

**Sterling Woods II
Unit Owner Annual Budget Meeting
Draft of the Minutes
December 17, 2008**

George Holland called the meeting to order at 7:00 PM and welcomed those that were in attendance. Present from the Master Board of Directors were George Holland, President (President of the Summit); Steve Andrewson, Vice President (President of the Willows); Stan Kishner, Treasurer (President of the Birches); Joseph Wielock, Secretary (President of the Maples), and Director Mike Palica (President of the Elms). Renee Strazza (Vice President of the Oaks) represented her village in place of Peter Zane who could not attend.

Art Stueck and Kim Murray of REI Property and Asset Management were also present.

Kim Murray, from REI Property and Asset Management, established that a quorum was present. There were 42 unit owners in attendance and 16 units represented by proxy.

George introduced the members of the Board and thanked them and Carole Torro, Chairwoman of the Landscaping Committee, Ed Kowalczyk, Chairman of the Maintenance Committee and Tom DuCharme (former President of the Birches and the Master Board) for their dedication and investment of time into Sterling Woods II.

The Owner of 132 Logging Trail made a motion to accept the meeting notice. The Owner of 2002 Heartwood Drive seconded the motion. All present voted in favor of the motion.

The Owner of 1101 Pinnacle Way made a motion to accept the 2007 meeting minutes as drafted and to waive the reading of same. The Owner of 119 Logging Trail seconded the motion. All present voted in favor of the motion.

Carole Torro listed the participating members of the Landscaping Committee and provided a report of 2008 accomplishments and future plans. Key areas of focus and management in 2008 were with Eastern View, the day to day landscaper (cutting lawns, bed maintenance, leaf removal, etc...); tree replacements and tree maintenance programs with Bartlett Tree Company and the weed control and fertilization program for the lawns with TruGreen. George Holland again thanked Carole and the Landscaping Committee members for all their hard work and success with the lawns, plants, beds, flowers and trees this past year.

Ed Kowalczyk, Maintenance Committee Chairman, introduced his fellow committee members and presented a report on those areas where they focused their efforts this past year. Major efforts were undertaken with regards to detention pond maintenance (rear of the Oaks), cement maintenance and repairs (patios, walks and front stoops), garage door replacements and painting, paving repairs and maintenance throughout the community, paving replacement for part of the access road, and deck pressure washing and staining in

the Birches and Maples. George Holland thanked Ed and his fellow committee members for their due diligence and hard work in identifying and assisting with the various replacement and repair programs.

Stan Kishner listed and thanked all the members of the Treasurer's Committee. He then presented the 2009 Budget proposal which calls for an approximate 3.5% increase in common fees. Before going into line item detail, Stan indicated that the budget was made up of two main parts – operating and reserve. Stan explained the budget process which begins in committee with the village treasurers before it is presented to the board for approval. Once the board approves of the draft, it is then presented to all owners for ratification.

This past year, a new reserve study was conducted. The study identified significant expenditures are required in the 2020 timeframe and again in the 2035 time frame. Funding of reserves for future replacements remains an important part of the annual budget. The board is committed to the philosophy of continuing to build the reserves so that the money will be available when needed down the road for major capital expenses such as paving or roofs. This year, an increase in the contribution to the reserves is driving the 3.5% increase.

Stan reported that the association has approximately \$1.5M in assets with \$1.35M of that in reserves.

George Holland thanked Stan Kishner and his fellow committee members for their efforts.

After a question and answer session with owners present, Steve Andrewson made a motion that the budget be approved. Joe Wielock seconded the motion. All present voted in the affirmative.

At 8:15 PM, Joe Wielock made a motion to adjourn the meeting. Steve Andrewson seconded the motion. Without objection, all present voted in favor of adjourning the meeting.