

MINUTES OF ANNUAL MEETING
OF
HIGH MEADOW COOPERATIVE NO. 1, INC.

The Annual Meeting of the shareholders of High Meadow Cooperative No. 1, INC. was held in the Community Room Located behind 48 Charter Circle, Ossining, New York on April 4, 2024, at 7:00 p.m.

The meeting was called to order by Robert H. Beck, Attorney to the Corporation, who acted as Chairman and presided. Robert H. Beck acted as Secretary of the meeting and recorded the minutes thereof.

At the request of the Chairman, the Secretary submitted to the meeting the following:

- a) A copy of the printed notice of meeting dated March 3, 2024, stating the time, date, place and purpose thereof.
- b) A complete list, certified by the Corporation's managing agent, of the holders of the shares of the Corporation as of the close of business on March 3, 2024, the record date fixed by the Board of Directors for the shareholders entitled to vote at this meeting.
- c) The affidavit of Meagan Collins, an employee of the managing agent showing that she caused to be personally delivered or mailed on February 29, 2024, a copy of the notice of this Annual Meeting to all shareholders of record.

The Chairman directed that a copy of the printed notice of the meeting, together with the affidavit of service thereof, be annexed to the minutes of the meeting. The Chairman ordered that the certified list of shareholders submitted to the meeting and the minute book of the Corporation be kept open for the inspection of the shareholders throughout the course of the meeting.

Of the 184 apartments entitled to vote at the meeting, the holders of 61 apartments were necessary to constitute a quorum. The Chairman announced that 83 apartments were present at the meeting. Therefore, a quorum was present and therefore the meeting was competent to proceed to the transaction of the business on which it had been called.

Thereafter, on motion made and carried, the reading of the Minutes of the 2023 Annual Meeting was waived.

Thereafter, Marilyn Szatkowski, President of the Coop, welcomed the shareholders to the 2024 Annual Meeting which is being held in person unlike the prior Annual Meetings which were held via Zoom. Ms. Szatkowski introduced the members of the Board, the attorney, Mark Cohen, the Coop accountant and Pat Clair of Levitt Furst, the insurance agents for the Coop. She also introduced the various members of Stillman Management who were present including Brian Scally, the President of Stillman Management, Jenna Guiliano, the site manager agent, Sheryl Cirulnick and Jessica Szajcz. She thanked them for their effort and support over the past year. Ms. Szatkowski then presented the President's Report in which she outlined the accomplishments of the past year and the plans for the upcoming year.

Ms. Szatkowski reported that the Board approved a 3-year contract with Sean's Lawn Care for snow removal at \$96,200 for the November 1, 2023- April 15, 2024 snow season. The scope of work of the contract includes clearing of snow and treating all surfaces with sand and salt as necessary. This includes 12 parking lots, the sidewalks, the entrances and stairways. Last year, they were on site 12 times for snow removal and treating snow and ice conditions. They were here as recently as March 24th. She then discussed the status of the work on the ball field. The work was commenced in 2021 and the following work has been completed: tree pruning and removal both inside and outside the field (\$7,876). A 40-ft retaining wall was constructed at (\$13,350), clean-up of the ballfield, removing debris and rocks (\$3,400). The 450-ft chain link fence was replaced at a cost of \$16,000. Unfortunately, during a January storm, a tree fell onto the fence and 25-ft of the fence had to be replaced at an additional cost of \$2,800. Altogether, we have spent \$47,153 preparing the field. The Board is reviewing a pending proposal for evening the surface once the grade is complete. 12-yards of screen topsoil will be placed on the larger depressions and will be seeded and peatmoss added throughout the entire areas at a total cost of \$3,900. 8-yards of mulch will be added along the fence under the pine trees. The Board is seeking a proposal to remove the concrete tripping hazard by the entrance to the field. Other trees which came down, damaged the stockade fence in Parking Lot C and were removed at a cost of \$3,130 plus \$6,650 to replace the damaged 140-ft of the stockade fence.

With respect to fuel oil, the Board capped the price of oil at \$3.55 plus a 10 cent per gallon cap fee of \$10,000. The Board will review options with respect to the existing fuel surcharge shortly. A new contract with Direct Energy was approved for the purchase of electricity at a cost of \$.09170 per kilowatt hour. This price excludes utility transmission and distribution charges by Con Ed as well as taxes. All necessary concrete work was completed at a cost of \$49,465 and the underground heating main was replaced at a cost of \$13,005. With respect to the landscaping (lawn and shrub maintenance) the Board renewed the current contract with Ultimate Care Landscaping for the year 2023-2024 at a price of \$73,000 and for 2025 at a price of \$75,190. Also renewed was the contract with CRP for garbage disposal for two years at \$37,524 per year. This price does not include disposing of trash from the white shed. The Board will be scheduling a number of dumpsters to be brought on site during the spring so the storage rooms and the garages can be cleaned out. Shareholders will be invited to use the dumpsters to dispose of unwanted bulk trash.

At the Special Meeting of Shareholders held on March 14th, the Board was asked for an Expense Report for the purchase of 183 SHA. The shareholders had previously passed away and the unit fell into arrears. The Board offered \$30,000 for the apartment, which offer was accepted by the Bank. After reducing the arrears and other expenses, the apartment was purchased for \$18,380. The apartment needed repair and upgrading and Hernan General Contracting completed this upgrade and repairs at a cost of \$39,650. The work included demolishing the kitchen and bathroom, replacing two sets of bi-fold doors and painting the entire apartment. In addition, new appliances were purchased at a cost of \$1,850. New carpeting and padding were installed in the bedroom and living room at a cost of \$2,042. Including the purchase and repairs, the total cost of the project was \$61,922. An accepted offer in the amount of \$139,000 for the purchase has been accepted. The Closing will be scheduled as soon as possible.

Thereafter, a question and answer session was held regarding the President's Report. Responding to a question as to why the snow removal increased from \$23,000 to over \$90,000, Ms. Szatkowski reported that some of the work had previously been done by the Staff which was no longer feasible in light of the other duties the Staff had to perform. In addition, the 2023 contract

was on a per inch basis which most snow removal companies no longer use as a measure of payment. A question was asked why the prior landscaper is no longer used, Ms. Szatkowski reported that the Board was dissatisfied with its work. A shareholder noted that she had complaints regarding the current landscaper. Those complaints can be addressed through Ms. Guiliano. Responding to a question about the damaged fences, the Board responded that in the first instance, they were not covered by the insurance policy and in the second instance, the Coop maintained a \$10,000 deductible which made submitting this to the carrier financially unfeasible.

Upcoming Capital Projects under consideration for 2024 include renovating the laundry rooms, which were last painted in 2016 when Hercules was hired, finishing the ballfield and getting proposals for necessary concrete work are also planned. Thereafter, Ms. Szatkowski introduced Dawn Marie Hilkin, to provide a report on 192 Charter Circle to be followed by Christina Gardella to report on the Special Meeting of Shareholders held on March 14th.

Ms. Hilkin, Secretary of the Board, advised the shareholders as follows. The prior shareholder defaulted on the maintenance payments and faced with an Order of Eviction obtained by the attorney in local court, abandoned the apartment leaving it in very poor condition. The Bank that held the mortgage offered it for \$80,000. The apartment went unsold for nearly a year and ultimately the Coop purchased the apartment at \$70,000. After deducting the arrears owed to the Coop, the Coop paid the bank \$61,639.32 plus the legal fees in connection with the auction at \$3,340, making a total acquisition price of \$65,197.32. Because of the deplorable condition of the apartment, in order to make it ready for occupancy, the Coop replaced rotted leaking radiators, leaking plumbing throughout the apartment, including a main waste line under the slab below. Floors were replaced because they were sinking due to the main valve line leak. Illegal electrical wiring throughout the unit had to be brought up to code. Waterproofing the underground portion of the interior walls with foam insulation, replacement of the sheet rock and studs that were water damaged and covered in mold, the cracked bathroom tub and the tile surrounding the bath which was damaged also had to be replaced. The kitchen was also damaged due to a leaking heat line. To bring the apartment to code and to make it habitable, a number of proposals were solicited and the Board ultimately hired CMC Contracting at a cost of \$86,500. Change orders for plumbing and structural repairs at an additional \$15,360, therefore, the final cost for renovation was \$101,860 and adding appliances brought the total repair cost to \$103,960.

With respect to the future usage of this apartment, Ms. Hilkin advised a shareholder that according to the union contract, based on its size, High Meadow is required to provide two apartments for on-site Staff. Only one apartment owned by the Coop is occupied by the staff. Joe the Super, owns his own apartment and eventually a second apartment will be needed when Joe retires. The apartment has been rented at a fair market rental price, which rent exceeds the maintenance. If, for whatever reason, the apartment is not needed in the future, the Coop has the option to sell it for a profit. Summarizing the acquisition costs, the net purchase price was \$65,197.32 plus required repair costs totaling \$103,960, making a grand acquisition cost of \$169,157.32.

Thereafter, Ms. Gardella, Director at the time of the meeting, reviewed the March 14, 2024 Special Meeting of the Shareholders which was noticed as a Special Informational Meeting to allow shareholders to address their concerns and provide the Board with suggestions and requirements for future operation. As a result of that meeting, the Board determined to create a committee to review the By Laws and to make specific recommendations as to language for any Amendments. A

Committee will consist of 3 shareholders and 2 members of the Board and notices will be sent to shareholders shortly “seeking volunteers.”

Thereafter, Mark Cohen, of Bloom & Streit, the Coop’s auditor and accountant, gave an overview of the financial condition of the Coop. He reported that the fiscal year ended on September 30, 2023 and accordingly, we are now approximately 6 months into the next fiscal year. Mr. Cohen reviewed the functions and the duties of the Board and the auditing process. He noted that the accounting firm works with all the professionals to provide advise regarding budgets and finance. Bloom & Streit represents over 200 properties and considers its work at High Meadow to be its area of expertise.

He described the current financial condition of the Coop as being an overall “lull”. The dislocation caused by the Pandemic and high rate of inflation with respect to all operating costs is pretty much over. However, fuel oil and electricity continue to rise at an uncontrollable pace. In addition, based upon his experience, he cautioned the Board and shareholders to expect a drastic increase in insurance costs, even though High Meadow has not submitted any major claims. The rise in insurance premiums is industry wide. He has seen cost increases on an average of 25%-30%. Some Coops have experienced double or triple their insurance premium costs. He reported that in 2016, the Coop refinanced its mortgage for a 10-year term until 2026. The amount borrowed was \$7M and locked in at a near record low of 3.59 %. If the Coop were to refinance now, it would probably be around 6.5% – 6.8%. Based upon the amortization schedule, when the Board refinances in 2026, the balance due will be in the neighborhood of \$5M. He noted that compared to other Coops, shareholders are not over leveraged in terms of mortgage debt service. Mr. Cohen anticipates that rates have been reduced and will continue to do so over the years so that by 2026, the rates will be reasonable and allow the Board to borrow additional monies for capital projects. The Reserve Fund as of December 2023 is \$1.6M. Responding to a question as to what is the ideal amount of reserve that a Coop should have, he stated that there is no way to state an ideal Reserve Fund without looking at the infrastructure and capital projects which may or may not be coming up over the course of the next 2-years. He noted that in the Board’s budget, there is a 1% contribution to Reserve, generating approximately \$30,000 per year which should help the Board with respect to funding capital projects. Overall, last year, revenue exceeded income by \$50,000. In addition, he noted that Accounts Receivable (the amount due from shareholders) has been very good, indicating that people are paying their maintenance on time which enables the Coop to pay its bills on time with only a small amount in Accounts Payable.

Thereafter, Mr. Cohen answered various questions from the floor. Responding to a question regarding the mortgage, Mr. Cohen repeated that the mortgage is a 10-year term with a balloon based upon the amortization schedule. This is typical of Coops unlike shareholders whose loans are generally 30-years with an amortization rate to allow for payment in full at the end of the 30-year term. As to the amount that the Coop will refinance in 2026, that will be based upon the interest rate and the amount of money that the Coop needs to borrow to cover planned and upcoming capital projects. Mr. Cohen reported that approximately 16% of the maintenance currently covers the debt service on the mortgage. Responding to a question regarding the budget, Mr. Cohen noted that the fiscal year commenced September of 2023. The contingency reserve of \$24,000-\$30,000 was used to cover operational short falls. He noted that the Budget is just a budget and the Actual is different than budgeted based upon the cost in each of the categories. Generally, some expense items come in over budget while others come in under budget. With respect to the acquisition costs for the new apartments, the money came from the Reserve Fund. Any profit made when selling will go to replenish the amount of monies borrowed from the Reserve Fund. Mr. Cohen then explained, in

response to a question, the difference between maintenance which covers ordinary expenses and the Reserve Fund which covers capital expenses. Questions relating to contracts are for the Board not the auditor. Thereafter, at 8:05 p.m., Mr. Cohen left with the thanks of the Board and shareholders.

Thereafter, Pat Clair from Levitt Fuirst, the Insurance Broker presented a report on insurance. He noted that he is the head of the real estate department at Levitt Fuirst and works closely with Coops and Condos in the area. He reported that the state of the insurance industry in New York State is "a mess". Over the last twelve months, premiums have increased by at least 20% and as much as 200%-300% based upon the nature of claim status of the Coop. High Meadow's premium increased by 15% last year but the Coop can expect a 25% increase in 2024-2025. The factors pushing the increase in premiums is the re-insurance industry which ensures insurance companies based upon claims which have been recently fueled by wildfires, floods, tornadoes, etc. We all pay for these catastrophes and the insurance claims that are settled, even though we are not responsible for the claim itself. It is a nationwide problem. Adding to the increase in premiums is the lack of competition. The number of insurance carriers willing to loan to Coops in the area used to be 15- it went down to 10 and is now 8 or 9. This is a supply and demand situation. In addition, insurance companies have revalued their criteria for insuring Coops and Condos which is also impacting premiums as is the increase in construction cost, which make each claim that much more expensive. Mr. Clair promised that he and Levitt Fuirst will do the best they can to control costs. Responding to a question as to how the Coop is evaluated as a risk property, Mr. Clair indicated that the Coop is classified as a habitational risk. He also answered questions regarding personal homeowner's insurance versus the Coop's master policy. The Coop's master policy provides insurance for the Coop overall as well as general liability, lawsuits involving personal injury, etc. As to the expired premium of \$130,000, he would expect that it will raise to approximately \$160,000. Presently, there are no pending claims. Thereafter at 8:15 p.m., Mr. Clair left with the thanks of the Board and shareholders.

Thereafter, Brian Scally, President of Stillman Management, thanked the shareholders for their confidence and noted that after the March 14th Special Meeting, he met with his team to address issues of concern raised regarding communication and response. He noted that they hired a new bookkeeper and are working to increase communication between shareholders, his office and his team to provide the best possible service. A shareholder complained she was locked out of her apartment at night and when she called Stillman, she was told to "call a locksmith". Mr. Scally responded that he is attempting to improve the after-hours service, although all locks outs are not the Coop's responsibility. All Shareholders will be provided with the 24 hour locksmith service so that if this should be needed again, the service will know who the local locksmith is. Thereafter at 8:20 p.m., Jenna Guiliano, the property manager introduced herself. She noted that she has been with Stillman for 4-years after Charlie Mannilal retired. She noted that she is on site Wednesdays. She reported that Stillman is working on improving its One Call Now Broadcasting system to allow notifications to all shareholders of emergencies and important information. The One Call Now System is for robocall, email, text, cell as well as landline. The sign-up sheet is on the front desk so that more people can join. Responding to a question as to whether the system actually works, since the shareholder was allegedly unable to receive a message from the system, a test run of the system will be scheduled so people know that they are actually in the system. The shareholders will be advised when the test is actually scheduled.

Thereafter, elections were held. Mr. Beck resumed as Chairman and presided over the election of directors. Mr. Beck then explained the functions and duties of the Board of Directors and described the election process. He advised the shareholders that due to the staggered election

process, this year they were to elect three (3) persons to the Board of Directors, each for a three (3) year term. Mr. Beck then introduced the pre-nominated candidates, as no nominations would be taken from the floor. Each candidate was given the opportunity to address the shareholders. The Chairman called for nomination for directors pursuant to the pre-nomination process. The following pre-nominated candidates were nominated.

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| 1. | Emily Coca | 4. | Marilyn Szatkowski |
| 2. | Bonnie Doran | 5. | Andrew Ziegler |
| 3. | Anthony Duffy | | |

Pursuant to authority invested in the Chairman by the By Laws, Mr. Beck appointed Sheryl Cirulnick, Jessica Szjacz and Melissa Ferraro as inspectors of election. Sheryl Cirulnick, Jessica Szjacz and Melissa Ferraro were present at the meeting, executed their oath of office and delivered the same to the Chairman who directed that this oath of office and report of inspectors be annexed to the minutes of the meeting. The ballots which had been cast were then tabulated by the inspectors.

The shareholders were assembled to elect three (3) persons to the Board of Directors. As tabulated by the inspectors, the following persons were elected to the positions on the Board to serve the Corporation for three (3) years and until their successors are elected and qualified.

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| 1. | Emily Coca | 3. | Andrew Ziegler |
| 2. | Anthony Duffy | | |

Thereafter, there being no further business, the meeting, on motion duly made, seconded, and carried, was adjourned at 9:10 p.m.



SECRETARY