

THE BLUFFS AT FOX HILL
Minutes of Annual Homeowners Meeting
Saturday, September 25, 2010

LOCATION: Riley Avenue School

CALL TO ORDER: 9:36 AM

ESTABLISHMENT OF A QUORUM

The Board Secretary having established that there were sixty-seven owners present, either in person or by proxy, a quorum was verified and all business could proceed.

MINUTES OF ANNUAL HOMEOWNERS MEETING OF
SEPTEMBER 12, 2009

Copies of these minutes were distributed before the start of the meeting for review by homeowners. A MOTION was made to forego the formal reading of the Minutes, seconded and unanimously approved. Another MOTION was made to approve the Minutes, seconded and unanimously approved.

PRESIDENT'S COMMENTS

Marie Pryor welcomed all homeowners and introduced the other five Board members present at the meeting. Marie thanked all Board members for their service to the Bluffs' community during the last year. She then introduced Alan Lebowitz, our Property Manager.

FINANCIAL REPORT

Alan called the homeowners' attention to the financial statements that were handed to homeowners on arriving at the meeting and said that we were operating within our projected budget for the year.

Alan reminded homeowners of the Special Assessment's second half due on November 1, 2010. He reviewed the new mortgage banking requirement for allocating ten percent of our operating budget each year to our Reserve Fund as the reason for this unanticipated assessment. We had been allocating five percent to the Reserve Fund prior to this new guideline.

Alan outlined the new policy that the Board had instituted regarding any homeowner in arrears. Once the total amount of arrears reached \$1,000,

Alan would go to Small Claims Court in Riverhead and file a petition for a lien on that homeowner's Unit. Alan mentioned that there were only a very few people who were chronically in arrears, which is a matter of public records for anyone interested in seeing this information, and this new policy was a means of addressing this issue. Unlike many other condominium complexes that were experiencing deep financial crises, we were in good shape.

E-MAILING NOTICES

Alan mentioned how his crew placed notices on each homeowner's door to notify all owners of some emergency condition; however, for owners who only live at The Bluffs on a part-time basis, this was not an efficient procedure. He asked homeowners to supply Management with their email addresses as a more direct means of communicating vital information. As a cost-cutting measure, we would like to start replacing regularly mailed notices with email notices as of January 1, 2010.

EMERGENCY SECURITY FORM

Alan stressed the importance of having an emergency form on file for each homeowner in the event of any situation requiring the Management to notify relatives, friends, et al., and also for identifying the occupants of all Units. This form is available with the Management and homeowners are urged to fill one out and return it to Alan.

PROJECT UPDATES

ROOF

The roof project is complete and there have been no reported problems. Five or Six skylights have had leaks and these problems have been addressed and any future leaks will be addressed as well.

CEMENT WALKWAYS

Alan distinguished between minor walkway cracks and those cracks that resulted in uneven pavement, which are a priority and being addressed quickly.

A road sealing is scheduled before winter, along with painting new lines and parking number, and minor cracks will be attended to at that time. Alan will notify all homeowners when this work is to take place.

FOUNDATION SETTLING IN BUILDING 2

Board member Pat Intrieri reviewed the foundation problem with Building 2 and the history of repairs that had been done in 1998, totally \$32,000, which

didn't eliminate the problem. When the issue was brought to the current Board's attention, we hired Dunn Engineering who, together with Alan, cut a hole in the slab and found that a leaking pipe had undermined the footings in the middle of the building. Cement was poured to reinforce the footings and any repairs to the Units immediately above this area, resulting directly from the undermined footings, were made. We will continue to monitor the building.

BEACH STAIRS

We had made repairs to our beach stairs and retaining walls. Winter inflicted havoc to the right of the stairs but our stairs are in good condition. Marie thanked Pat Intrieri for all his work on this project.

KNOLLS UNFINISHED BUILDING

Alan reported that the Riverhead Town Board had voted unanimously to tear the building down. The builder has sixty days to comply but, Alan warned, he could seek extensions. The Town promised the building would be gone by Christmas. The builder also has to change the fencing, since the current one is not considered safe in the event of strong winds.

The foundation, cesspool rings and high grass are not covered in this order to the builder and will have to be dealt with separately. Alan stressed that the property containing the unfinished building and the other new construction does not belong to The Knolls and is owned by Jerold Gorelick and is a separate entity until completed and turned over to the Knolls Homeowners Association. The land just south of the construction site in litigation belongs to Barry Beil.

BOARD ELECTION RESULTS

With two volunteers from the community providing oversight and Management counting the votes, Marie announced the successful candidates as follows: Bob Castellani (incumbent), Joe Cuzzo and Charley Drowns. The two newly elected Board members were invited to join the Board.

HOA LAWSUIT

Alan outlined the long history of contention between the HOA and Barry Beil over agreed-upon expenses to be shared between our condo complex and the commercial properties. The Discovery portion of the ongoing lawsuit was scheduled for last Wednesday, September 22, 2010. Alan, representing the HOA was totally prepared with documents dating back to 2003, showing expenses that, by prior agreement, should have been shared.

.Barry Beil's lawyers were not prepared to file their papers and the judge gave them two weeks. When Barry Beil was told that the HOA fully intended to go forward with the law suit (for which a SPECIAL ASSESSMENT would need to be levied to cover additional legal fees), an agreement was reached. Barry Beil will give the HOA \$50,000 in settlement of money owed and \$25,000 at the beginning of each calendar year (starting with January, 2011) This does NOT include capital improvements over \$25,000, for which Barry Beil agreed to pay an additional portion. Alan cautioned homeowners that the case is not finished until the \$50,000 check is deposited and all agreements signed. If the money due on January 1, 2011 is not received within seven days thereafter, penalties are imposed. In a general discussion about what property is owned by whom—a complicated patchwork—Alan said that we have an easement allowing us to use the golf-cart barn parking lot and our plan for next year is to open another gated entrance to the pool from this lot and everyone can park there.

NEW BUSINESS

A general discussion took place regarding different approaches to obtaining the cheapest television and internet and phone services. Matt Caggiano volunteered to chair a committee to pursue various suggestions.

A homeowner asked if the front stairs to all Units could be cleaned with a power blower every few months and Alan agreed.

Homeowners reported that there was no grass in back of Building 2, only weeds, and Alan said he would attend to this. Weeds were also growing around the rocks in front of our buildings and Alan will also address this problem.

The rotting railroad ties in back of Building 2 are scheduled to be replaced next spring, 2011.

Marie mentioned the new Management sign with phone number posted with the signs directing people to our various buildings. This was necessary for emergency personnel who might wish to call Alan and also for visitors who might be interested in buying a Unit.

Stickers were distributed to all homeowners present at the meeting with the phone numbers of our Security Booth and the Riverhead Police.

ADJOURNMENT

There being no further business to come before the Board, a Motion To Adjourn was made and seconded and approved unanimously and the Annual Homeowners Meeting was adjourned at 10:45 AM.

The next regularly scheduled meeting of the Board of Managers will be held on October 18, 2010.

Respectfully submitted by Dick Barry, Board Secretary