

THE VILLAS AT THE RIVER HOMEOWNER'S ASSOCIATION, INC.
MINUTES OF MEETING OF BOARD OF DIRECTORS

A meeting of the board of directors of The Villas at the River Homeowner's Association, Inc. was held at 3:00 p.m. on January 12, 2016, at 800 Port Street, St. Joseph, MI 49085.

All members of the board, consisting of Mary Huber, President; Mike Cook; Ron Momany; Julie Crane; Mark Carlock, Secretary; and Jean Bloomquist, Treasurer, were present. The following actions were taken:

1. A motion was made by Mark Carlock and seconded by Jean Bloomquist to authorize Mary Huber, as President, to execute the Home Construction Agreement with The Villas at the River, LLC in regard to unit 2889 Villa Lane, Benton Harbor, MI 49022. The motion was approved by all board members, except Michael Cook, who abstained. Motion carried.
2. An executed copy of the above referenced Agreement is attached to these minutes.

All business of the meeting was concluded and the meeting adjourned at 5:00 p.m.

BY: Mark Carlock
ITS: Secretary

HOME CONSTRUCTION AGREEMENT

HOME CONSTRUCTION AGREEMENT between The Villas at the River, LLC (hereafter "Builder") and The Villas at the River Homeowner's Association (hereafter "Purchaser").

1. AGREEMENT. Builder agrees to reconstruct 2889 Villa Lane, Benton Harbor, MI (hereafter, the "home".) The work shall include the labor and materials to remove both layers of existing shaft wall, replace shaft wall, frame unit back to original plan, replace roof shingles and sheeting 4' over the shaft wall, and remove and replace all shingles over neighbor's garage all the way to the south valley, to ensure replacement of any fire/water damaged plywood and shingles and to better match shingle weathered color. Roof deck to be dried-in as completed to help protect existing units. Supply and install windows and doors consistent with all other units, along with siding, soffit, cultured stone, gable vents, and exterior trim.

2. COSTS TO BE PAID BY PURCHASER. Purchaser agrees to pay to Builder all of the following costs:

All costs Builder incurs from others or that Builder bills for its own account in connection with the construction of the home.

Builder has attempted to estimate those costs for constructing the home. The estimated costs total \$151,337.34. (A copy of the budget is attached.) The cost to the Purchaser for any other damage to be repaired or replaced would be in addition to the budget. Additional costs could also arise if a selected subcontractor is unable to complete the work, and a more expensive subcontractor has to then be used. Builder shall not be held responsible for the failure or inability of subcontractors and suppliers to complete their work at the cost estimates they submitted to Builder, nor for costs in excess of the budget, whatever the reasons such excess occurs. Note that the total estimated expense shown in the budget is not a guaranteed amount, nor the maximum amount of expenses Purchaser may incur in having the home constructed. In the event costs are incurred in excess of the budget, Builder will cooperate with Purchaser in seeking additional funds from the insurance company that provided the funds to pay for the work shown in the original budget.

3. SCHEDULE OF PAYMENTS. Payment of the costs described in the above paragraph shall be paid as follows:

At such times as Builder thinks is advisable, in order to provide for the orderly and prompt payment of the costs incurred, the Builder will submit a Sworn Statement to Purchasers' designee, Pamela Fetke. The Sworn Statement will reflect the costs, for the period covered by the Sworn Statement, described in Paragraph 2 above. The costs reflected in each Sworn Statement will be fully paid to Builder within 5 business days of the Sworn Statement having been submitted by Builder.

Upon receipt of the funds shown in the Sworn Statement, Builder shall make timely payments of the costs and will obtain Waivers of Lien from the recipients of the payments. All such

Waivers of Lien shall be given by Builder to Pamela Fetke, in order to prove the costs had been paid, and the recipient of the funds had waived any lien rights regarding the work that had been paid for.

4. TIME FOR CONSTRUCTION. Builder pledges its reasonable best efforts to build the home as expeditiously as reasonably possible, consistent, though, with building a quality home. Builder will perform Builder's construction responsibility in a reasonable manner, provided that nothing shall render Builder liable for any delays caused by: Purchasers expanding the scope of the contemplated construction, fires, strikes, legal acts of public authorities, failure to timely perform by subcontractors or material suppliers, inclement weather, delays or default by public or private carriers, shortages of materials or labor, acts of God, casualties, or other causes beyond the control of Builder.

5. DEFAULTS OR FAILURE TO SATISFY CONTINGENCIES. In the event Purchaser defaults in Purchaser's obligations under this Home Construction Agreement, Purchaser shall be liable to Builder for all damages caused, including loss of expected profits and contribution to overhead.

6. SUPERVISION OF SUBCONTRACTORS SOURCES OF MATERIALS. Purchaser agrees that the direction and supervision of the working forces, including subcontractors and suppliers, rests exclusively with Builder, or its duly designated agent, and Purchaser agrees not to issue any instructions or to otherwise interfere with the same. Purchaser further agrees neither to negotiate for additional work with Builder's subcontractors nor to engage other builders or subcontractors except after the Builder's completion of work under this Agreement.

All materials will be furnished by Builder's designated sources, rather than Purchaser purchasing materials from other suppliers except as agreed to by both Purchaser and Builder on a case-by-case basis.

7. POSSESSION. After Builder has completed the house to its satisfaction, and when Purchaser has paid all sums owing to Builder (with no sums to be held back or escrowed), Builder will deliver to Mr. and Mrs. Reed (the persons who will live in the home) a Certificate of Occupancy and the keys to the home; and then, and only then, may the Reeds take possession of the residence.

8. WARRANTY. Builder warrants its workmanship and that of the subcontractors under Builder's control, such warranty to exist for the 12-month period following the date of substantial completion, or the date when the Reeds take occupancy

of the home, whichever first occurs. All workmanship shall conform to the guidelines found in the publication *Residential Construction Performance Guidelines for Professional Builders and Remodelers*, National Association of Home Builders, latest edition. If an item is not covered in that publication, standard industry practice shall govern. As to those manufacturers who issue their own warranties (as just one example, the roofing shingle manufacturer), Purchaser shall look solely to the manufacturers (but Builder shall cooperate and assist Purchaser in making any such warranty claims). This warranty does not cover any consequential damages to persons or property which Purchaser may suffer as the result of any defect in the home. THIS WARRANTY IS IN LIEU OF ANY OTHER GUARANTEES OR WARRANTIES, EXPRESSED OR IMPLIED, including warranties of merchantability and fitness for particular purpose.

9. REQUIREMENT TO BE LICENSED. (A) A residential builder or a residential maintenance and alteration contractor is required to be licensed under Article 24 of Act 299 of the Public Acts of 1980, as amended, being Sections 339.2401 to 339.2412 of the Michigan Compiled Laws. An electrician is required to be licensed under Act No. 217 of the Public Acts of 1956, as amended, being Sections 338.881 to 338.892 of the Michigan Compiled Laws. A plumber is required to be licensed under Act No. 266 of the Public Acts of 1929, as amended, being Sections 338.901 to 338.917 of the Michigan Compiled Laws.

(B) The contractors who work on Purchaser's home will be so licensed. Any contractors required by law to have workers compensation insurance will have such insurance.

(C) Builder's license number is 2102-103744.

10. Safety. BUILDER and its subcontractors shall take all reasonably necessary safety precautions, including compliance with applicable laws, ordinances, regulations, and orders issued by a public authority, whether federal, state, or local. BUILDER shall at all times be responsible for providing a safe job site and be responsible for the work performance and safety of all employees, personnel, equipment, and materials within the care, custody, or control of BUILDER or its subcontractors of any tier. BUILDER and its subcontractors shall furnish all required safety equipment and ensure all of its employees and lower-tier subcontractor's employees have and wear personal protective equipment in compliance with applicable safety requirements. BUILDER shall promptly provide PURCHASER with written notice of safety hazard(s) or violation(s) found on the job site or of any injury to its or its subcontractor's workers incurred on the job site.
11. Indemnity. BUILDER agrees to defend, indemnify, and hold harmless (the "Indemnity Duty") PURCHASER and its agents from and against claims, damages, losses and expenses, including but not limited to attorneys' fees and costs and expenses, arising out of or resulting from a failure of BUILDER'S responsibilities under paragraph 1 above. However, that the BUILDER owes no Indemnity Duty if the Harm was caused by or results from the sole negligence of the PURCHASER or its agents or both, and

provided further that in the event of concurrent negligence (i) by BUILDER or the BUILDER's subcontractors agents or employees, or both and (ii) by the PURCHASER or its agents, or both, then the BUILDER's Indemnity Duty is valid and enforceable only to the extent of the negligence of BUILDER, its agents, and its employees.

BUILDER further agrees to defend, indemnify, and hold PURCHASER harmless from all MIOSHA or other related claims, demands, proceedings, violations, penalties, assessments, or fines that arise out of or relate to BUILDER's failure to comply with any safety-related laws, ordinances, rules, regulations, orders, or its obligations hereunder.

Dated: January 12, 2016

PURCHASER:

The Villas at the River Homeowner's Association

A handwritten signature in cursive script, appearing to read "Mary M. Huber", written over a horizontal line.

By: Mary Huber

Its: President

BUILDER:

The Villas at the River, LLC

A handwritten signature in cursive script, appearing to read "Michael K. Cook", written over a horizontal line.

By: Michael K. Cook

Its: Sole Member

122815

The Villas at the River, LLC				
Line #	Description	Acct	Vendor/Sub	
1	Building Permit Fees	1010	Sodus Township	985.00
2	Ins ection Fees	1020	Fifth Third Bank	0.00
3	Builders Risk Insurance	1021	Auto Owners	0.00
4	Utility Connection	1040	MI Gas, IN Power	0.00
5	Gas/Electric/Water Usage	1050	MI Gas, IN Power	700.00
6	Plans/Blueprints	1110	Rapid Print	0.00
7	Surveying/Staking/Driveway	1120	Wightman	0.00
8	Filling Sand Inside Foundation	1220	Hollerbach	0.00
9	Tree Removal	1230	Hollerbach	300.00
10	Water Meter & Sewer Connect	1240	Hollerbach	0.00
11	Foundation Excavation	1250	Hollerbach	0.00
12	Finish Grade Around Bldg	1260	Hollerbach	0.00
13	Backfill	1270	Hollerbach	300.00
14	Street & Site Cleaning	1280	Hollerbach	9450.00
15	Poured Walls	2110	Hovingh	400.00
16	Concrete Pump	2111	JC Concrete	0.00
17	Concrete Slab	2175	Great Lakes	2050
18	Concrete Garage Slab	2180	Great Lakes	200
19	Foundation Drainage	2185	JC Concrete	0.00
20	Waterproofing	2200	JC Concrete	0.00
21	Egress Window Wells	2300	JC Concrete	0.00
22	Framing Materials	3110	Zeeland	49469.00
23	Framing Labor	3120	Zeeland	0.00
24	Louvres	3122	Zeeland	200.00
25	Vehicle Expense	3123	The Villas at the River, LLC	100.00
26	Site Foreman	3124	The Villas at the River, LLC	4500.00

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The Villas at the River, LLC				
Line	Description	Acct	Vendor/Sub	
27	Workers Comp/Liability	3125	Auto Owners	400.00
28	Front Porch Material	3147	Zmudy	0.00
29	Soffit Material	3149	Zmudy	658.00
30	Front Porch Labor	3152	Mark Edwards	0.00
31	!Soffit Labor	3154	Zmudy	510.00
32	Gutters, Downspouts	3515	Century Gutter	650.00
33	Plumbing	3600	Do Right Plumbing	3000
34	Electric	3700	Riedel	4000.00
35	HVAC	3800	Burkett	4000.00
36	Roofing Material	4010	Zeeland	included in framing
37	Roofing Labor	4020	Zeeland	included in framing
38	Cultured Stone, Matl & Labor	4110	J&N Stone	4500.00
39	Fireplace Matl & Labor	4120	Mattawan	Reeds
40	Fireplance Mantel & Wall	4129	Edwards	Reeds
41	Flat Surround & Hearth	4130	Tim Moran	Reeds
42	Windows	4510	Zeeland	4250
43	Garage Door	4570	Overhead Door Co	1320.00
44	Window & Door Hardware	4580	Zeeland	included in framing
45	Front Door/Sidelights/Transom	4591	Von Tobel Lumber	0.00
46	Entry & Service Doors .	4592	Zeeland	1070.00
47	Exterior Doors	4593	Von Tobel Lumber	0.00
48	Interior Doors	4594	Von Tobel Lumber	Reeds
49	Insulation	4700	Sanderson	4050.00
50	Siding Matl	4812	Zmudy	2985.00
51	Siding Labor + Exterior Trim	4815	Zmudy	1313.00
52	Shutters	4816	Von Tobel	500.00

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The Villas at the River, LLC				
Line #	Description	Acct	Vendor/Sub	
53	Exterior Painting TouchUp	4817	Rick Wales	150.00
54	Exterior Trim	4818	Von Tobel	0.00
55	Drywall Material	5010	Don Hall	9500
56	Shaft Wall	5020		2000.00
57	Drywall Finishing Labor	5021	Don Hall	included with matl
58	Carpet	5130	Tim Moran	Reeds
59	Hardwood Flooring	5150	Tim Moran	Reeds
60	Wire Shelving, Matl & Labor	5210	EdwardsNon Tobel Lumber	Reeds
61	Moldings, Columns	5211	Von Tobel Lumber	Reeds
62	Interior Trim Labor	5220	Edwards	Reeds
63	Finish Trim Materials	5230	Von Tobel Lumber/Cox	Reeds
64	Stair Materials	5260	Von Tobel Lumber	Reeds
65	Stairs Labor	5261	Edwards	0.00
66	Ceramic Tile Material	5311	Tim Moran	Reeds
67	Ceramic Tile Labor	5321	Tim Moran	Reeds
68	General Laborers	5360	Edwards/Wales	1000.00
69	Cabinets & Vanities	5400	Von label Lumber	Reeds
70	Counter Tops, Kitchen & Bath	5421	Distinguished Stone	Reeds
71	Appliances	5500	Von Tobel Lumber	Reeds
72	Appliance-Security System	5593	Imagine Products	208.00
73	Humidifiers	5594	Mattawan	Reeds
74	Shower Glass Door	5618	Midwest Glass	Reeds
75	Bath Fixtures & Medicine Cabin	5619	Midwest Glass	Reeds
76	Mirrors	5650	Midwest Glass .	Reeds
77	Light Fixtures	5700	Light Source	Reeds
78	Interior Painting	5912	David Vavra	Reeds
79	Port-a-jon	6001	Best Way	630.00

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The Villas at the River, LLC					
Line #	Description	Acct	Vendor/Sub		Comments
90	Trash Removal	6002	Best Way	900.00	
91	Final & Rough Cleaning	6003	Jill Bieghler	Reeds	
92	Accounting/Record Keeping	6004	The Villas at the River, LLC	1000.00	
93	Yard Drains	6181		200.00	
94	Landscaping	6190		1000.00	
95	Shrubbery	6191		2199.00	
96	Fence	6192		900.00	
97	Stone & Asphalt Driveway	6200	Gene Fowler	0.00	
98	Exterior Concrete (Sidewalk)	6321	Great Lakes	1200.00	
99	Stoop Matl & Labor	6355	J&N Stone	0.00	
100	House Numbers	6365	Anchor	100.00	
101	Mailboxes	6370	The Villas at the River, LLC	0.00	
102	Punch Out Costs	6400	Edwards/Wales	1200.00	
				124047.00	
103	Builder Administration Fee		The Villas at the River, LLC	27290.34	
			Grand Total	151337.34	-
	Any other damage to be repaired or replaced other than that which is detailed in this				
	fire budget, will be time and material.				

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