

BOARD OF DIRECTORS MINUTES

The Villas at the River

Homeowner's Association, Inc.

2887 Villa Lane Benton Harbor, MI 49022

May 13, 2011

The following documents the third meeting of the Board of Directors for The Villas at the River. In attendance were Mike Cook, Jean Bloomquist, Tom Johns, Dave Kett and Gary Coate. The meeting was held in the conference room at the Villa's Office and started at 2:00 p.m.

President's Report:

- Tom Johns reported that earlier in the week a meeting was held with our insurance representative from Insurance Management Service. The meeting was very informative and showed that our Association is well protected by the existing insurance coverages.
- Tom mentioned that there would be a meeting Sunday, May 15th at 7:00 p.m. at the Clubhouse for those interested in starting a garden this year in Lot #19. Also, we can save \$1,000 if volunteers will plant flowers in common areas. This will be discussed at the meeting.

Developer's Report:

- Mike Cook reported that there will be a closing in Building 16 later this month.

Vice President's Report:

- Dave Kett issued for review a draft of Clubhouse User Responsibilities. Primarily this covers using the Clubhouse for special events. Discussion followed with additions suggested. Dave will e-mail a new draft to board members. Further action was *tabled* at this time.
- Dave discussed the need for improvements to the pool furniture. He looked at replacing the furniture with new but the cost would have been substantially higher. There are two less expensive parts to his plan: (1) The chairs need new cushions at a total cost of \$225; (2) The nine (9) lounge chairs need new webbing at a total cost of \$375. It is hoped that volunteers can install the webbing once purchased. Six of the nine can be used in the interim as it is doubtful the webbing can be installed by Memorial Day.

A motion was made by Tom and seconded by Mike to spend \$600 to cover the above items. Motion passed.

Secretary's Report:

- There were no changes to the minutes of the meeting on April 29th. There was no correspondence.

Treasurer's Report:

- The directors first reviewed the Balance Sheet. It was recognized that the cash flow will have to be carefully monitored.
- The Transaction Detail Report listing all expenditures was reviewed. Dave suggested receiving this document prior to the meeting would be helpful.
- A follow-up discussion was held concerning appointing an audit committee. This will be done quite soon by Jean.
- All directors are authorized to sign association checks. Two (2) signatures will be required on all checks. A form from the bank was circulated by Jean and signed by all board members. This action completes the banks requirements for the above.
- The Homeowner's Association has been validly incorporated as a nonprofit corporation. Tom Johns inquired whether our Association might qualify for an exemption from paying sales tax. Mike Cook volunteered to have his CPA check into this issue. Tom also indicated it would be advantageous to have a CPA we could turn to for advice from time-to-time to answer technical questions that will arise, in order to make sure we are properly complying with the various tax and legal requirements imposed on our Association. Mike Cook suggested we use the CPA he has been using, in order to have a knowledgeable expert who is already familiar with everything that has

been done to date. This could provide continuity and help make sure we do not introduce any inconsistencies in how we are dealing with the various regulatory authorities. No formal action was taken on this suggestion at this time.

Unfinished Business:

- Motion Detectors: A motion was made by Tom, seconded by Dave to install motion detector light switches in the Clubhouse bathrooms. Motion passed. This resulted from a concern that lights were being left on over night.
- 2011 Budget: The board continued a detailed review of the 2011 budget and expects to be able to adopt a final 2011 budget at the next meeting (May 25th) after which time copies will be made available to the residents.
- Tabled Items:

In addition to those mentioned above:

Election time table for future officers

Bulletin board (investigating)

Sealing of drives (investigating)

Establishing a procedure that can be followed by any resident who wishes to address the Board of Directors

A motion was made, seconded and passed to adjourn the meeting at 5:10 p.m. The next meeting will be Wednesday, May 25th at 2:00 p.m. at the same location.

Respectfully submitted,
Gary Coate, Secretary