

Mill Ridge Condominium Owners Association, Inc.

2012 ANNUAL HOMEOWNER'S MEETING

January 31, 2013

Call to Order

The President, Beverly Cappadonia, called the meeting to order at approximately 7:00PM. The meeting was held at St. Paul's Christian Church Fellowship Hall, 3331 Blue Ridge Road, Raleigh, NC 27612. Management reported that 96 members must be represented by their presence or proxy in order to conduct the annual meeting; only 70 members were represented with 19 members in person and 51 by their proxy. Management then reported that the Covenants allow for adjournment of the meeting and then reconvening the meeting within 30 days with notice only being provided to those members present at the aforementioned adjourned meeting. A motion was made and seconded to adjourn the meeting and to reconvene the meeting at 7:15PM at St. Paul's Christian Church Fellowship Hall. The motion was unanimously approved by all members present. Prior to the meeting be called to order, those present enjoyed pizza and beverage provided by the Association.

Quorum Established

Beverly Cappadonia called the meeting back to order at approximately 7:15PM. Management reported that 48 votes are required to reconvene the annual meeting per the Covenants and that there are a total of 70 members represented of which 19 members are in person and 51 by their proxy thus establishing a quorum.

Approval of Minutes

The 2012 annual meeting minutes held on January 26, 2012 were presented to those present for their review and approval. Paul Slovensky made a motion to accept the minutes as written. Laura Nicholson seconded the motion. The minutes were unanimously approved.

President's Report

Beverly reported the accomplishments in 2012 as follows:

1. Annual termite inspection was performed in late August 2012 at a total cost of \$3,300.00.
2. Continued with the 8-Plex Improvement Project in 2012. Completed the improvements for buildings #1, #2, #3 and #5. Currently working on the improvements to building #7 where all repairs have been made except for the end adjacent to the natural area. Once repairs are completed, the painting will be scheduled followed by gutter installation. Building #6 will be scheduled next followed by building #4 later in the year. If all goes well, the 1st seven buildings will be completed by the end of 2013. The costs to date by fiscal year are as follows: 1) \$7,167 in 2010 2) \$30,253 in 2011 3) \$145,200 in 2012 and 4) \$36,315 so far in 2013. The average cost per building for buildings #1, #2, #3 and #5 is \$45,655.
3. Tree pruning and removal throughout the community cost \$6,330.00 in 2012.
4. The loan was refinanced in May 2011 for five years at a fixed rate of 5.95%. The loan amount was \$415,421.87 and the payments are \$8,025.34 per month. The loan balance was \$363,548.81 at the last annual meeting, the loan balance at this time is \$283,723.13 which is scheduled to be paid off in 2016.
5. The tax return and audit for the fiscal year that ended 9/30/11 was completed at a cost of \$2,600.00
6. The master insurance policy cost \$29K for the period 5/1/12 through 5/1/13. The deductible is \$10K and Homeowners have been advised of this and to purchase an HO6 or Dwelling Fire Policy to cover the first \$10K of an insured loss. NOTE: THE 1ST \$10K OF AN INSURED LOSS IS THE RESPONSIBILITY OF THE HOMEOWNER; THE HOMEOWNER SHOULD PURCHASE AN HO6 OR DWELLING FIRE POLICY TO COVER OR INSURE THEMSELVES AGAINST THAT \$10K LIABILITY.
7. Engaged E2S (Engineering & Environmental Science) to study the storm water runoff problems in the northwest corner of the property. E2S has completed their study and submitted it to the Board who has reviewed the options proposed and has solicited a bid to address the issue.
8. Completed front entrance landscaping to improve the curb appeal, safety getting out of the community as well as property values.

The projects planned for 2013 include the following:

1. Continue with the 8-Plex Improvement Project and implement the project as funds are available. We should be able to complete buildings 1 thru 7 in 2013 based on the current fund projections.
2. Mail box replacement still needs to be considered for security purposes but is currently unfunded.

3. Will reevaluate the asphalt pavement throughout the community to determine priority for repairing the asphalt, overlaying, seal coating and re-stripping of parking stalls.
4. Will power wash and seal studio decks as necessary and based on funds availability.
5. Will proceed with solicitation of bids to address the storm water runoff issue and will proceed with implementation as funds are available.
6. Will also survey all sidewalks in the community to determine repair priority.

Financial Report

Vic Jones, Property Manager, provided as part of the annual meeting hand out the financial statements as of the end of the fiscal year September 30, 2012 and the current financial statements as of January 31, 2013. The hand out also included the long range plan which showed the actual income and expenses for 2005 through 2012, the budgeted income and expenses for 2013 and the projected income and expenses for the out years 2014 through 2016. Vic reported that the reserves were increased from \$171K at the fiscal year that ended 9/30/11 to \$175K at the end of the last fiscal year 9/30/12. The 2013 end of year reserves as shown in the long range plan are expected to increase to \$178K but that level will depend upon the cost of several projects which have not been budgeted nor included in the long range plan. These projects include asphalt sidewalk repair, asphalt drive and parking lot repair, mail box repair and/or replacement and the proposed drainage project to resolve storm water runoff issues in the northwest corner of the property. The outstanding loan balance as of 1/31/13 is \$284K and is currently scheduled to be paid off in 2016; the loan was refinanced in July 2011 at 5.95 percent.

8-Plex Improvement Project

Vic Jones, Property Manager, reported that the work is proceeding quite well and as planned. Buildings #1, #2, #3 and #5 have been completed. Work is proceeding on Building #7 and the repairs are nearing completion after which the painting and gutter installation will be scheduled. The work on Building #6 followed by #4 will be scheduled this year and are anticipated to be completed in 2013. Work on the last four buildings i.e. Buildings #8, #9, #10 and #11 will begin in 2014 and dependent on cash flow will be completed in 2015. David Rancer pointed out that the recent sale of a unit in Building #1 indicates that the improvements have had a positive effect on property values. The consensus of opinion by those present was that the improvements look great and that the contractor doing the work has done an excellent job. Management will convey the Homeowners' satisfaction and thanks for a job well done to the contractor.

Management Report

Management reported that Homeowners can have their dues drafted monthly; the draft process is performed between the 15th and the 20th of each month for that month. Forms were available for anyone who wanted to take advantage of this payment option. Management indicated that the legal documents, Rules & Regulations, architectural request forms, etc. can be downloaded from the web site www.vpihoa.com/mnr. Seventy-four work orders have been processed since 1/1/12 not including the 8-Plex Improvement Project work. The Association has a master hazard insurance policy that covers the building structures in the community; however, each Homeowner is responsible for the first \$10K of an insured loss as well as each Homeowner's personal property and personal liability. All Homeowners are advised to purchase an HO6 to cover their personal property, personal liability and \$10K coverage for the structure. The \$10K coverage is typically covered under Schedule A-Building Additions and Alterations. Owner investors should purchase a policy typically referred to as a Dwelling Fire policy. **All Homeowners are advised to check their insurance coverage and to verify that they have the proper and adequate coverage with their carrier. Questions may also be directed to the Property Manager.**

Board Elections

The primary purpose of the annual meeting as stated in the annual meeting notice was the election of two Board members to serve for a one year term. The proxy statement mailed to all Homeowners included three nominations to the Board as follows: 1) Roxie Pitt of 3241 Mill Run 2) David Rancer of 3645 Mill Run and 3) Paul Slovensky of 3316 Mill Run. The President opened the floor for additional nominations from the floor and none were made. The nominations were closed and each candidate was given the opportunity to address those present with their qualifications and reason for wanting to serve on the Board. After each candidate addressed those present, the President called for a vote. The votes were counted by members of the Board, Jasper McKain of 3233 Mill Run and Laura Nicholson of 3508 Mill Run. Mark Evans, Vice President, reported the election results indicating that the most votes were cast for Roxie Pitt and David Rancer.

New Business/Homeowner Forum

Those present expressed an interest in improving the web site.

Adjournment

There being no further business, the meeting was adjourned.

Mill Ridge Condominium Owners Association

BOARD OF DIRECTORS MEETING

March 7, 2013

Homeowners Forum

Three Homeowners were present at the meeting as follows: 1) Steve Faircloth of 3243 Mill Run 2) Hamilton Sherertz of 3321 Mill Run 3) Paul Slovensky of 3326 Mill Run. The open forum discussion is summarized as follows: 1) whether the Association was still conducting annual fireplace inspections 2) whether the Association was conducting dryer vent inspections and 3) the common area located to the left of building #10 at the northeast corner of the property is very unsightly as there is a lot of trash and debris. Those present discussed the inspection of fireplaces as it relates to the safety of all residents who live in an 8-Plex unit. The Property Manager, Vic Jones, noted that fireplace inspections are the responsibility of each Homeowner but that the Association had paid for the inspections several years ago in order to insure that all fireplaces were inspected and suitable for use. Vic proposed that the Association initiate a project in the fall to get all fireplaces inspected before the upcoming winter season; this plan was favorably received. Several Board members noted that the dryer vent project is ongoing and that several techniques have been identified to reroute the dryer vent pipes to improve air flow and reduce lint buildup hence improving the safety of the dryer vent system. Vic Jones reported that the Board is aware of the trashy condition of the area located to the left of Building #10 near the northeast property line and that there are plans to clean up that area.

Call to Order

The President, Beverly Cappadonia, called the meeting to order at 6:45PM. The meeting was held in the conference room at Caribou Coffee.

Quorum Established

The following Board members were present: 1) Beverly Cappadonia 2) Doug Parker 3) David Rancer 4) Mark Evans and 5) Roxie Pitt. Vic Jones and Paul Jones with VPJ Enterprises, Inc. were also present.

Election of Officers

The Board elected officers for 2013 as follows: 1) Beverly Cappadonia-President 2) Mark Evans-Vice President 3) David Rancer-Secretary 4) Roxie Pitt-Treasurer and 5) Doug Parker-Member at Large.

Approval of Minutes

Minutes of the 12/6/12 Board meeting were reviewed. Doug Parker made a motion to accept the minutes as written. Mark Evans seconded the motion. The minutes were approved unanimously by the Board members present.

Architecture Committee Report

Mark Evans, Chairperson, reported that there were three requests as follows: 1) Adelle Todd of 3523 Mill Run requested permission to install vinyl replacement windows; the request was approved 2) Doug Parker of 3631 Mill Run requested permission to install three ten inch solar tubes one for each bathroom and one for the living room; the request was approved 3) Doug Parker also requested permission to install a gas line to his unit to supply a gas water heater but not to supply gas logs. PSNC would install the gas line. The Board discussed the request in detail and felt that more information needed to be provided regarding how the lines would be run and how this service might be provided to other units in the future. Doug agreed to do more research and provide the additional information to the Board for its consideration. Beverly Cappadonia reported that she had attended the Law Day Seminar on Saturday March 2 sponsored by the Community Association Institute of North Carolina (CAI-NC). Beverly reported that lawyers from all over the state who specialize in HOA law had volunteered their time to present topics that are of particular interest to all Associations such as dues collection, changes in the law, insurance, and case law affecting Associations. Beverly indicated that it had been very helpful and would encourage other Board members to attend next year. Beverly requested that the \$79 cost of the seminar be reimbursed and the Board approved. Vic Jones who also attended the seminar reported that CAI-NC has a legislative committee that addresses legal matters as it relates to Associations and that the committee employs professionals to lobby the state legislature in behalf of Associations. The funds to operate the committee come from contributions made to CAI-NC and there are not sufficient funds to continue the tasks before the committee; hence, CAI-NC is asking all Associations to contribute \$1 per homeowner to support the tasks before the committee. David Rancer made a motion to contribute \$1 per homeowner or a total of \$190 to CAI-NC for the stated purpose. Mark Evans seconded the motion. The motion was passed by a four to one vote of the Board members present.

Treasurer's Report

Vic Jones provided the following financial information reflecting the status through March 6, 2013 as follows: 1) Balance Sheet showing \$121K in the money market account, \$20K in the operating account and \$23K in accounts receivable 2) Profit & Loss Statement showing the fiscal year to date income and expenses and a net income of \$9K which does not reflect the cash flow required to retire the debt principal 3) Accounts Receivable report showing all Homeowners with an outstanding dues balance. Management reviewed the Accounts receivable report in detail with the Board. All accounts that are overdue will receive late letters or lien letters dependent upon the overdue status. Accounts that do not respond to the due date specified in the lien letter will be turned over to our attorney for collection per the approved collection policy.

Landscape Committee Report

Vic Jones reported that the shrubs around Building #6 had been deep pruned in preparation for the 8-Plex Improvement Project repairs to that building. The shrubs at Building #4 are scheduled to be deep pruned before the 8-Plex Improvement Project is started on that building. Mark Evans expressed some concern about whether the shrubs around building #4 would recover from the deep pruning process. Doug Parker, Chairperson, indicated that the shrubs would recover and that they would be healthier as a result of being cut back. Doug indicated that there are a lot of shrubs throughout the community that need to be deep pruned as they will rejuvenate quickly and look better and be healthier.

Management Report

- The Board was provided the Work Orders Pending Completion report and the Work Orders Completed report showing outstanding work orders and those work orders that had been completed since 12/1/12. There are currently eleven outstanding work orders. Fourteen work orders have been completed since 12/1/12 at a total cost of \$6,936.96 including both labor and material. The 8-Plex Improvement Project work is not tracked by the work order system.
- Management put out a mailing on 2/27/13 that included 1) a memo regarding the 2013 special assessment and 2) a general memo addressing a number of rules and regulations that Homeowners need to be aware of.
- The 8-Plex Improvement Project for Building #7 is completed. Improvements to Building #6 were started 2/11/13 and the improvements to the end of the building next to the natural area have been completed with the exception of the walls with the electrical meters. Work is progressing on the north side of the building with the rebuilding of the patio and deck fences and the siding. The work on this building should be completed in 6-8 weeks dependent upon the weather. When this building is completed the improvements to Building #4 will get underway.
- The Board has solicited a bid from Hunt's Landscaping to address the drainage issues in the northwest corner of the property. The bid requested will address the plans and cost to implement Option IV of the study completed by E2S. Management reported that he had communicated with Chris Hunt and that Chris expects to have a bid ready for review within the next couple of weeks.
- Management reported that the property at 3619 Mill Run had been foreclosed and deeded to the Association on 2/5/13. Management reported that the unit is currently rented and that the Association can continue to rent to the residents if it chooses to do so. The Board discussed the pros and cons of renting the unit and concluded that it is not in the best interest of the Association to rent the unit. Management will inform the current tenants of the Board's decision and start the procedure to have them move out.
- Management reported that the property at 3322 Mill Run which had been deeded to the Association has now been deeded to SECU after they foreclosed on the Association. The property was deeded to SECU on 2/15/13 and they will be responsible for paying the dues for that date forward. The dues, late fees and legal fees in the amount of \$6,629.99 were written off as a bad debt.
- Management reported that the Association's hazard insurance policy will renew on 5/1/13. It was agreed that the basic policy coverage appears to be adequate. Our insurance agent, Carter Glass, has suggested that the Board consider additional coverage as follows: 1) Stand Alone Directors & Officers Liability Policy and 2) Ordinance or Law. The Stand Alone D&O Liability Policy would allow the Association to increase the standard \$1M for D&O Liability in the basic policy to whatever dollar amount the Board felt comfortable with by purchasing the Stand Alone D&O Policy. The amount of additional coverage would typically be from \$1M to \$5M. The Board members expressed an interest in increasing the D&O Liability coverage and asked that a quote be obtained from Carter Glass. The Ordinance or Law provides coverage from losses resulting from the enforcement of law or ordinance which does not permit restoring the property to the same condition as existed prior to the covered loss. The Board agreed that this coverage is needed but deferred its decision until a firm quote is received from Carter Glass.
- Management reported that he has communicated with Turner Asphalt and expects to setup an onsite meeting to assess the condition of the streets, parking lots and sidewalks. The survey results will identify the priority of repairs and the cost associated with each phase of work that is identified.

New Business/Adjournment

- The Board discussed the fact that Caribou Coffee has changed its room rental policy to \$35 per hour, and whether or not the Board wants to continue to use the facility. The majority of the Board members were not happy about paying a higher fee but felt that the location is convenient for the Board and any Homeowners who might attend the monthly Board meetings. After much discussion, the Board voted to continue meeting at Caribou Coffee.

Next Regular Board Meeting Date: April 4, 2013 at 6:45pm at Caribou Coffee

Mill Ridge Condominium Owners Association

BOARD OF DIRECTORS MEETING

April 4, 2013

Homeowners Forum

Only one Homeowner was present at the meeting as follows: 1) Paul Slovensky of 3326 Mill Run. The open forum discussion is summarized as follows: 1) a suggestion that a letter summarizing the most common rules violations be mailed to all residents including renters 2) a suggestion that the notice for Board meetings be put up at the entrances at least 72 hours before the meeting and 3) that a report be submitted by Board members who attend seminars that are paid for by the Association summarizing what was discussed during said seminar and how that information can help with the management and operation of the Association. The Board indicated that mailings are sent out to all Homeowners periodically outlining information and rules that are appropriate at the time for the community that need to be adhered to by all residents. Homeowners are responsible for conveying this information to their tenants. The Board also agreed to post the Board meeting date earlier to allow more notice to Homeowners who would like to attend the meeting. It was also noted that the attendance at the Law Day seminar attended by Beverly Cappadonia and Vic Jones had been documented adequately in the 3/7/13 minutes.

Call to Order

The President, Beverly Cappadonia, called the meeting to order at 7:25PM. The meeting was held in the conference room at Caribou Coffee.

Quorum Established

The following Board members were present: 1) Beverly Cappadonia 2) Doug Parker 3) David Rancer 4) Mark Evans and 5) Roxie Pitt. Vic Jones, Property Manager, was also present.

Approval of Minutes

Minutes of the 3/7/13 Board meeting were reviewed. Mark Evans made a motion to accept the minutes as written. Doug Parker seconded the motion. The minutes were approved unanimously by the Board members present.

Architecture Committee Report

Mark Evans, Chairperson, reported that there were two requests as follows: 1) Jennifer Haga of 3309 Mill Run requested permission to install vinyl replacement windows in her unit; the request was denied since the windows proposed were not cottage style windows that are the standard window for 8-Plex units. Jennifer will be notified of the Board's decision and asked to resubmit her request with cottage style windows and 2) Edward Brantley of 3525 Mill Run requested permission to install vinyl replacement windows in his unit; the request was denied due to the fact that the window specifications were not included with the request. Edward will be asked to provide the additional information as part of the request after which the request will be reevaluated.

Treasurer's Report

Vic Jones provided the following financial information reflecting the status through April 3, 2013 as follows: 1) Balance Sheet showing \$121K in the money market account, \$12K in the operating account and \$25K in accounts receivable 2) Profit & Loss Statement showing the fiscal year to date income and expenses and a net income of \$11K which does not reflect the cash flow required to retire the debt principal; the net loss is \$37K after adjusting for the cash required to pay down the principal on the construction loan 3) Accounts Receivable report showing all Homeowners with an outstanding dues balance. Management reviewed the Accounts Receivable report in detail with the Board noting that 48 accounts are in arrears for different reasons. Sixteen of the forty eight are homeowners who have not paid their special assessment for March and April; each of these Homeowners will be sent correspondence reminding them that the \$400 special assessment payment schedule is \$40 per month for the period March through December. All other accounts will be processed per the Board's approved collection policy. Late letters and lien letters will be mailed to all Homeowners that are 30 days or 60 days past due respectively. Accounts with balances over 90 days past due will be turned over to our attorney for collection.

Landscape Committee Report

Vic Jones reported that Hunt's Landscaping has applied pre-emergent fertilizer, post emergent weed spray and done pruning throughout the community.

Management Report

- The Board was provided the Work Orders Pending Completion report and the Work Orders Completed report showing outstanding work orders and those work orders that have been completed since 3/1/13. There are currently

six outstanding work orders. Fourteen work orders have been completed since 3/1/13 at a total cost of \$3,624.38 including both labor and material. The 8-Plex Improvement Project work is not tracked by the work order system.

- The 8-Plex Improvement Project repairs to Building #6 have been completed except for the siding repairs located at three meter locations. Painting of the building will be scheduled when the repairs are completed. The gutter installation will be scheduled as soon as the painting has been completed. Repairs to Building #4 will be delayed for a period of time to allow the operating cash account to improve to an acceptable operating level. The cash account has been reduced more rapidly this fiscal year as the weather has allowed for construction to proceed ahead of schedule. The repairs to Building #4 have been budgeted for in the current fiscal year and those repairs are anticipated to be completed this fiscal year as planned.
- As reported at the last Board meeting, “the Board has solicited a bid from Hunt’s Landscaping to address the drainage issues in the northwest corner of the property. The bid requested will address the plans and cost to implement Option IV of the study completed by E2S”. Management will follow up with Hunt’s and request that a bid be prepared for the Board’s review at its 5/2/13 meeting.
- Management reported that the mortgage company has started the foreclosure process for 3619 Mill Run, and has scheduled a foreclosure hearing for July. Management asked the Board if it wanted to reconsider its decision to rent the property to the current occupants. The Board indicated that it did not want to be in the rental business and confirmed its vote taken at the last Board meeting not to rent the unit and to have the current renters move out of the property. Management will engage Jordan Price to complete the appropriate paperwork to evict the current renters.
- Management provided quotes from the Carter Glass Agency who services our policy with Nationwide. The quotes were as follows: 1) a standalone policy providing an additional \$1M coverage for Directors & Officers Liability for \$741 per year and 2) an endorsement to our current policy for Ordinance or Law coverage for \$6,667 per year. The Ordinance or Law coverage provides coverage for losses resulting from the enforcement of law or ordinances which do not permit restoring the property to the same condition as existed prior to damage. For example, if a building was destroyed by fire and the City of Raleigh would not allow the unit to be rebuilt until a fire prevention system was installed that met the current fire code, this coverage would pay the additional cost whereas the current policy would only pay for restoring the property to the condition that existed prior to the fire. After much discussion, Mark Evans made a motion to add the Ordinance or Law coverage to the policy when it renews on 5/1/13. Doug Parker seconded the motion. The motion passed unanimously by the Board members present. The Board discussed the additional D&O coverage and concluded that the cost was too high; Management was asked to solicit a bid from another provider.
- As reported at the last meeting, “Management reported that he has communicated with Turner Asphalt and expects to setup an onsite meeting to assess the condition of the streets, parking lots and sidewalks. The survey results will identify the priority of repairs and the cost associated with each phase of work that is identified”. Management will follow up with Turner Asphalt to schedule an onsite survey of the street and parking areas.
- Management presented information to the Board regarding pet waste stations that include plastic bag dispensers and waste baskets where residents can deposit pet feces. Management indicated that the distributor is currently offering the complete pet waste station for \$199 which is less than half the normal price. David Rancer made a motion to purchase one additional pet waste station for the community. Beverly Cappadonia seconded the motion. The motion passed with four members in favor and one member opposed. Management will order the pet waste station and have our contractor install it.

Old/New Business

- The Board confirmed its support for setting up a community web site in order to better communicate with Homeowners. Management indicated that he is in the process of setting up web mail which will be used to communicate with Homeowners who provide their e-mail addresses. Information such as Board meeting dates, minutes, news of interest to the community, etc. will be shared using this capability. There was much discussion about what the web site should provide and it was generally agreed that the primary purpose would be to store information such as the legal documents, rules and regulations, bylaws, etc. for easy access and downloading by all Homeowners. Management agreed to provide the Board with information that would allow them to examine web sites that have been setup for other communities to assist the board in determining the structure and content of the proposed web site.

Adjournment

- There being no further business, the meeting was adjourned at 8:45pm.

Next Regular Board Meeting Date: May 2, 2013 at 6:45pm at Caribou Coffee

Mill Ridge Condominium Owners Association

BOARD OF DIRECTORS MEETING

May 2, 2013

Homeowners Forum

Only one Homeowner was present at the meeting as follows: 1) Paul Slovensky of 3326 Mill Run. Paul suggested that a copy of the Rules & Regulations be distributed to all Homeowners. He also suggested that a copy be distributed to all renters. The Board indicated that the Rules & Regulations need to be updated but that it is probably a good idea to make the current version available to all Homeowners and renters.

Call to Order

The President, Beverly Cappadonia, called the meeting to order at 6:57PM. The meeting was held in the conference room at Caribou Coffee.

Quorum Established

The following Board members were present: 1) Beverly Cappadonia 2) Doug Parker 3) David Rancer 4) Mark Evans and 5) Roxie Pitt. Vic Jones, Property Manager, was also present.

Approval of Minutes

Minutes of the 4/4/13 Board meeting were reviewed. Mark Evans made a motion to accept the minutes as written. Doug Parker seconded the motion. The minutes were approved unanimously by the Board members present.

Architecture Committee Report

Mark Evans, Chairperson, reported that the status of the two requests from the last meeting were as follows: 1) Jennifer Haga of 3309 Mill Run requested permission to install vinyl replacement windows on her unit; the request was approved after Jennifer agreed to install cottage style windows which are the standard on 8-Plex units 2) Edward Brantley of 3525 Mill Run requested permission to install vinyl replacement windows in his unit; the request was approved after Edward indicated that he plans to install the same style vinyl replacement windows that were previously approved for 3523 Mill Run; the request to replace the sliding glass door was approved as the new door is the same design as the current sliding door.

Treasurer's Report

Vic Jones provided the following financial information reflecting the status through 5/1/13 as follows: 1) Balance Sheet showing \$121K in the money market account, \$23K in the operating account and \$30K in accounts receivable 2) Profit & Loss Statement showing the fiscal year to date income and expenses and a net income of \$28K which does not reflect the cash flow required to retire the debt principal; the net loss is \$24K after adjusting for the cash required to pay down the principal on the construction loan 3) Accounts Receivable report showing all Homeowners with an outstanding dues balance. Management reviewed the Accounts Receivable report in detail with the Board noting that all overdue accounts will be processed per the Board's approved collection policy.

Landscape Committee Report

Doug Parker, Chairperson, reported that the grounds look good at this time of the year, and in particular that the front entrances look very good.

Management Report

- The Board received and reviewed the outstanding work orders report and the completed work orders report showing those work orders that were completed since 4/1/13.
- The 8-Plex Improvement Project work continues on Building #6. The repairs have been completed except for re-installing the unit numbers. The painting has also been completed with the exception of those items on the paint punch list. The gutter installation will be scheduled as soon as the touch up painting is completed. As previously stated, repairs to Building #4 are being delayed until such time as the cash flow permits. Also as stated previously, the cash account has been reduced more rapidly this fiscal year as the weather has allowed for construction to proceed ahead of schedule. The repairs to Building #4 have been budgeted for in the current fiscal year and those repairs are anticipated to be completed this fiscal year as planned.
- Management has scheduled a meeting with Hunt's Landscaping on 5/9/13 to review the Option IV plan which the Board feels is the most cost effective option to address the erosion problem at the northwest corner of the property. Management may also solicit a bid from SITESCAPES who does a lot site development and drainage work.
- Management reported that the hazard insurance policy with Nationwide Insurance renewed on 5/1/13. The new policy includes the Ordinance or Law coverage that the Board approved.

- Management met with Ernie Wendell of Turner Asphalt on 4/15/13 and walked the entire property in order to assess the condition and proposed solution to address the streets, parking lots and sidewalks. Board members Beverly Cappadonia, Doug Parker and Roxie Pitt were in attendance. Turner Asphalt has been asked to provide a separate quote to repair the main circle and each of the parking areas off the main circle. Turner has also been asked to provide a quote to repair and/or replace asphalt sidewalks throughout the community. Ernie indicated that he will complete a survey of the community and provide a quote as quickly as possible.
- Management reported that the pet waste station approved at the last Board meeting has been installed.
- Management reported that the initial web site for the community has been setup. The site provides access to the legal documents, rules & regulations, architectural request form, minutes, etc. Web mail has also been setup and as e-mail addresses are received from Homeowners, they will be entered into the system. Informational correspondence will be provided to all Homeowners who provide their e-mail address. The monthly minutes will be uploaded to the site as well as announcements of the monthly Board meetings. Those present expressed satisfaction with the web site development to date and expressed their desire to promulgate pertinent information to all Homeowners.

Old/New Business

- No other business was brought before the Board.

Adjournment

- There being no further business, the meeting was adjourned at 8:15pm.

Next Regular Board Meeting Date: June 6, 2013 at 6:45pm at Caribou Coffee

Mill Ridge Condominium Owners Association

BOARD OF DIRECTORS MEETING

June 6, 2013

Homeowners Forum

Only one Homeowner was present at the meeting as follows: 1) Paul Slovensky of 3326 Mill Run. Cheryl Leffler who was representing Rose Johnson owner of 3207 and 3231 was also present at the meeting. The topics discussed during the open forum were as follows: 1) the Rules & Regulations are on the web site and can be downloaded by any resident 2) it was noted that the parking stall lines are almost completely faded and need to be relined and 3) the sidewalks need repairs because of root upheaval. The Board noted that bids have been received from a paving contractor to make repairs to the streets and parking areas, and that relining of the parking stalls is scheduled to be done at that time. It was also noted that relining may be done sooner if the major repairs and paving have to be postponed due to budget constraints.

Call to Order

The President, Beverly Cappadonia, called the meeting to order at 7:07PM. The meeting was held in the conference room at Caribou Coffee.

Quorum Established

The following Board members were present: 1) Beverly Cappadonia 2) Doug Parker 3) David Rancer 4) Mark Evans and 5) Roxie Pitt. Vic Jones, Property Manager, was also present.

Approval of Minutes

Minutes of the 5/2/13 Board meeting were reviewed. Doug Parker made a motion to accept the minutes as written. Roxie Pitt seconded the motion. The minutes were approved unanimously by the Board members present.

Architecture Committee Report

Mark Evans, Chairperson, reported that no additional request have been received since the last Board meeting.

Treasurer's Report

Vic Jones provided the following financial information reflecting the status through 6/5/13 as follows: 1) Balance Sheet showing \$121K in the money market account, \$32K in the operating account and \$25K in accounts receivable 2) Profit & Loss Statement showing the fiscal year to date income and expenses and a net income of \$45K which does not reflect the cash flow required to retire the debt principal; the net loss is \$14K after adjusting for the cash required to pay down the principal on the construction loan 3) Accounts Receivable report showing all Homeowners with an outstanding dues balance. Management indicated that all Homeowners will be mailed the appropriate collection letter dependent upon their dues status.

Landscape Committee Report

Doug Parker, Chairperson, reported that the summer flowers had been installed at the front entrances. Management was asked to remind the landscape contractor to blow out the stairwells on both the 1st and 2nd floors. Residents of Building #1 asked that the landscapers not blow pine straw on the grass they are trying to grow in front of that building. Management will engage the landscape contractor to do some additional cleanup at the end of the circle next to Buildings #8 and #10, and to spray the poison ivy growing in that area.

Management Report

- The Board received and reviewed the outstanding work orders report and the completed work orders report showing those work orders that were completed since 5/1/13.
- The 8-Plex Improvement Project work continues on Building #6. As reported previously, the repairs have been completed except for re-installing the unit numbers. The painting has also been completed with the exception of those items on the paint punch list. The gutter installation will be scheduled as soon as the touch up painting is completed. As previously stated, repairs to Building #4 are being delayed until such time as the cash flow permits. Also as stated previously, the cash account has been reduced more rapidly this fiscal year as the weather has allowed for construction to proceed ahead of schedule. The repairs to Building #4 have been budgeted for in the current fiscal year and those repairs are anticipated to be completed this fiscal year as planned. The Board discussed the possibility of obtaining a loan to finance the repairs of the remaining buildings since the improvement has made such a big improvement in the appearance and will no doubt improve property values. Additionally, the buildings are in disrepair and the problem needs to be addressed as quickly as possible. Management was asked to investigate the possibility with PBC Bank since our current loan is with them.
- No progress has been made on the erosion control project since the last Board meeting.

- Management reviewed the quote provided by Ernie Wendell of Turner Asphalt that addresses the repairs needed for the street and parking lot issues throughout the community. The overall cost of the project is \$275,978 to complete the repairs throughout the community. Turner Asphalt also provided a bid to replace the sidewalks throughout the community for an additional \$191,520 if done with asphalt and \$307,874 if done with concrete. The Board discussed the bid and agreed that the project will have to be funded over a number of years and that the areas that are in the worst condition will be done first. Mark Evans mentioned that the City of Raleigh has a grant program to assist communities with the installation of permeable pavers. Management reported that he had contacted the appropriate person with the City of Raleigh and is waiting for a call back to schedule a time to meet with them onsite to determine if the program can benefit Mill Ridge.

Old/New Business

- No other business was brought before the Board.

Adjournment

- There being no further business, the meeting was adjourned at 8:15pm.

Next Regular Board Meeting Date: July 11, 2013 at 6:45pm at Caribou Coffee

Mill Ridge Condominium Owners Association

BOARD OF DIRECTORS MEETING

July 11, 2013

Homeowners Forum

Three Homeowners were present at the meeting as follows: 1) Alma Berg of 3502 Mill Run 2) Brenda Caref of 3545 Mill Run and 3) Sharon Williams of 3533 Mill Run. The topics discussed during the open forum were as follows: 1) organize a community wide yard sale 2) excessive rain has caused a serious mosquito issue 3) status of building a fence to provide privacy between Mill Ridge and the adjacent town home community on the north side of the property 4) pets that are not being leashed and cleaned up after 5) status of 8-Plex repairs 6) pet waste stations. Doug Parker suggested that the yard sale be scheduled in the fall after the fairgrounds flea market closes but before the state fair opens as this period seems to increase the yard sale traffic. Those present agreed and plans will be made to have a yard sale in the fall. There are no firm plans for building a privacy fence on the property line on the north side of the property. The Board indicated that there are no plans to address the mosquito issue at this time. Homeowners should call the property manager and/or animal control whenever residents do not follow the community and city rules regarding leashing of pets and cleaning up after they defecate. The Board reviewed the procedure that must be followed whenever Homeowners want to make exterior changes to their unit or to make improvements to the common area as follows: 1) complete the architectural request form and submit it to the architectural committee 2) the committee will review the request and make a recommendation to the Board 3) the Board will do a final review and approve/disapprove the request and 4) the Homeowner will be advised of the Board's decision. Doug Parker stated that Homeowners are responsible for any liability that results from unapproved projects, and that the Board has the right and responsibility to have the property returned to its original condition at the offending Homeowner's expense. Those present indicated their appreciation that the pet waste station had been installed at the top of the circle next to the natural area. Alma Berg volunteered to help with servicing the pet waste station for the remainder of July and August. The status of the 8-Plex Improvement Project is stated below.

Call to Order

The President, Beverly Cappadonia, called the meeting to order at 7:30PM. The meeting was held in the conference room at Caribou Coffee.

Quorum Established

The following Board members were present: 1) Beverly Cappadonia 2) Doug Parker 3) Mark Evans and 4) Roxie Pitt. Vic Jones, Property Manager, was also present.

Approval of Minutes

Minutes of the 6/6/13/13 Board meeting were reviewed. Doug Parker made a motion to accept the minutes as written. Mark Evans seconded the motion. The minutes were approved unanimously by the Board members present.

Architecture Committee Report

Mark Evans, Chairperson, reported that no additional request have been received since the last Board meeting.

Treasurer's Report

Vic Jones provided the following financial information reflecting the status through 7/9/13 as follows: 1) Balance Sheet showing \$121K in the money market account, \$50K in the operating account and \$13K in accounts receivable 2) Profit & Loss Statement showing the fiscal year to date income and expenses and a net income of \$68K which does not reflect the cash flow required to retire the debt principal; the net loss is approximately \$16K after adjusting for the cash required to pay down the principal on the construction loan 3) Accounts Receivable report showing all Homeowners with an outstanding dues balance. The Board members noted that the loan balance is down to \$245K which reflects quite an accomplishment as the original loan amount was \$911K. Homeowners who are in arrears with their dues are being processed per the Board's approved collection policy. Vic Jones reported that the loan application submitted to PNC Bank for \$200K to finance the 8-Plex Improvement Project was not approved; other financial institutions will be contacted to attempt to place the loan.

Landscape Committee Report

Pruning was originally scheduled to be completed in June but due to the rain will be done in July.

Management Report

- The Board received and reviewed the outstanding work orders report and the completed work orders report showing those work orders that were completed since 6/1/13.

- The 8-Plex Improvement Project work has been completed for Building #6. Repairs on Building #4 have been delayed due to the current cash flow status which is directly related to being ahead of schedule thus far this year. It is anticipated that the project will restart before the end of the current fiscal year. The Board is pursuing obtaining a loan to expedite the repairs to the last four buildings including Buildings #8, 9, 10 and 11. See notes under the Treasurer's Report.
- The Board is continuing its review of the bid received to address street maintenance. Priorities will have to be established and the project will have to be implemented over a number of years based on funds availability. The cost will be included in the long range plan once the priorities and schedule have been established.
- Several Board members met with representatives with the City of Raleigh regarding the grant program to assist communities with the installation of permeable pavers. The City indicated that the primary factor in determining whether a community qualifies is dependent on whether the soil will percolate at an acceptable level. The City agreed to do the appropriate test to determine whether the community qualifies. The City concluded that the soils in the community do not percolate at the required level to qualify for the program. The Board agreed to pursue other alternatives to address the sidewalk repair issues throughout the community.
- No progress on addressing the erosion problems in the northwest corner of the property.
- Management will send out a mailing to all Homeowners regarding the current web site and request that each Homeowner provide an e-mail address if they'd like to receive information about the community via e-mail.

Old/New Business

- No other business was brought before the Board.

Adjournment

- There being no further business, the meeting was adjourned at 8:15pm.

Next Regular Board Meeting Date: August 1, 2013 at 6:45pm at Caribou Coffee

Mill Ridge Condominium Owners Association

BOARD OF DIRECTORS MEETING

August 1, 2013

Homeowners Forum

Three Homeowners were present at the meeting as follows: 1) Alma Berg of 3502 Mill Run 2) Brenda Caref of 3545 Mill Run and 3) Sharon Williams of 3533 Mill Run. The topics discussed during the open forum were as follows: 1) setting a date for a community wide yard sale 2) status of the 8-Plex Improvement Project and 3) the new renters at 3641 Mill Run have four vehicles. The Board agreed to move forward with setting a date for a community wide yard sale. The status of the 8-Plex Improvement Project was discussed and that status is included under the Management Report below. Management will contact the owner of 3641 Mill Run to make them aware that only two vehicles are allowed per unit. There was discussion about numbering parking spaces when the street maintenance is performed and those present agreed that it would be a good idea.

Call to Order

The President, Beverly Cappadonia, called the meeting to order at 7:20PM. The meeting was held in the conference room at Caribou Coffee.

Quorum Established

The following Board members were present: 1) Beverly Cappadonia 2) David Rancer 3) Roxie Pitt and 4) Doug Parker. Vic Jones, Property Manager, was also present.

Approval of Minutes

Minutes of the 7/11/13 Board meeting were reviewed. Doug Parker made a motion to accept the minutes as written. Roxie Pitt seconded the motion. The minutes were approved unanimously by the Board members present.

Architecture Committee Report

There were no outstanding architectural requests.

Treasurer's Report

Vic Jones provided the following financial information reflecting the status through 7/31/13 as follows: 1) Balance Sheet showing \$121K in the money market account, \$65K in the operating account and \$11K in accounts receivable after adjusting the balance for homeowners with a credit balance 2) Profit & Loss Statement showing the fiscal year to date income and expenses and a net income of \$81K which does not reflect the cash flow required to retire the debt principal; the net income is approximately \$39K after adjusting for the cash required to pay down the principal on the construction loan 3) Accounts Receivable report showing all Homeowners with an outstanding dues balance. The Board reviewed a report prepared by Management showing all Homeowners who are in arrears on their dues and/or their special assessment. The report also showed the collection status of each Homeowner and the action that will be taken by Management to collect the overdue amounts. Management reported that no other financial institutions were contacted since the last meeting to obtain a loan to finance the 8-Plex Improvement Project.

Landscape Committee Report

Doug Parker, Landscape Chairperson, reported that Hunt's Landscaping had completed the pruning and that they did a good job. Management reported that he had met with Aadam's Tree Experts regarding tree pruning that needs to be done throughout the community. There are also some trees that need to be removed as they are diseased. Management proposed that Aadam's Tree Experts be engaged for one day at a rate of \$2K per day. Additional tree pruning and removal will be necessary later in the year. After discussing the proposal, Doug Parker made a motion to engage Aadam's tree Experts for one day at a cost of \$2K. Roxie Pitt seconded the motion. The motion was approved unanimously by the Board members present.

Management Report

- The Board received the outstanding work orders report and the completed work orders report showing those work orders that were completed since 7/1/13. Management reviewed the outstanding work orders report in order to apprise the Board of the type of work orders that are being received and are currently in process.
- The 8-Plex Improvement Project work has been completed for six buildings. The improvements for Building #4 will be scheduled when the cash flow has improved to the levels agreed to by the Board i.e. the Board voted to maintain the operating cash at a level equal to 3-4 months operating expense. Management reported that he had met with a structural engineer to discuss the plans for adding a roof over the 2nd floor decks on buildings #8 through #11.

Management engaged the engineer who will review the structural requirements and provide a report that is signed off by a professional engineer specifying how the roof should be properly supported.

- Management noted that the plans to perform street and parking lot maintenance have not progressed since the last meeting. Management plans to continue its review of the bid received from Turner Asphalt so that a prioritized and phased approach can be incorporated into the long range capital maintenance and repair plans.
- No progress on addressing the erosion problems in the northwest corner of the property.
- Management reviewed a draft letter that will be mailed to all Homeowners regarding the current web site which will request that each Homeowner provide an e-mail address if they'd like to receive information about the community via e-mail. The letter will also include a summary of issues that the Board feels each Homeowner needs to be aware of. The Board approved the draft format and the letter will be assembled and mailed.

Old/New Business

- No other business was brought before the Board.

Adjournment

- There being no further business, the meeting was adjourned at 8:15pm.

Next Regular Board Meeting Date: September 10, 2013 at 6:45pm at Caribou Coffee

Mill Ridge Condominium Owners Association

BOARD OF DIRECTORS MEETING

September 10, 2013

Homeowners Forum

Six Homeowners were present at the meeting as follows: 1) Hamilton Sherertz of 3321 Mill Run 2) Paul Slovinsky of 3326 Mill Run 3) Alma Berg of 3502 Mill Run 4) Brenda Caref of 3545 Mill Run 5) Sharon Williams of 3533 Mill Run and 6) Mercedes Speranza of 3625 Mill Run. The topics discussed during the open forum were as follows: 1) yard sale is scheduled for 10/5/13; ad will be run in the N&O on Thursday and Friday preceding the sale 2) the cable that was laying above ground near 3502 Mill Run has been buried 3) request to cut limbs hanging over the deck at 3502 4) request to cut Leyland cypress located on the left side of building #10 between the 3617 and 3619 decks 5) circulate more information to residents regarding the garbage and recycling schedule and 6) it was noted that the realtors installed a for sale sign on the front of 3331 with screws thus damaging the new material recently installed. Management will place the yard sale ad in the N&O on the dates requested. Management will also add the tree pruning requests to the master list which will be addressed when Aadam's Tree Experts is scheduled for an additional day of work in the community. The Board discussed whether additional communication with residents regarding the garbage and recycling schedules is necessary. The Board concluded that additional funds should not be spent to communicate with residents as the information is promulgated by the City.

Call to Order

The President, Beverly Cappadonia, called the meeting to order at 7:00PM. The meeting was held in the conference room at Caribou Coffee.

Quorum Established

The following Board members were present: 1) Beverly Cappadonia 2) David Rancer 3) Roxie Pitt 4) Doug Parker and 5) Mark Evans. Vic Jones, Property Manager, was also present.

Approval of Minutes

Minutes of the 8/1/13 Board meeting were reviewed. Doug Parker made a motion to accept the minutes as written. Beverly Cappadonia seconded the motion. The minutes were approved unanimously by the Board members present.

Architecture Committee Report

There were no outstanding architectural requests.

Treasurer's Report

Vic Jones provided the following financial information reflecting the status through 9/10/13 as follows: 1) Balance Sheet showing \$121K in the money market account, \$67K in the operating account and \$9K in accounts receivable including prepaid dues 2) Profit & Loss Statement showing the fiscal year to date income and expenses and a net income of \$92K which does not reflect the cash flow required to retire the debt principal; the net income is approximately \$12K after adjusting for the cash required to pay down the principal on the construction loan 3) Accounts Receivable report showing all Homeowners with an outstanding dues balance 4) Vendor Transaction List showing by vendor all bills received and checks paid. The Board reviewed a report prepared by Management showing all Homeowners who are in arrears on their dues and/or their special assessment. The report also showed the collection status of each Homeowner and the action that will be taken by Management to collect the overdue amounts. Management reported that no other financial institutions were contacted since the last meeting to obtain a loan to finance the 8-Plex Improvement Project. It was noted that Condo Approvals LLC South has been engaged to assist the Association in renewing its FHA Certification and that they will also apply for VA approval; the current FHA certification expires 10/24/13. Management reported that the recertification process is every two years for FHA but generally VA approval is only required once. The total cost to recertify with both the FHA and VA is \$1,590.

Landscape Committee Report

The Board approved the \$2K daily rate bid submitted by Aadam's Tree Experts. Aadam's Tree Experts completed the 1st day of work on 9/3/13. The 2nd day is currently scheduled for 9/12/13. The primary goal is to remove limbs that are coming in contact with the siding and roofs to prevent damage to those structures. The secondary goal is to take down several trees that are diseased.

Management Report

- The Board received the outstanding work orders report and the completed work orders report showing those work orders that were completed since 8/1/13. There are currently 12 outstanding work orders. Seven work orders have been completed since 8/1/13.
- The 8-Plex Improvement Project work has been completed for six buildings as reported at the last Board meeting. The improvements for Building #4 will most likely be scheduled in Q4 when the cash flow has reached the level previously approved by the Board. The Board agreed that the operating cash should be maintained at a level equal to 3 to 4 times the monthly receipts. Still waiting for a report from the structural engineer regarding the specifications for the support structure necessary to support the 2nd floor roofs that will be installed over the 2nd floor decks on Buildings #8 through #11.
- As previously reported, the plans to perform street and parking lot maintenance have not progressed since the last meeting. Management plans to continue its review of the bid received from Turner Asphalt so that a prioritized and phased approach can be incorporated into the long range capital maintenance and repair plans. The primary obstacle at this time is lack of funds.
- No progress on addressing the erosion problems in the northwest corner of the property. The primary obstacle at this time is the lack of funds.
- Management reported that a letter was mailed to all homeowners on 8/19/13 requesting that homeowners provide their e-mail address if they'd like to receive Association information via e-mail. At this time, twenty responses have been received. The mailing also included a letter regarding the type of insurance coverage provided by the master hazard insurance policy and information regarding the type of insurance that homeowners should typically purchase to complement the master policy. In particular, the letter noted that the master hazard insurance policy has a \$10K deductible and that each Homeowner is responsible for the first \$10K of a loss which can be paid personally by a homeowner or covered by purchasing the appropriate insurance policy to cover that shortfall. Homeowners were asked to return a copy of the letter so that the Association would know that each Homeowner is aware of the coverage provided by the master policy and what their individual responsibility is regarding the coverage they need.
- Door hangers announcing the termite inspection were delivered on 8/12/13. The inspection was performed on 8/23 and 8/26 from 8 until 5pm. 128 out of 146 units were inspected. Only one unit was found to have active termites; Pest & Termite Consultants will schedule the spot treatment directly with the homeowner to resolve that issue. The makeup termite inspection is scheduled for 9/27/13 from 8 until 10am; notices were mailed to the 18 homeowners whose units still need to be inspected.
- Management presented a bid of \$20 per unit from Chimney Wizards to inspect the 8-Plex fireplaces. If a fireplace needs to be cleaned, Chimney Wizards would charge the homeowner an additional \$45. Other problems would be documented and Chimney Wizards would provide the Homeowner with an estimated cost to repair the identified problems. The Board discussed the options and concluded that the Association should not incur the expense of the fireplace inspections. Management was asked to send out a survey to determine those owners that plan to use their fireplaces this fall and winter and whether or not they would be interested in taking advantage of the group rate from Chimney Wizards.
- Management reported that he had engaged Condo Approvals LLC South per the Board's approval to assist the Association in the recertification process with FHA and to also apply for VA certification. The total cost to obtain both certifications is \$1,590. The current FHA Certification expires 10/24/13. FHA now requires recertification every two years. VA certification is only required one time i.e. once approved the Association would continue to be approved until notified by the VA.

Old/New Business

- No other business was brought before the Board.

Adjournment

- There being no further business, the meeting was adjourned at 8:30pm.

Next Regular Board Meeting Date: October 3, 2013 at 6:45pm at St. Paul's Christian Church

Mill Ridge Condominium Owners Association

BOARD OF DIRECTORS MEETING

October 3, 2013

Homeowners Forum

One Homeowner was present at the meeting as follows: 1) Katrina DiTomaso of 3225 Mill Run. The topics discussed during the open forum were as follows: 1) why the dues are so high since there are no amenities and 2) the shrubs in front of building #2 need to be pruned again even though they were pruned just a few weeks ago. The Board responded to the dues issue as follows: 1) the dues were not increased prior to 2000/2001 to adequately fund proper maintenance and the reserves 2) the Board was forced in 2000/2001 to obtain a loan in the amount of \$911K to make necessary repairs throughout the community 3) the dues were increased in 2000/2001 to pay down the loan 4) the loan is currently expected to be paid off in 2016 5) other projects that are currently unfunded will be funded in 2016 and going forward as there will be an additional \$100K per year to address these projects and 6) the dues will have to remain at the current level until the reserves are sufficient to address the long range capital maintenance and repair expenses. It was noted that the iliaignus shrubs in front of building #2 are and were a poor choice to plant in front of the building; it is a shrub that grows rapidly and puts out new shoots within a few weeks of being pruned. Management will issue a work order to our landscape contractor to prune the shrubs again when they are in the community doing the weekly service. The long term answer is that these shrubs will be replaced whenever there are sufficient funds to re-landscape the buildings.

Call to Order

The President, Beverly Cappadonia, called the meeting to order at 6:55PM. The meeting was held in the brown classroom building at St. Paul's Christian Church on Blue Ridge Road.

Quorum Established

The following Board members were present: 1) Beverly Cappadonia 2) Roxie Pitt 3) Doug Parker and 4) Mark Evans. Vic Jones, Property Manager, was also present.

Approval of Minutes

Minutes of the 9/10/13 Board meeting were reviewed. Doug Parker made a motion to accept the minutes as written. Roxie Pitt seconded the motion. The minutes were approved unanimously by the Board members present.

Architecture Committee Report

There are no outstanding architectural request.

Treasurer's Report

Vic Jones provided the financial reports as follows: 1) the fiscal year end Balance Sheet showing \$121K in the money market account, \$83K in the operating account and a credit of \$13K in accounts receivable which includes prepaid dues 2) the fiscal year end Profit & Loss Statement showing the income and expenses and a net income of \$103K which does not reflect the cash flow required to retire the debt principal; the net income is approximately \$23K after adjusting for the cash required to pay down the principal on the construction loan 3) the long range plan showing the actual income and expenses for 2013, the proposed budget for 2014 and the projected income and expenses for 2015 through 2025 4) the Accounts receivable report showing the dues status of all Homeowners as of 10/3/13 who either have an outstanding balance or a prepaid balance 5) the new fiscal year to date Profit & Loss Statement which also included the proposed budget for 2014. The Board reviewed the proposed budget for 2014 after which Mark Evans made a motion to approve the budget as proposed. Roxie Pitt seconded the motion and the motion was approved by all Board members present. Management reported that all overdue accounts are being processed per the Board's approved collection policy. The Board reviewed the long range plan noting the following: 1) the 8-Plex Improvement Project is funded for 2014 through 2016 2) street and sidewalk maintenance are funded at \$50K per year for 2014 through 2018 and an additional \$26K in 2019 3) the current loan will be paid off in 2016 4) the painting cycle for Studios has been extended to 8 years and will not resume until 2016. It was noted that the dues may have to be increased at some point in order to have adequate reserves to fund roofing. The current shingles are the GAF Timberline Weatherwood rated to last 25 years; however, the actual life depends upon a lot of factors and weather is one of the main factors. The roof replacement is included in the long range plan for 2025; however, the shingles may not last until then or they may in fact last longer which should allow scheduling roof replacement over several years thus relieving the cash flow required.

Landscape Committee Report

Our landscaper, Hunt's Landscaping, has scheduled aerating and seeding for next week. Vic Jones reported that Aadams Tree had completed one day of tree pruning on 9/3/13 and a second day on 9/27/13 at a total cost of \$4K. There is additional work that needs to be done but will be postponed due to budgetary constraints.

Management Report

- The Board received the outstanding work orders report and the completed work orders report showing those work orders that were completed since 9/1/13. There are currently 12 outstanding work orders. Three work orders have been completed since 9/1/13 at a total cost of \$174.97.
- Twenty homeowners responded to the letter that was mailed to all homeowners requesting that they provide their e-mail address if they wanted to receive community news and information via e-mail. These addresses will be added to the web mail database to be used for future correspondence.
- The 8-Plex Improvement Project has been put on hold until the funds are available. Building #4 will be scheduled as soon as the cash flow improves to the level approved by the Board.
- No progress on the street and parking lot maintenance since the last Board meeting. The Board indicated that it was more concerned about the repair of sidewalks throughout the community as many of them are in bad shape and could potentially be a safety issue. It was agreed that street, parking lot and sidewalk repairs should be dealt with as a single project from this point forward and that the highest priority issues should be addressed first. Management indicated that he had visited two quarries in search of materials that could be used to replace the current sidewalks that would also be inexpensive. Management indicated that one product referred to as “screenings” might be a good option as it gets hard as it is compacted and it is also inexpensive. Management will do some additional research on the “screenings” product and also talk to suppliers to solicit other suggestions.
- No progress on addressing the erosion problems in the northwest corner of the property. The primary obstacle at this time is the lack of funds.
- The makeup termite inspection was performed by Pest & Termite Consultants on 9/27/13 and only three units remain to be inspected. Overall the inspection was a success.
- Management reported that a survey letter is being drafted and will be mailed to all 8-Plex homeowners to determine their interest in getting their fireplaces inspected at a group rate ranging from \$25 TO \$35. If there is sufficient interest, Management will coordinate the inspections with Chimney Wizards and those Homeowners who sign up for the inspection.
- Management reported that Condo Approvals LLC South submitted the application to obtain FHA certification to HUD on 10/1/13. The application to the VA was submitted the same day. The time frame for approval is not known.

Old/New Business

- No other business was brought before the Board.

Adjournment

- There being no further business, the meeting was adjourned at 8:30pm.

Next Regular Board Meeting Date: November 7, 2013 at 6:45pm at St. Paul's Christian Church

Mill Ridge Condominium Owners Association

BOARD OF DIRECTORS MEETING

November 7, 2013

Homeowners Forum

One Homeowner was present at the meeting as follows: 1) Henry & Barbara Kidd of 3647 Mill Run. The topics discussed during the open forum were as follows: 1) the schedule for completing the 8-Plex Improvement Project 2) that six 8-Plex buildings have been completed to date 3) that current 8-Plex Improvement Project funding will support the improvements to two buildings per year such that the project is completed in 2016 4) that the Board has contacted PNC Bank regarding obtaining a loan to speed up the 8-Plex Improvement Project but that the loan application was denied 5) that the Board will pursue obtaining a loan from another commercial or private source to be used to speed up the 8-Plex Improvement Project. Mr. Kidd expressed his support for obtaining a loan to speed up the 8-Plex Improvement Project noting marked improvements to the buildings and his feeling that it is going to have a positive effect on the property values of the community. Mr. Kidd also discussed the possibility of making a loan to the Association for the purpose stated. Roxie Pitt suggested that Mr. Kidd submit a written proposal to the Board for its consideration. The Board plans to continue to look into obtaining a loan for the purpose stated above.

Call to Order

The Vice President, Mark Evans, called the meeting to order at approximately 7:30pm following the open forum discussion. The meeting was held in the brown classroom building at St. Paul's Christian Church on Blue Ridge Road.

Quorum Established

The following Board members were present: 1) Mark Evans 2) Roxie Pitt 3) Doug Parker and 4) David Rancer. Vic Jones, Property Manager, was also present.

Approval of Minutes

Minutes of the 10/3/13 Board meeting were reviewed. Doug Parker made a motion to accept the minutes as written. David Rancer seconded the motion. The minutes were approved unanimously by the Board members present.

Architecture Committee Report

There are no outstanding architectural requests.

Treasurer's Report

Vic Jones provided the financial reports as follows: 1) the Balance Sheet as of 11/6/13 showing \$121K in the money market account, \$83K in the operating account and \$15K in accounts receivable which includes approximately \$2K in prepaid dues 2) the Profit & Loss Statement as of 11/6/13 showing the fiscal year to date income and expenses and a net income of \$26K which does not reflect the cash flow required to retire the debt principal; the net income is approximately \$12K after adjusting for the cash required to pay down the principal on the construction loan 3) the Accounts Receivable report showing the dues status of all Homeowners as of 11/6/13 who either have an outstanding balance or a prepaid balance 4) a summary Accounts Receivable Report showing only those Homeowners with an overdue amount and the action being taken to collect those amounts including late letters, lien letters, those who are on a payment plan and those that have been turned over to the attorney for collection and 5) the Vendor Transaction report showing all bills and checks issued to vendors since 10/1/13.

Landscape Committee Report

Our landscaper, Hunt's Landscaping, has installed the fall flowers after enhancing the soil with additional top soil, fertilizer and mulch.

Management Report

- The Board received the outstanding work orders report and the completed work orders report showing those work orders that were completed since 10/1/13. There are currently 10 outstanding work orders. Ten work orders have been completed since 10/1/13 at a total cost of \$5,211.91. Management report that \$2,682.15 had been spent repairing siding damaged by birds; this amount is not reflected on the financials as the bill was received today.
- The 8-Plex Improvement Project has been put on hold until the funds are available. At the present time, the projected start date is early 2014. See additional discussion under the Homeowners' Forum.
- The asphalt repair and paving project are being postponed until funds are available. Management suggested that the streets be surveyed frequently and that any necessary repairs should be identified and addressed such that future cost

would not be greater because no action was taken. Management recommended that asphalt repairs be completed in any area where the pavement would break up if the repairs are not made. The Board reiterated its concern about the condition of sidewalks and agreed that sidewalk repair is a higher priority than asphalt repair. Management will continue to pursue options for addressing the current sidewalk issues.

- The erosion problems in the northwest corner of the property are being postponed until funds are available.
- Management reported that a survey letter was mailed to all 8-Plex homeowners to determine their interest in getting their fireplaces inspected at a group rate ranging from \$25 TO \$35. The deadline for responding was 10/28/13. Twenty-five owners responded and have scheduled an inspection on 11/8/13 between the hours of 8 and 5pm. Three others have expressed an interest in getting their fireplaces inspected but could not available on 11/8/13; these owners will schedule their inspection directly with Chimney Wizard Sweeps. Twelve other owners responded to the survey eleven of which do not plan to use their fireplaces and one who plans to use their fireplace but did not choose to participate in the inspection. Management indicated that the project was a success in that a total of forty owners responded to the survey.
- Management reported that we are continuing to work with Condo Approvals LLC South to obtain FHA Certification. As reported previously, the application to obtain FHA certification to HUD was submitted by Condo Approvals LLC South on 10/1/13. The application for VA approval was submitted at the same time. The approval for VA financing has been approved but the FHA Certification is still pending.

Old/New Business

- No other business was brought before the Board.

Adjournment

- There being no further business, the meeting was adjourned at approximately 8:30pm.

Next Regular Board Meeting Date: December 5, 2013 at 6:45pm at St. Paul's Christian Church

Mill Ridge Condominium Owners Association

BOARD OF DIRECTORS MEETING

December 5, 2013

Homeowners Forum

Two Homeowners were present at the meeting as follows: 1) Jessica & Matt Tracey of 3347 Mill Run and 2) Sharon Williams of 3533 Mill Run. The topics discussed during the open forum were as follows: 1) Jessica and Matt Tracey submitted an architectural request to the Board to add a privacy railing to their existing deck railing; the additional privacy railing will be constructed like others that have been previously constructed in the community 2) Sharon Williams wanted to know the status of the 8-Plex Improvement Project. The request to build the privacy railing will be reviewed by the Architecture Committee who will then make a recommendation to the Board regarding approval. Vic Jones, Property Manager, agreed to get a quote from our repair contractor to build the privacy fence for Jessica & Matt. The Board reviewed the status of the 8-Plex Improvement project as requested by Sharon Williams. The status is included in the Management Report below.

Call to Order

The President, Beverly Cappadonia, called the meeting to order at approximately 6:50pm following the open forum discussion. The meeting was held in the brown classroom building at St. Paul's Christian Church on Blue Ridge Road.

Quorum Established

The following Board members were present: 1) Beverly Cappadonia 2) Mark Evans 3) Roxie Pitt 4) Doug Parker and 5) David Rancer. Vic Jones, Property Manager, was also present.

Approval of Minutes

Minutes of the 11/7/13 Board meeting were reviewed. Doug Parker made a motion to accept the minutes as written. Roxie Pitt seconded the motion. The minutes were approved by all the Board members.

Architecture Committee Report

The only outstanding request was the one received from Jessica & Matt Tracey of 3347 Mill Run as discussed above. The committee will review and make a recommendation to the Board regarding approval. Another owner has discussed installing flood lights under their studio for safety purposes. Mark Evans, Chairperson, will follow up to let the owner know that the lights have to be motion activated, professionally wired and be aesthetically pleasing.

Treasurer's Report

Vic Jones provided the financial reports as follows: 1) the Balance Sheet as of 12/4/13 showing \$121K in the money market account, \$90K in the operating account and \$26K in accounts receivable which includes approximately \$5K in prepaid dues 2) the Profit & Loss Statement as of 12/4/13 showing the fiscal year to date income and expenses and a net income of \$39K which does not reflect the cash flow required to retire the debt principal; the net income is approximately \$19K after adjusting for the cash required to pay down the principal on the construction loan 3) the Accounts Receivable report showing the dues status of all Homeowners as of 12/4/13 who either have an outstanding balance or a prepaid balance 4) a summary Accounts Receivable Report showing only those Homeowners with an overdue amount and the action being taken to collect those amounts; the appropriate collection letter per the summary report will be mailed to each Homeowner; the report also shows those accounts that have already been turned over to our attorney for collection and 5) the Vendor Transaction report showing all bills and checks issued to vendors since 11/1/13.

Landscape Committee Report

Doug Parker, Landscape Chairperson, reported that Aadams Tree was engaged to remove a dead tree from the common area located north of Building #10. Hunt's Landscaping will also be engaged to distribute the chips that were stock piled during the tree pruning project earlier this fall.

Management Report

- The Board received the outstanding work orders report and the completed work orders report showing those work orders that were completed since 11/1/13. There are currently twelve outstanding work orders. Three work orders have been completed since 11/1/13 at a total cost of \$3,477.07. Management reported that the cost for repairing siding damaged by birds was \$2,819.30.

- The 8-Plex Improvement Project has been put on hold until the funds are available. Per the Board's policy, the cash operating account as well as the reserve account are to be kept at a level equal to three to four times the monthly income; therefore, the balance of each account should be in the \$83K to \$110K range. Both accounts currently satisfy the range requirements and it is anticipated that both will satisfy the upper range requirement by the end of the calendar year. Management indicated that construction should resume early next year and that three buildings should be completed in 2014 if the Association is successful in securing a loan. Management reported that he has received a verbal commitment of a \$100K loan to be borrowed specifically for the 8-Plex Improvement Project. Management will provide the Board with a timeline for the project based on contractor and funds availability prior to the annual meeting so that the membership can be updated on the plans and schedule for 2014.
- The asphalt repair and paving project are being postponed until funds are available. Repairs will be made throughout the community on an emergency basis and also where repairs will be necessary to prevent more expensive repairs in the future. The Board gave its approval to proceed with repair of some of the worst sidewalks in the community where safety is a concern. Management reported that he had been to a couple of quarries and had talked to several contractors and that an inexpensive approach would be to use a material called "screenings". The price is approximately \$15 per ton and it solidifies over time. Management indicated that the only drawback he sees is that the small screenings might stick to shoes and be tracked into units; David Rancer responded that he did not feel this was a major issue because the product does pack and solidify over time. The Board asked Management to survey the community and prioritize the sidewalk repairs, and then proceed to repair the top three with the proposed "screenings". The Board will then evaluate those repairs to determine whether or not to proceed with additional sidewalk repairs using the "screenings" repair method.
- Management reported that the fireplace inspection project had been a success. Approximately thirty-five 8-Plex owners responded to the survey and twenty-six of those respondents scheduled the inspection. The inspection was performed on 11/8/13 by Chimney Wizard Sweeps. Management indicated that he had not received a final report from the inspector but that a number of chimneys required cleaning. Management will obtain a final report and provide the information to the Board at its next meeting.
- Management reported that Condo Approvals LLC South had checked the status of the application to obtain FHA Certification and that it was not approved. Condo Approvals LLC South indicated that the disapproval was based on the fact that the special assessment would not be collected for several years and that this reason for disapproval had never been an issue in the past. Condo Approvals LLC South will follow up with HUD to determine the specifics of the disapproval and how the problem can be addressed and hopefully successfully resolved. As previously reported, VA approval has been obtained.

Old/New Business

- Management reported that the annual meeting has been scheduled for 1/30/14 and will be held in the Fellowship Hall at St. Paul's Christian Church. The one year term of Roxie Pitt and David Rancer expire at the annual meeting. The two year terms of Beverly Cappadonia, Mark Evans and Doug Parker also expire at the annual meeting. The Board will serve as the Nominating Committee. All current Board members agreed to run for an additional term on the Board. The Board will seek additional nominees from among the membership; nominations may also be made from the floor at the annual meeting. The Board agreed to provide pizza and beverages for annual meeting attendees as has been done in the past. Sign in will begin at 6:30pm with pizza served from 6:30 until 7:00pm at which time the annual meeting will be called to order.

Adjournment

- There being no further business, the meeting was adjourned at approximately 7:50pm.

Next Regular Board Meeting Date: February xx, 2014 at 6:45pm at St. Paul's Christian Church