

ANNUAL MEETING MINUTES – December 9, 2015

The Villas at the River
Homeowner's Association, Inc.
2887 Villa Lane, Benton Harbor, MI 49022

December 9, 2015

The following documents the December 9, 2015 Annual Meeting of The Villas at the River Homeowner's Association, Inc. (HOA). Board members in attendance were Jean Bloomquist, Mark Carlock, Julie Crane, Mike Cook, and Mary Huber. Also in attendance was Property Manager, Pam Fetke. The Secretary has a record of those HOA owners in attendance. A quorum was deemed present. The meeting was held in the Villa's Clubhouse and started at 6:32 p.m. This meeting serves as our annual meeting.

President's Report: see attached report

Developer's Report:

A few homes are still for sale

The model homes will be for sale soon, maybe by spring.

Dick and Rick are now available for more focus on developer work, because Pam Fetke was hired as the Property Manager for the HOA effective November 1, 2015.

Construction has started on Building 7 to replace the unit destroyed by the fire.

Vice President's Report: no report per se. Julie asked that owners contact her with any concerns about the clubhouse and the pool. She also thanked those who helped decorate the clubhouse for Christmas.

Secretary's Report:

The minutes of the 11/12/2015 meeting were approved by the Board on 11/23/2015 by email response.

The minutes, the approved budgets for General Operation, Reserves, and SWT were posted on the website on 12/8/2015.

Mark addressed the ways to communicate with the Board and stressed using work orders and communicating with Pam, our new manager.

Treasurer's Report: see attached report

Manager's Report: Pam introduced herself and her company. She commended the HOA Board for its outstanding work against the measure of other boards she has worked with. She reviewed the importance of having and understanding the By-Laws. Pam recommends that each member read the binder received when their condo was purchased. She offered to meet with any co-owner that has questions.

Items she discussed:

- She needs emergency contact data from every co-owner
- Owners can drop off information for her in the community drop box
- The treasurer oversees the finances; Pam handles the deposits and pays the bills that the Board authorizes her to pay.

- She will assist the Board in planning for our future needs and expenses.
- The HOA needs to prepare for major dollar items. Pool, roofs, etc.
- Pam will be overseeing the fire re-build for the Board.
- Mary has asked Pam to prepare ideas for suggestion to the Board for community improvements.
- Work requests are available on the website. The goal is to automate these so that they can be submitted electronically. They will always be accepted on paper for those that prefer not to use the computer.
- Rick now works predominantly through Dick and mostly for Mike. There will be some areas that Rick will help co-owners, but those will all be approved through Pam

Open Comments:

Ron Momany clarified the community value vs taxable value as expressed by Mary and Mike. He also expressed how nice the Christmas decorations in the community looked.

Tom Johns complimented Mary as our President taking his place, and commented on the amount of work the Board puts in. He also reminded us that he keeps the contact list current on the Villa's website, so as new folks come in to the community, or any contact information like emails or phone numbers change, please send that information to Tom.

A question came up regarding an email that went out to the community regarding damage in the clubhouse, specifically in the golf room. Mark Carlock commented that most of what looked like damage was pieces of the PCV pipe that was used to hold up the tarps and mess protecting the walls. It has deteriorated over time and now balls hit the pipe occasionally and small pieces keep braking off. Mark has purchased more pipe and volunteered to repair and upgrade the area over the winter.

Eldon Guyer requested an update on the request to leave our outside lights on as a result of our intruders over the summer. Mary reported that there has been no new information or problems. We are still receiving regular patrols.

Motion to adjourn by Mark and second by Julie, motion carried unanimously. Meeting closed at 7:41.

Respectfully submitted,
Mark Carlock, Secretary

President's Report

2015 Highlights

Major items the Association addressed included:

In 2014 the Board started seriously studying the implementation of an adequate capital improvement fund to address the issues of paving, roofing, painting and other major concerns we will be experiencing soon. In early 2015 the Board raised our dues to accommodate the recommendations of this committee and the increased needs of the operating budget. The Board also committed to an annual review of such fund and has, thus, appointed a review committee to assess the adequacy of our savings program and report back to us if they feel there is a need to increase our contributions.

In January the Board compromised on a dues scale that allowed a lesser dues program for sales to those new owners purchasing from the builder in 2014 and 2015. In January of 2016 all co-owners will be paying the same amount of dues in both operating and capital funds and any increase so advised by the capital funding committee will be shared equitably.

Pump problems at the larger pond occurred with the conclusion that we had experienced a lightning strike necessitating drilling of a new well and installation of a new pump. Cost or replacement was covered by insurance minus \$1000.00 deductible.

The lack of irrigation at the larger pond resulted in geese deciding to make themselves at home with all the resulting problems that come with geese including lots and lots of poop. The offensive smell and muck increased when thousands of goldfish and tadpoles died after the application of copper sulfate bluing was added to the pond once the fountain was running. We had the added expense of removal of the dead fish and tadpoles. The geese problem was thoroughly researched by Deb Karn, Anne Brandt and others with resulting suggestions made to the Board for geese control in 2016. The final decision has not yet been made re: what controls we will try before the geese arrive in the spring, but we have a budget line item for expenses involved and will keep you updated re: the various changes we have in mind to reduce or eliminate the geese issue.

We had unfortunate experiences with attempted intrusions into some of our units culminating in an actual intrusion that, luckily, did not end in any harm other than to our collective psyches and sense of unease. The positive side of this is that we became very well acquainted with the Berrien County Sheriff Department and had frequent patrols and conversations with not only the Sheriff Department, but also the Benton Township police and the Michigan State Police.

In August, our developer indicated that he wished to have Dick Wales concentrate on completing the building of the remaining units in the Villas and expressed his wishes that Dick no longer serve in the capacity of property manager. The Board appointed a property manager search committee and, after doing a needs assessment and interviewing 4 different capable companies, they recommended that the Board make the final selection. After interviews and reviews and matching our needs with those areas of expertise provided by each management company, the Board contracted with Pamela Fetke of County Wide Property Management to replace Dick Wales and Helen Tanner and continue the fine work they have provided to our community. We commend both Dick and Helen in their work for and with us as we have grown from one unit to almost 92 under their able direction.

Rick will be staying on with us as his hours allow. His first loyalty is to the developer and his father, Dick. Then, as time permits and tasks accrue, he will work for us with his hours and tasks determined by Pam. All questions, tasks and work requests are now funneled through Pam. She will determine if Rick will do the job or if another vendor is needed. Co-owners can use the work request form that is online, put it in the white mailbox or, soon, it will actually email itself to Pam.

On a similar note, Rick is still approved to be a personal handyman for co-owners contracted on a private basis. Co-owners may continue to contact Rick for handyman services outside of Villa hours. If a co-owner is uncertain if their request is a Villas responsibility or a personal one, a request can be sent to Pam to determine this.

In September we had a devastating lightning strike that caused a fire in Building 7 specifically the unit owned by our neighbors, Oretha and Vestus Reed. We give great thanks that they were not in the unit when the fire started and are very indebted to the fine construction of the firewalls as built by the LLC. It was one of those experiences that made us all aware that firewalls do work when constructed properly. It also brought us together in thanksgiving and in joy that there were no injuries or loss of life in this serious, serious situation. Re-building has begun and insurance forms have been worked completed. This is a difficult and time consuming process but building re-construction has started this week.

In September we also got an unexpected bill from Sodus Township asking us to pay the township fee for Miss Dig. This fee plus the assessments for surveying that Miss Dig did up to September in 2015 came close to \$5000. We

have since received another bill for October Miss Dig services. We are in the process of contesting this with the township. The current position of the township is that we (The Villas) should pay all of the township initial fee and every annual fee from now on since they feel we are the only township citizens with underground utilities. The Board is seeking legal advice regarding this issue.

One possible outcome of this is that when individual co-owners decide to change cable service or need Miss Dig services in any individual capacity, the co-owner may receive the Miss Dig bill, as this is not a HOA expense. Please consider this when changing cable companies. Perhaps you can get it negotiated in your sign up package with them, but be aware, this is not a HOA expense.

In September, the township also asked that we sign a water transmission agreement that is very contradictory and confusing. Because this is a legal document that could affect the Villas for decades to come, the Board feels that legal advice is necessary in this area, too. Therefore we have hired the services of an attorney to look into both matters for us.

2016 Projections

It is important that you recognize and understand that each of you own 1/92 piece of each and every commons property that we share. Each co-owner has investment in the total property here. We own the clubhouse, the pool, the streets, the roofs, the sidewalks and the exterior walls as well as the ponds, the dock and other common items. Each unit pays 1/92 of all the costs of these elements and the necessary improvements and insurances. It is easier for most of us to put a little aside in a fund each month (our capital improvement fund) than get a sudden bill for thousands of dollars, as has happened in other condo communities.

The Capital Improvement Committee will be meeting soon to assess our bank account and savings. Some of our buildings are approaching 10 years in age and we need to stagger improvements in order to protect our investment. You may see a request in 2016 for a dues increase to prepare for these future costs.

We will continue our transition to a professional management company. Pam Fetke has decades of experience with property management and is now receiving our dues and paying our bills under the Board's supervision. She is also point person on the fire re-construction, contract negotiations with vendors and questions and concerns re: tasks on Villas' property.

We will be working closely with our attorney to resolve the issues we have with Sodus Township, Miss Dig fees and the water transmission agreement.

We will be sadly saying goodbye to our developer, Mike Cook, as he completes this wonderful project where strangers became neighbors, neighbors became friends and many of the friends have become a “chosen” family. Several of you have told me you feel blessed to have found this community of caring neighbors.

Volunteer Service Recognition

The Board wishes to recognize the countless number of volunteer hours our co-owners have provided to our community. This includes those who were involved in geese control, poop scoopers, property clearing, dock repair, painting, insurance seminar, clubhouse painting, water transmission advisory committee, and property manager search committee, sprinkler committee, the AV committee, the clubhouse committee and those who decorated the riverbank with Christmas trees. We also thank those that are serving on a tree identification committee with the intent to educate our nature lovers who enjoy the trails and river areas. Many, many thanks are also extended to wonderful Sodus Sam for all the great notes on the website.

November 2015 Financial Results

Current Balance in Checking: \$23,090.61

Capital Reserve Account: \$36,266.92

Total: \$59,357.53 \$1683 needs to be transferred to the reserve account for November.

General Account:

Total Income through November: \$180,361.09 - after adjusting for pre-paid income

Total Expense through November: \$181,695.02

Net Loss \$1,333.93

Remarkable after the year we have had:

- Extra expenses for fountain installation
- Fish Issues
- Pool heater replacement
- Painting of Doors
- Well Issues & Sprinkler Repairs
- Spring Cleanup & Fall Cleanup, Mulching coming in higher than budgeted
- Tree Trimming costs

SWT income through November: \$40,539.28 - after adjusting for pre-paid income

SWT expenses through November: \$36458.81 - after adding in \$1800 for water bill through 11-15-2015

Income of \$4080.47 pending bills from Sodus.

- Lift Station required payments of only \$353 vs budget of \$4000 for the year.

Capital Development income through November:

Total Income through November: \$24,350.70 after adjusting for pre-paid income

Total Expense through November: \$1599 for repair of driveways

Net Income of \$22,751.70

Budget for 2016 has been posted on our website. Note that the new budget does not require a dues increase for general or SWT budgets. Assumptions include that Mike will sell all units by the end of 2016.

Jean also thanked Helen for her work and is looking forward to working with Pam.