

Minutes of South Shore II Annual Meeting, September 18, 2010

SOUTH SHORE II 2010 ANNUAL MEETING SEPTEMBER 18, 2010

I. INTRODUCTION:

Units represented in person 8

Units represented by proxy 4

12 Units in attendance or represented by proxy; therefore, there is a quorum.

Mr. Wood, President, called the meeting to order

II. PROOF OF NOTICE

Motion to waive the proof of notice - Unanimous

III. MINUTES OF 2009 ANNUAL MEETING

Request motion to waive the reading of proof of notice which is the meeting notice that you all received-Unanimous

IV. BOARD OF DIRECTORS REPORT

Mr. Wood reported:

- Board met 5 times last year;
- July 17th meeting was one of the largest to date;
- Re-stained decks on 1-8; all walls on 9-10 and 14, partial walls on 15
- Work on the potholes was done in August and the cost was split between SS2, Country Houses and the Millers; thanked Mr. Holland for coordinating and overseeing;
- The Board would like to place a binder in each rental unit, which will include various types of information for the use of Tenants. The focus of the binder will be how to be a good neighbor while living at Pioneer Point. Scott has started to work on collecting information resources for these proposed binders;
- Explained SS2 received a letter from Ken Ryder in March questioning SS2's ownership of the shoreline and the posted signs. A subsequent meeting provided Mr. Ryder with new information, and for the moment this issue is deferred. The possibility of revitalizing the former path adjacent to the water's edge was discussed;
- SS2 had budgeted funds in 2010 to tackle the beach erosion problem-but the project is on hold;
- Chimney inspections of active wood burning flues will be undertaken this fall; the Association will pay for the inspections and owners pay for the flue cleaning if needed;

Roof Replacement:

Mr. Wood explained that the Board met with Walt Mayo in 2009 regarding the various roof

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issues they are facing. Mr. Mayo suggested replacing slopes rather than entire roofs. Mr. Mayo identified a concern related to the uncertainty of successful nailing on the roof of Units 6&7. He recommended and the Board undertook in the Spring of 2010 an inspection of the roof cross section on Unit 6. The Board received quotes from Weathercheck (Mayo's firm) from a second contractor (Kellogg Construction) to re-roof the south facing slopes of Units 6, 7, 9, 10, and 11. Kellogg is the company who did the work at the new Activity Center. The ECA was pleased with their work. At present the Board is reviewing the competing quotes and considering how to undertake a multi-year roofing project. The members then discussed various aspects of the roofing issues.

- Discussed the need for a special assessment to help pay for the roof replacements; how long the special assessment would be in place would be depend on final costs;
- Mr. Wood and Mr. Mueller shared comments from Mr. Keeney, and Mr. Pyles who were unable to attend; they were responding to earlier correspondence sent out by the Board;
- Mr. Wood noted that although the shingles were 20 year shingles, Mr. Mayo feels the failure is due to ventilation and insulation issues and Mr. Mayo suggested the Association fix the ventilation when they replace the roofs;
- Lengthy discussion followed including ridge vents versus gable vents; cold roof systems on the dormers; improvements to roofing systems on Units 6 & 7; replacement of skylights;
- It was noted that Units 6 and 7 seem to always cost more money than any other units;
- Mr. Niles noted that the Board has the authority to bill the unit owner if the improvement only affects that unit;
- Mr. Niles felt the additional expense for alterations to the existing roof system would require a vote of the members; the By-Laws state that any improvement to common area that exceeds \$3,000 must be voted on;
- Mr. Niles suggested that the Annual Meeting be continued and not adjourned to allow for notice to be given to all unit owners of the vote to expend more than \$3,000 and the a vote taken by email or letter. Mr. Wood disagreed, stating that he believed sufficient information had been provided over the past few years regarding the need to undertake roof repairs/replacement and that the project could proceed based on a Directors vote.

V. TREASURER'S REPORT

Mr. Mueller reported the following;

Cash on hand: \$ 13,845

Delinquent owners as of right now: 0

Common area Reserve: \$57,531

Operating Reserve: \$2,961

Mr. Wood requested a motion to designate 2010 actual excess of revenues over expense if any, be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604. If any excess, the Board will then determine whether to add the funds to the Common Area or

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Operating Reserves.

- It was noted that historically any excess of funds for the year have gone to the Common Area Reserves, but the Board would like to be able to transfer some into operating reserves; and had therefore, requested a motion to transfer any excess into either Common or Operating Reserves and/or both;
- Mr. Niles made a motion to amend the Board's motion to say "any excess to go to Common Area funds only". Mr. Niles feels that any excess of funds should always be put in the Common Area reserve versus Operating reserve—he is concerned money won't be added to the Common even though it is budgeted--Terry pointed out that the auditor will monitor the appropriate transfers and if not funded; they will carry the balance due from year to year. George understands that you can make it up the next year to repay the money but he believes it is a better policy to place the excess in the Common Area reserve.

Discussion followed;

- Mr. Wood stated that the Board's suggestion to add additional funds to the Operating Reserve was related to the potential cost of removing the large pine trees that get older each year. Terry confirmed that Common Area reserves could not be used for tree removals; however, funds could be taken from the Operating Reserves;
- There was consensus that if we could predict when the trees needed to be removed, the annual budget could include that cost as a line item. If an emergency removal is required, we would use the Operating Reserve and either transfer less money into the Common Area reserve that year, or call for a special assessment related to the trees.
- After much discussion, Mr. Niles motion to amend the original motion was approved. Then the original motion was passed requiring that any excess of revenues be transferred to the Common Area reserve.

VI. ANNUAL BUDGET

Mr. Wood presented the proposed 2011 budget noting that the Board did not believe an increase in the regular monthly assessment would be needed next year. He noted that the Board would finalize the budget in December. However, he noted as discussed previously there would probably be a special assessment for the roofing project. There was discussion on various line items. It was agreed that the walkway railings would be done this time. Mr. Auty raised his concern and the Board noted they would revisit the staining of the slats on the deck rails and privacy fences. Mr. Auty is concerned that the horizontal pieces at the bottom of the privacy fences will rot, if there are not re-stained.

VII. OLD/NEW BUSINESS

- Parking signs will be removed and stored for the winter on November 1st;
- Ms. Bostrom thanked the Board and Belle Terre;
- Mrs. Niles reminded that Board that they agreed to provide a list of common elements;

Mr. Wood noted that the windows are a good example and explained how the ownership

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worked; but acknowledged where it starts and ends is a bit gray;

- Chimney Inspections – only active wood burning flues will be inspected. Mr. Auty noted his fireplace damper was left open following the last inspection and asked that the Sweep be sure to close all dampers to conserve heat;
- An owner noted the seasonal reminders mentions clearing of exterior propane vents; this can be an issue for absentee owners if the vent is too low; Terry confirmed that BT inspects the vents of units they inspect and clears them as needed;

VIII. ELECTION OF A DIRECTOR.

Mr. Wood noted that his term is up as of today, he asked for nominations from the floor. Mr. Wood was nominated and seconded; there being no other nominations the floor was closed. Mr. Wood was unanimously elected by the members to serve another three year term on the Board of Directors.

Mr. Wood confirmed that the open Board of Director's meeting in April will be moved to the 4th Saturday of the month instead of 3rd. That will be April 23, 2011.

IX. ADJOURNMENT

There being no other business to conduct, the meeting was adjourned.