

PHEASANT RUN ROAD MAINTENANCE ASSOCIATION, INC.
BOARD OF DIRECTORS
MEETING SUMMARY
December 13, 2006

A regular meeting of the Pheasant Run Road Maintenance Association, Inc. Board of Directors was held at the Administration Building in Ann Conklin's Conference Room on December 13, 2006.

Members Present: Ann Conklin, Canton Township, Dave Nagy, Pheasant View, Craig Stevens, Fairways, Ron Powell, Fairway Pines, John Burdziak, Canton Township

Excused: T. Casari, Canton Township

Others: Tim Kljun

Ann Conklin called the meeting to order at 5:40 p.m.

Status Report of Maintenance Issues

T. Kljun reported:

- The authorized roadway repair for 2006 was completed.
- Required sidewalk repair for two of three locations was completed. The remaining sidewalk repair was scheduled for completion in 2007.
- Lighting repairs in Fairways, Fairway Pines and Summit Parkway were completed.
- Authorized sign repairs were completed for 2006.

Recognition to J. Burdziak for service to PRRMA

Ann Conklin expressed thanks to John Burdziak for his long service to the PRRMA board. This will be the last meeting that he will attend.

Approval of Meeting Minutes

The minutes of the November 6, 2006 meeting were read. Motion to accept the minutes by J. Burdziak with second by D. Nagy. Minutes were unanimously approved.

Proposed 2007 Budget

The proposed budget for 2007 dated 11/6/2006 was presented for discussion. Discussion followed. The board directed that the line item "Asphalt/Concrete Maintenance" for \$12,900 be removed from the budget.

The board directed that a line item "Reserve for Unanticipated Contingencies" be added with a value of \$100. The board will review the budget, for further modifications, at the next meeting.

A motion was made to approve the modified 2007 budget by John Burdziak and seconded by Craig Stevens. The motion was approved unanimously.

A copy of the Proposed and modified 2007 budget is attached.

Reserve Study Discussion

Craig Stephens opened the discussion focusing on the reserve date affecting various funding models of the current plan of continuous yearly contribution vs. the concept of pay-as-you-go. The discussion focused on the fact that the pay-as-you-go concept exhibited wide variations in homeowner contributions compared to the current annual contribution. Further, each homeowner would not be paying his fair share of costs as a function of the homeowners move-in date. PRRMA would have no ability to earn interest on invested money because there would be no invested money.

Craig Stephens proposed that the board should focus on how much spending would occur each year and establish spending recommendations and limits. PRRMA must spend money to make repairs to infrastructure items. This cannot be avoided.

R. Powell proposed that the board consider limiting the amount of money in reserve to \$500,000 as opposed to that amount indicated by the currently reserve study.

C. Stephens proposed that the board consider a rolling 10 year time frame for evaluating the funding requirements necessary for the roadway repair.

Legal Opinion from PRRMA Attorney

The legal opinion received from PRRMA attorney, Alexander, Zelmanski & Lee, PLLC dated November 7, 2006, was presented for discussion.

Craig Stevens presented the following discussion points:

- The basis for roadway repairs is outlined in the currently approved reserve study.
- There are numerous profiles outlining how reserve funds could be collected and the homeowner contributions vary as a result of the profile selected.
- The PRRMA board should debate, on an annual basis, the amount of homeowner assessment for the fiscal year.
- The PRRMA board should not debate the repair profile of the reserve study.
- The PRRMA board should not debate the method by which the reserve study was prepared after approval of that study.

R. Powell reconfirmed the position of Fairway Pines:

- Subdivisions repair roads not PRRMA.
- No reserve replacement fund is required.
- Each subdivision to budget for their own roadway repairs.
- PRRMA has no legal authority to have a reserve fund.
- PRRMA has no legal authority to assess for annual maintenance.

After restatement of the position of Fairway Pines representative, the board concluded that it is at an impasse and no further discussion will alter Fairway Pines stated position.

A motion was made by Craig Stevens and seconded by D. Nagy to follow recommendation #2 presented in the legal opinion, i.e. "Notice of default should be issued to the association which is withholding payment in accordance with the requirements of Paragraphs 19 and 21 of the Declaration.", with a 30 day cure period.

Voting results on above stated motion are shown below

Ann Conklin, approve the motion
John Burdziak, approve the motion
Craig Stevens, approve the motion
Dave Nagy, approve the motion
Ron Powell, abstain

It was the consensus of those present that every attempt will be made to discuss alternatives at the January meeting and as a board and attempt to come to resolution

Ann Conklin will obtain legal counsel to assist in drafting the letter and mail the notice of default letter to Fairway Pines.

Financial Activity Review

Tim Kljun presented the financial reports as of November 30, 2006, consisting of:

- Balance Sheet
- Reserve Account (Asset) Activity
- Statement of Income and Expense
- Narrative of Activities for the month of November, 2006

No discussion followed.

The meeting was adjourned at 7:05 p.m. The next meeting is scheduled for January 18, 2007 at 5:30 p.m. at

the regular location.

Respectfully submitted,

Tim Kljun for Ann Conklin