

**AC Attendees:**

Larry Amick  
Lynne Flynn  
Dan Canan  
Larry Raasch  
Mike Moore

**Absent:**

Jim Miles  
Judy Spears

**CMS Present:**

John Doehrman

- I. Call to Order – Mike Moore called the meeting to order.
  - a. Mike introduced the three new members of the AC: Sue Dickhans, Scott Mertz, and Nick Kirincich.
- II. Motion to adopt agenda by Larry Amick; seconded. 5 votes yes.
- III. Approval of the Minutes of October 17, 2017 regular meeting. Motion to approve by Lynne Flynn; seconded; 5 votes yes.
- IV. Comments
  - a. AC Chair – Mike Moore reporting:
    - i. Mike announced the Project Tracking Program. It was explained that this document tracks AC projects and topics so that these items can be seen as to their status, completion date, and responsibility area of the projects. Lynne F raised suggestion that “Insurance” be added to Tracking Project.
    - ii. An organizational meeting was set for 11 December. Officers will be elected for the upcoming year.
    - iii. Documents have been exchanged regarding the 2<sup>nd</sup> amendment of the CCR; changes of covenants have been discussed as to whether those have been done legally. (See email attachments)
    - iv. Jim Miles has sent to the AC attorney the 1% sales fee concept. This is to document that the AC has brought this to Pulte’s attention.
    - v. The impact of the 1% resale fee has also been brought to the attention of Pulte and AC members.
  - b. Property Manager – John Doehrman
    - i. Property Manager Report for November has been sent to homeowners by John. Topics such as sidewalk responsibility are discussed in the report. City ordinance does specify that homeowners are responsible for sidewalks, but if someone falls on the homeowner’s property there seems to be a dilemma in that the covenants are next in line to state and city regulations. There was a recent covenant change.

- ii. John stated that money to replace the sidewalk comes out of the Reserve Fund; raising the sidewalk comes out of Operation Fund. There was some question from the audience if whether this is correct. John stated that he would check the correctness of this.
- iii. Mike M asked if the change could be made by the city to change sidewalk laws. Larry A raised topic that legal opinion has been brought up by BF attorney as to whether sidewalk laws were made legally within BF covenants.
- iv. Mike asked if BF Homeowner Association, after turn over to homeowners, has the right to place monies within certain budgets.
- v. The three year maintenance bond has been passed by the city for sidewalks.
- vi. Pulte's contractor will be lowering pond O to add rip rap around pond.
- vii. John reported that the homeowner's brown colored back porch is in legal discussion and/or litigation and details cannot be publicly discussed.

c. Lifestyle Director – Cathy Paschen.

- i. No report

d. CMS Vice President – Lee Clouse

- i. No report

e. Comments from the Community for CMS

- i. Calibur Web work orders are supposed to be closed when work orders are completed, according to John D.
- ii. John reported that there are ongoing issues with Hittle and their repair costs for irrigation that has been installed for less than a year. He is challenging Hittle to deliver a quality irrigation product.
- iii. Homeowners sign documents, at closing, stating that there is no guarantee on package of landscaping plantings.

V. Subcommittee and Ad Hoc Committee Reports

a. Building – Lynne Flynn

- i. Where do we stand on acoustics issues within villa? John reported that Brad Bryant is getting estimates to improve acoustics. Sound system is also a topic to be improved.
- ii. Chimney Outfitters is working to clean fireplace within chateau.

b. Finance – Larry Raasch: See attachments

- i. On an accrual basis, Larry has attempted to show details of the budget.
- ii. Reserve income has been shorted by 36K
- iii. For the year ended December 31, 2016, Larry R estimated that we had \$220,000 of accounts payable that would reduce the money market funds available to fund the reserve fund.
- iv. Recommendation is to make a \$5 or \$10 monthly increase in homeowner HOA fee to meet expenses and to make up for \$99,000 to add to the Reserve Fund.
- v. Larry questioned the balance in the Reserve Fund. Positive equity is important within the Reserve Fund.

- vi. Dan C questioned who makes the recommendation to raise homeowner HOA dues.
  - vii. Larry A questioned who should be funding the Reserve Fund? Should homeowners only be responsible for the balance of the Reserve Fund? Lynne F stated that we have no control as to how the monies are spent.
  - viii. Larry R made a formal proposal to HOA Board of Directors to add \$10 monthly to homeowner HOA fees. This money is to be designated to Reserve Fund.
  - ix. Mike M suggested that a written rationale from the AC and Finance Committee be sent to homeowners; Larry R accepted this as a “friendly amendment.”
  - x. For the written rationale, a motion was made to send a written statement to homeowners; a vote of 4-0 in favor passed the motion; Larry A abstaining. Mike M suggested a concise statement be written as to what the issue is regarding a proposed increase in HOA fees.
- c. Reserve Study – Jim Miles
    - i. No report
  - d. Communications – Mike Moore: next meeting of the Communication Subcommittee is scheduled for 27 November.
  - e. Grounds – Larry Amick: See attachments
    - i. What issues need to be addressed before transition from Pulte?
    - ii. Preparation for transition needs to be addressed – handout distributed
  - f. Documents – Judy Spears
    - i. No report
  - g. Government Relations – Dan Canan
    - i. Performance bond passed by City Council for new sidewalk construction in Fishers.
    - ii. The developer is preparing to sell bonds for Sports Complex –private funding.
  - h. Legal – Jim Miles:
    - i. No report.
  - i. Election – Mike Moore
    - i. Mike thanked the Election Subcommittee for their work during the process to identify interested individuals to run for the AC and to conduct the election.

## VI. Unfinished Business

- a. Larry A distributed resolution that requests the HOA Board to withdraw the Promissory Note of \$400k with Pulte Homes of Indiana.
- b. Also, Larry distributed a treatise of his own summary that the villa financing mechanism is unlawful.

- c. Larry A submitted as an amended resolution requesting the HOA Board withdraw the Note and Amended Declarations.
- d. Mike M suggested that a copy of the Resolution be sent to the HOA Board as well as the Attorney General of Indiana. The resolution would state that our BF attorney's opinion is that the funding mechanism was obtained by illegal means. Motion carries 5 – 0.

VII. New Business

VIII. Homeowner Concerns

IX. Adjourned @ 2:58

### **ATTACHMENTS**

**From:** Jim Miles <jimmiles65@gmail.com>  
**Sent:** Friday, November 17, 2017 1:16 PM  
**To:** Michael R. Moore  
**Subject:** Fwd: Here is our answer from Tim

Mike,

The attached e-mail contains Tim Ochs response to Steve Earnhart's communication. In that communication Steve told Tim Ochs that we did not object to what was being done in the covenant changes, but we did object to the way it was being done. In fact, we believe it is being done unlawfully. We believe there are ways to accomplish this legally and are willing to work with Tim and Pulte to accomplish it.

Please enter this e-mail with the attached e-mail from Steve Earnhart into the meeting minutes.

Jim Miles

----- Forwarded message -----

**From:** **Steven C. Earnhart** <[earnhart@indiana-attorneys.com](mailto:earnhart@indiana-attorneys.com)>  
**Date:** Wed, Nov 8, 2017 at 5:28 PM  
**Subject:** Here is our answer from Tim  
**To:** Jim Miles <[jimmiles65@gmail.com](mailto:jimmiles65@gmail.com)>

Steve: We disagree with you on the right to file the amendment. If you want to fight about that, then so be it. We simply are not going to engage in a process to "figure out a new mechanism". If your clients, which I assume are certain residents in Briton Falls, want to pay you to fight that, which seems to me to be a fight for no real reason, then my client will deal with that when appropriate. Until then, my client sees no reason to spend any more attorney fees on this matter.

**From:** Jim Miles <jimmiles65@gmail.com>  
**Sent:** Friday, November 17, 2017 5:00 PM  
**To:** Michael R. Moore  
**Subject:** Fwd: Britton Falls Annex

----- Forwarded message -----

From: **Jim Miles** <[jimmiles65@gmail.com](mailto:jimmiles65@gmail.com)>  
Date: Fri, Nov 17, 2017 at 2:00 PM  
Subject: Fwd: Britton Falls Annex  
To: Michael Moore <[m.moore@moreheadstate.edu](mailto:m.moore@moreheadstate.edu)>

Mike,

Please include this e-mail in the meeting minutes with the attached e-mail from Dave Compton.

Dave is responding to my statement to him that the 1% resale fee is to be split with 1/3 going to the HOA Reserve Fund and 2/3 to Pulte to repay the loan. This split has been fully understood ever since the 1% resale fee was first discussed. It is also stated in Pulte's presentation to the community on October 18, 2016.

Dave mentions a "deal" that was made with the Advisory Board. The Advisory Committee made no deal with Dave or any other Pulte representative. There never has been a vote of approval for any elements of the Villa by the Advisory Committee. Our only suggestion to Pulte for paying for the Villa is for them to raise the fees on new homes. All other discussions have been a Pulte representative telling us what they intend to do. A deal implies that two negotiating parties come together and decide on a mutually acceptable course of action. That has never happened. Perhaps Dave meant "promise" instead of "deal." If that's the case, the promise was that 1/3 of the 1% resale fee would go to the HOA Reserve Fund.

The purpose of legal council for the Advisory Committee is to provide the AC with a source of understanding of the legalities of operating an HOA and to prepare us for the eventual transition to a resident-run HOA. It is interesting that when our legal council disagrees with Pulte's lawyers there is no attempt by Pulte to resolve the issue. Instead, funding is removed.

Jim Miles

----- Forwarded message -----

From: **David Compton** <[David.Compton@pultegroup.com](mailto:David.Compton@pultegroup.com)>  
Date: Tue, Nov 14, 2017 at 10:11 AM  
Subject: Britton Falls Annex  
To: Jim Miles <[jimmiles65@gmail.com](mailto:jimmiles65@gmail.com)>  
Cc: "Ochs, Timothy" <[Timothy.Ochs@icemiller.com](mailto:Timothy.Ochs@icemiller.com)>, Lee Clouse <[lc@communityms.net](mailto:lc@communityms.net)>, Matthew Lohmeyer <[Matthew.Lohmeyer@pultegroup.com](mailto:Matthew.Lohmeyer@pultegroup.com)>

Dear Jim:

I have talked with Tim Ochs and reviewed my notes on the meetings held last year with the Advisory Board. In reviewing the my notes as well as the motion, I cannot find any mention of splitting up the 1% between the HOA and Pulte. To the contrary, everything that I find shows 100% of the 1% fee going to Pulte until the note is repaid in full.

Additionally, I have reviewed the 2015 Reserve Study which indicated the following

2018 – Projected Reserve income \$117,660 and Inflation adjusted expenditures \$58,623 net POSITIVE \$59,037.

2019 – Projected Reserve income \$141,191 and Inflation adjusted expenditures \$83,594 net POSITIVE \$57,597.

I also reviewed Lee Clouse’s 2018 and 2019 HOA budgets as follows:

Average homes 2018 - 865 homes at \$12 per month equals total Reserve Revenue equals \$124,560

Average homes 2019 – 955 homes at \$14 per month equals total Reserve Revenue equals \$160,440

Both of these amounts per year are in excess of the amounts set forth in the Reserve Study.

Therefore, utilizing the full 1% to repay the note will not adversely affect the HOA Reserve Account. Pulte will not support changing the “deal” that was made last year with the Advisory Board.

Additionally, after our conversation last week, I talked with Tim Ochs regarding your concerns. We stand by the amendment being valid and enforceable. We will not be paying any additional invoices for legal counsel independently hired by Advisory Board out of the Britton Falls HOA. Any legal costs going forward will be by the Britton Falls Advisory Board entity itself.

We have worked hard to provide you a great annex building. Jim, you have admitted that the square footage per homeowner exceeds the national average for Del Webb communities. It is time to move on and close this matter.

Best regards

David Compton

**DAVID COMPTON**

VP Land Acquisition : : Indianapolis

[11590 N. Meridian Street Ste 530](mailto:11590.N.Meridian.Street.Ste.530@pultegroup.com)

[Carmel IN 46032](mailto:Carmel.IN.46032@pultegroup.com)

direct (317) 249.1128 : : Cell (317) 281.4177

[pultegroup.com](http://pultegroup.com)

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**From:** raasch.ls@gmail.com <raasch.ls@gmail.com>  
**Sent:** Friday, November 17, 2017 8:16 AM  
**To:** Michael R. Moore; 'Jim Miles'; 'Dan Canan'; 'Judy Spears'; 'Larry Amick'; 'Larry Raasch'; 'Lynne Flynn'; 'Brad DeReamer'; 'Steven Earnhart'  
**Subject:** RE: Britton Falls Annex

Mike,  
Attached is my response to your question. Sorry it got so lengthy but I couldn't explain it in the few words that David Compton used.  
Larry Raasch

**From:** Michael R. Moore [mailto:m.moore@moreheadstate.edu]  
**Sent:** Tuesday, November 14, 2017 7:24 PM  
**To:** Jim Miles <jimmiles65@gmail.com>; Dan Canan <dcanan47304@comcast.net>; Judy Spears <spearsjs7998@aol.com>; Larry Amick <amickslt@comcast.net>; Larry Raasch <raasch.ls@comcast.net>; Lynne Flynn <lynneandhim3@aol.com>; Brad DeReamer <brad@dereamer.org>; Steven Earnhart <earnhart@indiana-attorneys.com>  
**Subject:** Re: Britton Falls Annex

Larry Raasch,

Jim is going to be out of town at next week's meeting. Would you please review this email from Dave Compton and share with the AC, prior to the meeting, your thoughts on the accuracy of the financial components regarding the reserve.

Thanks,

Mike

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**From:** Jim Miles <[jimmiles65@gmail.com](mailto:jimmiles65@gmail.com)>  
**Sent:** Tuesday, November 14, 2017 12:54 PM  
**To:** Dan Canan; Judy Spears; Larry Amick; Larry Raasch; Lynne Flynn; Michael R. Moore; Brad DeReamer; Steven Earnhart  
**Subject:** Fwd: Britton Falls Annex

**From:** raasch.ls@gmail.com <raasch.ls@gmail.com>  
**Sent:** Friday, November 17, 2017 3:51 PM  
**To:** Michael R. Moore; 'Jim Miles'; 'Dan Canan'; 'Judy Spears'; 'Larry Amick'; 'Larry Raasch'; 'Lynne Flynn'; 'Brad DeReamer'; 'Steven Earnhart'  
**Subject:** RE: Britton Falls Annex

Mike and all,  
Perhaps this will help. The graph has two lines. The top line shows the percentage of the ideal reserve that is funded as determined by RSI in their reserve study. Those numbers range from a maximum of 60% funded in 2021 to a minimum of 38% funded in 2022. The lower line shows what the percentages would be if the RSI calculated reserve was reduced by \$220,000 for the accounts payable the HOA had at December 31, 2016. If that money had been spent, it

would no longer be available to fund the reserve. The Reserve Analysis Summary shows the calculations to get to the graph. The graph numbers are highlighted in yellow on the summary.  
Larry

**From:** Michael R. Moore [mailto:m.moore@moreheadstate.edu]  
**Sent:** Friday, November 17, 2017 10:51 AM  
**To:** raasch.ls@gmail.com; 'Jim Miles' <jimmiles65@gmail.com>; 'Dan Canan' <dcanan47304@comcast.net>; 'Judy Spears' <spearsjs7998@aol.com>; 'Larry Amick' <amickslt@comcast.net>; 'Larry Raasch' <raasch.ls@comcast.net>; 'Lynne Flynn' <lynneandhim3@aol.com>; 'Brad DeReamer' <brad@dereamer.org>; 'Steven Earnhart' <earnhart@indiana-attorneys.com>  
**Subject:** Re: Britton Falls Annex

Thanks, Larry. I don't know about the others, but I may need a layman's summary during the meeting.

Mike

**Larry Raasch Attachments:**

Year	Average Homes	RSI Rate Per Month	Reserve				RSI Calculated
			Dues	Association Interest	Expenses	RSI	
2016	720	\$9.46	\$81,708	\$3,377	\$105,500	\$381,964	
2017	820	\$9.96	\$98,052	\$3,106	\$120,388	\$362,734	
2018	920	\$10.66	\$117,660	\$3,629	\$58,623	\$425,400	
2019	1020	\$11.54	\$141,192	\$4,124	\$83,594	\$487,122	
2020	1120	\$12.61	\$169,428	\$4,320	\$139,835	\$521,035	
2021	1207	\$12.87	\$186,372	\$5,308	\$83,468	\$629,247	
2022	1223	\$13.97	\$205,010	\$3,192	\$412,504	\$424,945	
2023	1223	\$15.37	\$225,511	\$2,463	\$291,386	\$361,533	
			\$1,224,933	\$29,519	\$1,295,298		

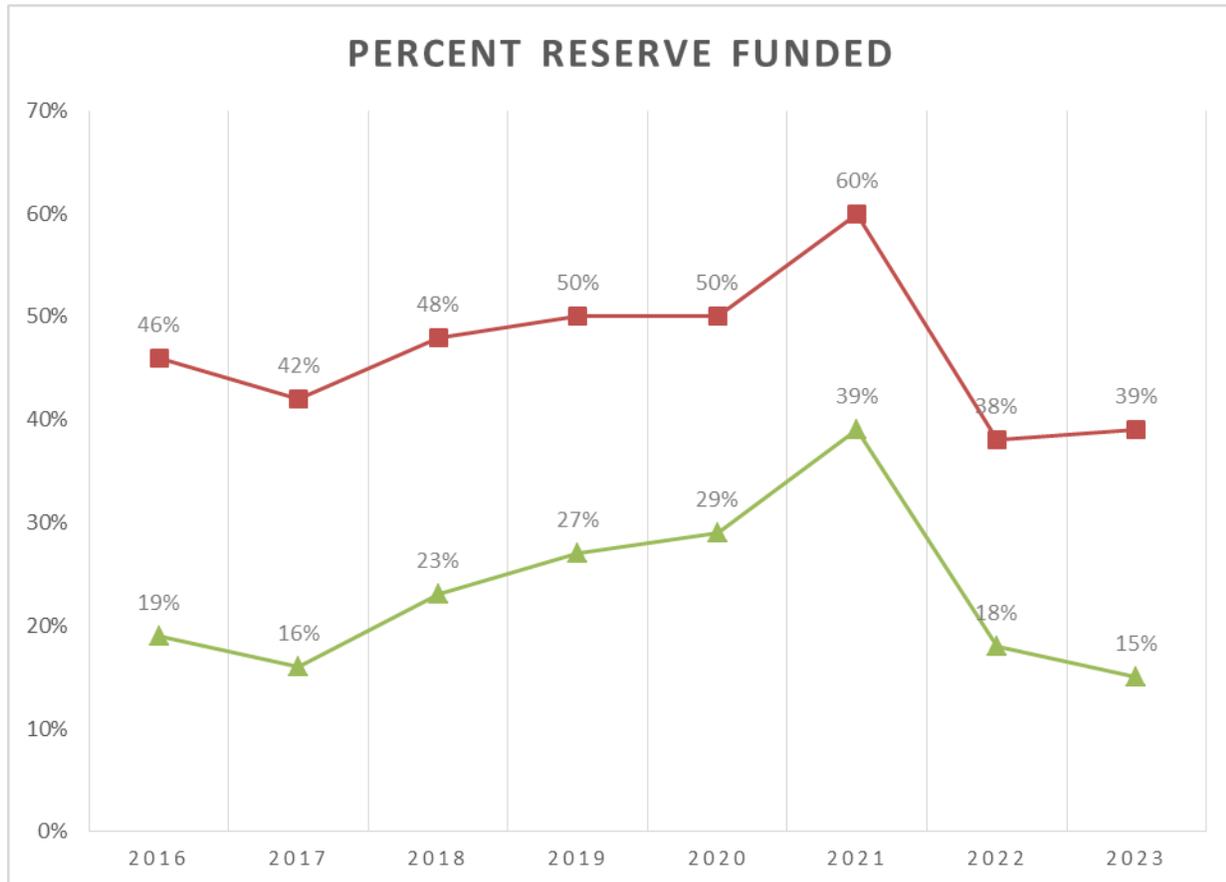
I tried to determine the Accounts Payable for the HOA at December 31,2016.

As best as I could determine, there was around \$220,000 of accounts payable.

The Adjusted for Accts Pay (Column J) has the RSI Calculated balance reduced by \$220,000 which is what the money market w reduced by if all the accounts payable had been paid at December 31,2016.

The yellow columns show the percent of the Reserve that would be funded under the two different scenarios.

The graph shows the percentage funded under the two scenarios.



November 17, 2017

Mike Moore asked me to review the email Jim Miles received from David Compton and comment on the accuracy of his information when compared to the reserve study.

I would say without any hesitation that the numbers Compton quoted from the reserve study are accurate and are not taken out of context.

Paul Harvey used to excel at telling “the rest of the story”. I will make an attempt to do that here but not sure I can adequately explain everything in the reserve study.

- RSI used 619 homes for the entire length of the reserve study. I believe that was the number of homes that existed when the study was started.
- The time horizon of the RSI study was 20 years or out to 2035. I only went out to 2023 with the information I am presenting here as that is when they quit having assessment increases.

- Their analysis was based mostly on total revenue and not so much on revenue per house since their house numbers were never adjusted for additional sales during the time period of the study. RSI added the following rate increases:
  - From 2017 through 2020, they added a 20% increase each year to the amount collected from homeowner's dues for the reserve.
  - From 2021 through 2023, they added a 10% increase each year to the amount collected from homeowner's dues for the reserve.
  - Using 619 homes causes the monthly dues assessment to rise from \$11 in 2016 to \$30 per home per month in 2023 for 619 homes. Using these numbers results in a 173% increase in the monthly dues paid into the reserve for each home over the seven-year period. This same increase results in a 10% increase in total dues paid by each home owner over the seven-year period. I will discuss later what the numbers would be with a more realistic number of houses, but this is how RSI presented the data.
  - They used a beginning reserve fund balance of \$402,379. I am not sure exactly where they obtained this number, but it does approximate the money market fund total of \$435,938 at December 31, 2015. Perhaps they used a money market figure at a different date.
  - RSI calculated an ideal balance for the reserve fund that ranged from \$835,000 in 2016 to a peak balance of \$1,126,000 in 2022.
  - RSI calculated balance for the actual reserve ranged from a minimum of \$362,000 in 2017 and 2023 to a maximum of \$629,000 in 2021.
  - The percentages of the actual calculated reserve to the ideal balance ranged from a minimum of 38% in 2022 to a maximum of 60% in 2021.
- Nothing is included for the Villa in the reserve study as the Villa did not exist at the time the study was prepared. At some point, we will need to add to the reserve for the Villa.

I changed the number of houses included in the calculations below to try and more accurately reflect the increase each homeowner would pay monthly based on current houses built and an estimate of houses being built in the future. The only thing that changes from the above is the increase in each houses dues for the reserve due to the change in the number of houses.

- The 619 houses that RSI used was approximately the number of houses that had been built as of May 2015. For this analysis, I used the following assumptions and facts.
  - The houses built at the beginning of 2016 was 674. The Houses built at the end of 2016 was 760 making the average number of houses for the year approximately 720.
  - I assumed 100 houses would be build and sold each year. This would increase the number of average houses by 100 each year until 2021 when they would have sold all the lots.
  - Based on these assumptions, they would have sold 1170 houses as the end of 2020. At 8 houses sold per month, they would reach their maximum sales of 1223 lots during August of 2021. This would result in an average for 2021 of 1207 houses sold.
  - The average number of houses for 2022 and 2023 would be 1223 which is the total number of lots that can be sold, and no houses would be sold during those years.
- Using these house numbers, the monthly dues designated for the reserve would increase from \$11 per home per month to \$15 per home per month in 2023. This would

be a 36% increase in the amount paid to the reserve compared to the 173% increase in the prior scenario.

- Comparing the increase in the monthly dues designated for the reserve compared to the total dues paid by the home owners, the percentage increase would be a 2% increase compared to the 10% increase in the prior scenario.
- Again, nothing was included in the reserve study for the Villa as it did not exist at the time the study was prepared. At some point we will need to add to the reserve for the Villa.

If you believe as I do that the accounts payable have a higher claim to the money market funds than our reserve fund does, then the money market funds devoted to the reserve should be reduced by the amount of accounts payable the HOA has at the end of each year. For the year ended December 31, 2016, I estimated that we had \$220,000 of accounts payable that would reduce the money market funds available to fund the reserve fund. If the money market account was reduced by that amount each year, the percent funded compared to the ideal balance would be less than indicated above. The actual reserve fund funded by the money market would have a minimum percentage of 15% in 2023 and a maximum of 39% in 2021. When using the total money market, the minimum percent funded is 38% in 2022 and 60% in 2021.

Respectfully submitted,

Larry Raasch

Britton Falls HOA  
Financial Commentary as of September 30, 2017  
November 14, 2017

Before moving on to 2017, I would like to review a few items for 2016. Since the Britton Falls HOA Board of Directors has chosen not to comply with the by-laws of our HOA regarding preparing financial statements in accordance with generally accepted accounting principles prepared by an independent accountant, I made an attempt to prepare a balance sheet on an accrual basis as of December 31, 2016. Let me be upfront that this statement is not 100% accurate because I did not have full access to all the accounting records of the HOA. Based on the information that I could obtain, I came up with the following:

- Pulte is required to fund any expenses in excess of HOA income when the financial statements are prepared on a cash basis. Based on this requirement, Pulte owed the HOA \$17,000 since the cumulative loss of the HOA at the end of 2016 was \$17,000. This is based on the negative equity the HOA had at that date when the financial statements were prepared on a cash basis. On an accrual basis, this would increase the assets of the HOA by \$17,000.
- The reserve income that should have been recorded to the reserve over the years was \$36,000 short of what it should have been. Lee Clouse verbally agreed at our September 2017 Finance Sub-Committee meeting to increase the reserve balance by this amount. This adjustment is not reflected in the statements we received for September 30, 2017. Hopefully this entry will be made before year-end 2017. As an added note, the reserve has been shorted an additional \$10,000 during the first nine months of 2017.
- I attempted to come up with the accounts payable the HOA had at year-end 2016. Since I was unable to examine any of the actual bills that were paid in 2017, I reviewed

the charges made to the HOA books in 2017 and came up with \$220,000 of bills that I think should have been recorded as accounts payable if our financial statements had been prepared on an accrual basis. \$192,000 of this was payable to Hittle. Other items include clubhouse cleaning, pool contract services, utilities, salaries and management fees.

- What does this mean?
  - The above-mentioned adjustments would result in negative equity for the HOA of more than \$250,000.
  - If all our bills had been paid, our money market fund would have been reduced by \$220,000. This account is often referred to as our reserve fund. In reality, it is just another cash account that can be used for any needs of the HOA. If the above payments had been made, the money market fund would have been approximately \$225,000. I feel this is woefully inadequate for our reserve fund. I believe the Advisory Committee should recommend to the Britton Falls HOA a \$5 to \$10 a month increase in our monthly dues designated for the reserve fund.
    - Estimated Lost Revenue for the reserve fund due to the change in the covenants for 2018 is approximately \$47,425.
      - 100 new homes @ \$245 equals \$24,500
      - 25 resale homes @ \$275,000 equals \$22,925.
    - Estimated Revenue Increase for the reserve fund for 2018 with a dues increase would be as follows.
      - 825 average homes @ \$5 per month equals \$49,500. This change would approximate the lost revenue above.
      - 825 average homes @ \$10 per month equals \$99,000. This would give us some added income to replenish the reserve.
  - The above items have nothing to do with the loan payable to Pulte on the Villa. It will present its own set of problems as we attempt to pay off the \$400,000 loan the HOA has received from Pulte due to the increased costs of the Villa over the \$1,000,000 that was included in the PUD and the additional \$200,000 that Pulte has agreed to fund.

Following is a summary of the income statement for the Britton Falls HOA for the nine months ended September 30, 2017.

	Actual	Budget	Difference
Income	\$1,582,000	\$1,524,000	\$58,000
Developer Contribution	\$82,000	\$000	\$82,000
Total Revenue	\$1,664,000	\$1,524,000	\$140,000
Total Expenses	\$1,631,000	\$1,631,000	\$000
Operating Income (Loss)	\$33,000	(\$107,000)	\$140,000

The Finance Sub-Committee reviewed the September 30, 2017 financial statements with John Doehrman on November 3, 2017. Lee Clouse was unable to attend the meeting, so we do not have the benefit of his insights.

Revenue for the HOA was \$140,000 over budget. \$68,000 of this was due to HOA dues from homeowners. HOA dues were over budget for two reasons. Some homeowners pay their dues in advance and new house sales were running ahead of budget. The developer contribution was \$82,000 over budget as no contribution was budgeted. Other items were under budget by \$10,000.

Expenses for the HOA were on budget. Some individual variances that offset each other are as follows:

- Snow removal was under budget by \$56,000 due to an extremely mild winter. Common area maintenance in total was \$31,000 under budget. If the snow removal under budget was not included, other common area expenses were \$25,000 over budget.
- Grounds maintenance for homes was over budget by \$33,000. Mowing for homes was \$25,000 under budget. Major items in this category that were over budget included mulch, tree pruning and seasonal clean-up.
- Utilities were \$31,000 under budget. Major variances were water which was \$31,000 under budget due to a wet spring and natural gas which was \$10,000 under budget due to a mild winter.

Submitted by Larry Raasch and Jim Kmak

### **Larry Amick Attachments:**

#### RESOLUTION

On or about September 29, 2017, The Britton Falls HOA Board of Directors entered into a Promissory Note for \$400,000 plus interest with Pulte Homes of Indiana, LLC. At the same time, the HOA Board filed an Amendment to the Britton Falls governing documents along with a Consent by Pulte to the Amendment, for the purpose of providing a means for financing the "loan".

Exercising due diligence, the Legal Subcommittee of the Britton Falls Advisory Committee met with our attorney, Mr. Steven Earnhart, to go over these documents. Our attorney informed us that it was his legal opinion that the method employed was unlawful. We were informed that the amendments to the governing documents required an affirmative vote by a majority of all Britton Falls homeowners. No such vote occurred. This means the Promissory Note is without the necessary funding mechanism obtained by lawful means.

Therefore, the Britton Falls Advisory Committee hereby respectfully requests the HOA Board withdraw the Note and Amended Declarations. The AC also respectfully requests that said HOA Board work with the AC to provide a reasonable and lawful alternative.

#### BLUEPRINT FOR TRANSITION READINESS, GROUNDS SUBCOMMITTEE

In order to be properly prepared for transition to homeowner control, numerous areas related to grounds need to be addressed. These areas fall into the broad categories of Water Features, Landscaping, Outdoor Recreation, and Other Infrastructure.

#### WATER FEATURES:

1. PONDS. The scheduled review of the ponds in 2018 recommended by the Reserve Study is necessary but not sufficient. In addition to measuring pond depth and sediment accumulation, there is also a need for a thorough, independent engineering

study to determine whether the ponds were properly designed and built, whether they are functioning properly, whether they are being operated properly, and issues related to erosion, animal damage, structural integrity, drainage, blockage, algae and weed control, and other factors affecting long and short range costs need to be surveyed. Associated issues such as the waterfall, its pumps, flow, and leakage, fountains and bubblers, linings, electrical components, lights, pumps, and repairs need to be investigated.

2. IRRIGATION SYSTEMS. There needs to be a thorough, independent, expert study of the irrigation systems for both the common areas and the homes. This is a huge cost to the HOA, and there are obvious problems with underwatering and overwatering which need to be investigated and resolved.

#### LANDSCAPING:

1. COMMON AREA TREES AND PLANTS. A full set of readable landscape drawings needs to be obtained. Based upon said plans, a complete survey should be undertaken to determine what trees and plants are missing, dead, or damaged, and what needs to be planted or replanted. A workable landscape recycling program needs to be implemented. A plan for additional landscaped areas needs to be developed. A flag location and possible veterans memorial needs to be planned and identified.
2. OTHER LANDSCAPE ISSUES. A complete survey of sidewalks and hiking/biking trails should be undertaken and necessary repairs completed and updated timely and regularly. Street trees in front of homes should be surveyed and replaced as necessary. Streetlights need to be monitored and made uniform. Street signs need to be repaired or replaced. Trash should be picked up, animal waste properly disposed of, vermin eliminated, runoff contained, and beautification encouraged. Sufficient space needs to be set aside for gardeners. A functioning water fountain is to be installed and maintained.

#### OUTDOOR RECREATION:

1. TENNIS/PICKLEBALL COURTS. The AC must continue to insist that necessary repairs are paid for completely by Pulte, using no HOA funds. As part of the process, the tennis and pickleball groups should be consulted on the lining of the courts. Pulte should be made to live up to its advertising by being required to install at least four dedicated pickleball courts.
2. OTHER OUTDOOR RECREATION. The bocce courts are badly in need of repair and refurbishment. Provision needs to be made for additional bocce courts in the future. The horseshoe pits are also in need of repair and refurbishment. A survey of the community should be undertaken to determine need for additional outdoor recreation facilities and a means for paying for them. This would include, but not be limited to, a dog run, a playground, disc golf, a putting green, miniature golf, shuffleboard, basketball, softball, etc.

#### OTHER INFRASTRUCTURE:

1. EXISTING. Beautification efforts could enhance property values for all. We should always be alert for opportunities to enhance our community. Existing entrances could be updated and landscaping expanded. Christmas lighting should be returned to its

previous glory. Additional rest benches should be added along trails and be properly landscaped. Homeowners can be encouraged to beautify their properties via contests and publicity. Britton Falls should be hosting more events not just for its residents, but for the entire Fishers community.

2. FUTURE. In conjunction with the City of Fishers and its Parks and Recreation Department, Britton Falls hiking and biking paths should be tied into surrounding developments and the greater Fishers community, and particularly, in an off-road fashion to and from Cyntheanne Park. We should encourage Fishers to develop nearby recreation and social facilities, including an indoor recreation facility, a pool with splash pad and lazy river, a senior social center, a day care for interaction with children, a tutoring/mentoring program, nearby assisted living and senior care facilities, a much closer fire and ambulance station, additional commercial development, enhanced transportation infrastructure, musical and cultural facilities, a nearby library, and other like community development.