

Sanctuary Homeowners' Association
Annual Meeting Minutes
June 7, 2006

CALL TO ORDER Upon being notified of a quorum of 42% of the owners being represented either in person or by proxy, President Tim McCord called the 2006 Sanctuary Homeowners' Association Annual meeting, being held at the Kirtland Library, 9267 Chillicothe Road, Kirtland, Ohio, to order at 7:01 PM. Included in those present were Board members Greg Viviani and Joe Stanzi. Board member Frank DeMilta was not present. Also present on behalf of the Board were Jay Cusimano of the law firm of Kaman & Cusimano and Jeanne E. Laveglia of Continental Management Company.

INTRODUCTIONS President McCord introduced the current Board Members and representative from Continental Management Company.

PROOF OF MEETING Mr. McCord verified that the proof of Notice of the Annual meeting was mailed to all owners of record prior to the Annual Meeting as required by the Association's governing documents.

MINUTES Tom Smith moved to waive the reading of the Minutes of the Annual Meeting held on May 16, 2005 and approve as presented. The motion was seconded by Bill Davis and unanimously approved.

OFFICERS REPORT

President McCord gave an officers report. In conjunction with comments from homeowners present at the meeting, the following matters were discussed:

[Need to add here whatever words of wisdom came out of Tim's mouth]

TREASURERS REPORT: Joe Stanzi accepted the position of Treasurer and reviewed the financial status of the Association based on the December 31, 2005 financial statements, which were also distributed to the homeowners who were present at the meeting. He reported that the Association was in good financial condition, and had a reserve of \$24,646.39. He also discussed the amount of the annual fees and the amount of the 2006 annual budget.

Joe and Tim McCord also reported that there were presently five delinquencies. Tim McCord stated that efforts would be taken to collect on the delinquencies. If necessary, liens will be placed on the homeowner's property. In response to a home owner question, Tim McCord also stated that the Board has waived late fees in the past, depending on the circumstances.

In response to homeowner inquires, the Board also discussed the amount of the reserve and the purpose of the reserve. At this point, the Board had no specific purpose for the reserve, characterizing it as a rainy day fund. It was also mentioned that at some point in the future, the irrigation systems will need to be replaced, and that the reserve also is a cushion in case the Board encounters litigation expenses.

LEGAL COUNSEL REPORT: Jay Cusimano gave a report as legal counsel for the Board. He explained that the Association is organized as a not for profit corporation under Ohio law and is in good standing with the State of Ohio until 2009. Jay also explained that there was presently an opening on the Board due to the prior resignation of Bruce Gravens. Jay and Greg Viviani gave an explanation of the purposes of the Association and the duties of the Board members.

Jay also stated that the Association was not involved in any lawsuits. However, in the prior year, some liens were placed on the property of delinquent homeowners, and some enforcement action was threatened against delinquent homeowners.

APPOINTMENT OF INSPECTORS OF ELECTION Ms. Laveglia explained the voting procedure for the election of officers.

ELECTION OF BOARD MEMBERS: Ms. Laveglia advised everyone that there were three positions open, those currently held by Tim McCord and Greg Viviani, which were two year terms. There also was the opening left by the resignation of Bruce Gravens, which had a one year term remaining. Tim McCord and Greg Viviani had advised the Board that they would serve again. Ms. Laveglia opened the floor for nominations and/or volunteers. Jason Wuliger volunteered to serve the remainder of the term left open by Bruce Gravens. There were no other nominations or volunteers. There being no further nominations or volunteers, Bill Davis moved to close the floor for nominations and to cast a unanimous ballot to elect Tim McCord, Greg Viviani and Jason Wuliger. Motion was seconded by Tom Smith and passed unanimously.

UNFINISHED AND/OR OLD BUSINESS An item of old business was raised by Tom Smith. It related to the gravel driveway at 8770 Fox Hollow (S/L 58 Kirtland Hills). The question was whether the Board intended to take any action to enforce the requirement of the Kirtland Hills Architectural Guidelines that all driveways be paved.

The Board explained the background facts. The facts are that the original Architectural Guidelines for Kirtland Hills did not require a paved driveway, and that the Village of Kirtland Hills does not require paved driveways. The Developer changed the Kirtland Hills guideline in 1994. However, when this Homeowner bought his property, he was given a set of Guidelines that did not require a paved driveway. He then submitted plans that included a gravel driveway. At that time, the Developer was in control of Architectural Review, and the homeowner's plans were approved with the gravel driveway.

The Board stated that much time and effort had been spent discussing this matter with the Homeowner and among the Board. The homeowner has refused to pave his driveway. The Board sought and obtained written legal advice from Kaman and Cusimano regarding the ability of the Board to enforce the paved driveway requirement via a lawsuit. The Board, with Jay

Cusimano concurring, reported that it did not believe that it had a good case. Thus, as of this point, the Board had not resolved to attempt to take any further action in regard to this matter. The Board may further discuss this matter and will continue to review all potential options that may be available to it.

NEW BUSINESS

Homeowner Richard Zinni (8966 Red Tail, S/L 10, Kirtland) raised a question about the obligations of homeowners to maintain their property, running from the right of way in the street. The Board explained that each homeowner is responsible for maintaining all of the homeowner's property, all the way to the street. Master Greenscapes will only mow the grass on properties that are not yet occupied or being built on. Mr. Zinni also discussed a maintenance issue pertaining to the area of S/L 11 that abuts his property on the Red Tail cul de sac. That issue was amicably resolved between the two homeowners. Finally, Mr. Zinni also requested that the Red Tail cul de sac be mulched this year. The Board stated that mulching is done every two years and that it was going to do a walk through with the landscaper and will mulch there if need be.

Homeowners raised question about the process for getting additions to homes approved under the Architectural Guidelines. Tim McCord suggested that homeowners in Kirtland Hills first submit their plans to the Village for approval. The arrangement with the Village is that after it does so, it will send to the Board's architect (Mr. Marcel). After Mr. Marcel approves the plans, he is to advise the Board of any requested variances, and submit the plans to the Board for final approval.

A Homeowner request advice about who consult in regard to an issue on his property relating to soil erosion. The suggestion was that he contact the Lake County Soil and Water Conservation Department. Homeowners were also cautioned that many properties have environmental easements.

The Board also discussed the issue of mail box posts. Apparently, the company that used to make them (the Mail Box Factory) has been sold and is no longer on Route 6 in Kirtland. Tom Glavac stated that the design that is in the plans does not really work properly because the paper chute is too small. He offered to give a proper plan to the Board. Jeanne Laveglia of Continental management is searching for a vendor who will construct the posts, and homeowners were asked to advise the Board if they know of any such vendors.

The homeowners were also reminded about the policies of the Association relating to signs. All vendor signs are prohibited. Homeowners were asked to abide by the rules.

A homeowner requested the contact information for the Board's new septic inspection company – Marut & Sons.

There was no other new business.

ADJOURNMENT Having no further business, a motion was made by Tom Smith, and seconded by Bill Davis, to adjourn the meeting at 8:15 p.m. Motion carried.

Respectfully submitted,

Gregory J. Viviani - Secretary

Approved:

Tim McCord - President