. The market has changed in favor of the larger units. The Board needs to decide the total number of units and balance that with the effect on the calculations for the reserve fund which ultimately affects HOA dues. The Board will have an Executive Session with Cindy Lowenguth to discuss.

Adjourned at 7:20

Next Meeting, March 13