

**MINUTES**  
**FOR THE MEETING OF THE**  
**BOARD OF DIRECTORS**  
**OF HOLLY HILLS HOMEOWNERS ASSOCIATION**  
**AUGUST 11, 2003**

1. Quorum and Call to Order.

Present: Mike McKinney, Kirk Faulkner, Marie Page, Denise Heiser, Ildiko, Carmen Villarma with The Management Group and David Lampe

Board Directors Absent: None.

The meeting was held at Mike's house.

2. Review and approve the Minutes from the August 4, 2003 First Meeting of the Board.

David, as the interim Secretary, did not complete the Minutes in time for this meeting, so the Directors elected to push this item off until the next meeting.

3. Old Business:

- a. Determine plan for obtaining liability insurance for the Association.

Denise collected three bids for insurance for the Association and the Board through Biggs Insurance. The low bid was from Evanston Insurance at \$752.50 for 90 days (\$3,010 per year), plus \$400 fee, plus \$81.84 in tax. Marie made a motion to authorize Denise to purchase the Evanston insurance. Kirk seconded the motion. The motion was approved. David reminded Denise to contact him to share in the cost of the

insurance until the Association could reimburse. The authorized insurance covers the Association only. Denise is continuing to work on collecting bids for coverage of the Directors. Denise expects to have this information by the next meeting.

- b. Determine a plan for assigning a new Registered Agent to replace Randy Ferguson.

David had arranged to hire MN Service Corp to serve as the Registered Agent, but will place that process on hold pending the Directors' decision on a professional management company (see Other Old Business below).

- c. Determine a plan for disseminating the Directors' contact information to the Membership (potentially a web page?)

Kirk has not been able to talk with his friend yet who may be able to provide the Association with a low-cost web page. Kirk will follow up and report back to the Board.

- d. Create list of tasks, prioritize and determine plan for completing them (e.g. set up committee's, etc.)

The Directors have focused on two top priorities: 1) obtain insurance for the Association, and 2) research and hire (if appropriate) a professional management company. Note that priority number 2 is the first step toward the creation, prioritization and completion of any number of additional tasks, e.g. budgeting, assessments, collections, accounting, communications (newsletter), financial statements, audits, set up of necessary committees, etc.

- e. Other Old Business?

Carmen Villarma, with The Management Group (TMG), attended the meeting and provided the Board with general information about the service options and costs associated with hiring a

professional management company. Carmen handed out an information packet to each Director. Some high points of the discussion are listed below.

When asked for advice on our approach to collecting the first dues, Carmen suggested one billing for the rest of 2003 and then alternatives for quarterly, half-yearly, and yearly payments thereafter.

Carmen also recommended that a thorough packet of information go out with the first billing that helps the homeowners to understand what the billing is for. Marie offered to draft a letter to the homeowners for the Board's review.

Carmen said that TMG can do auto-deduction at the homeowner's request.

Carmen said that they do send out late notices, but do not generally have a problem with past-due collections.

Carmen said that all billings to the Association would come directly to TMG, where they would be paid if appropriate and budgeted. Otherwise, the Treasurer would be contacted for approval.

Carmen confirmed that the Association should have its own Treasurer who would review TMG's statements and report to the Board.

The charge for preparation of the Association's taxes should be between \$125 and \$150 per year.

TMG belongs to MetroScan so they have access to the latest homeowner information. They also work closely with title companies.

TMG offers 3 basic levels of service: 1) Accounting only--\$350 to \$500 per month, 2) Standard--\$5-\$7.50 per unit per month, and 3) Full \$7.50 and up per unit per month.

TMG provides Director Handbooks that include all basic documentation for the Association plus some other handy information.

Carmen recommends Community Association Underwriters (CAU) for Association insurance because that is all CAU does and because they generally have the lowest price. Denise will get a bid.

Carmen suggests the creation of "House Rules". A one-page document that boils down the CC&R's to a handy list for the homeowners.

Carmen said that in her experience there are three commonly held committees—Architectural, Compliance, and Landscape. For Compliance, Carmen said that TMG would actually patrol the neighborhood at an extra charge. Otherwise, under the standard plan, TMG will send notices and fines based on information provided by the homeowners and Board. TMG has templates to choose from to determine fines.

Carmen asked if landscape as-builts are available, because they come in very handy when no one remembers where the sprinklers lines are, etc. Mike will check on this when he contacts Les and Todd (see Other New Business).

The Board requested a proposal from Carmen. Carmen agreed to have a proposal ready by midweek. After Carmen left, the Board reviewed what they had learned and decided to do the following: Kirk will collect cost information from competing management companies. When Mike receives the TMG proposal he will circulate the information. Using the proposal from TMG and the information that Kirk collects, the Directors will determine whether or not to hire TMG. This decision may be

made via collective email or the Directors may choose to set another meeting.

4. New Business:

a. Elect Officers (Secretary and Treasurer).

The Directors elected Denise Heiser Treasurer (Kirk made the motion, Marie seconded the motion), who agreed to the duties on the condition that the Association would be professionally managed. David agreed to continue as interim Secretary until a permanent Secretary can be found. Mike will pursue Ildiko for this position.

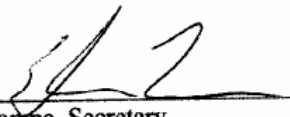
b. Other New Business:

Marie notified the Directors of an upcoming UCAN meeting that she plans to attend and invited the others to attend as well. The meeting topic may involve road improvements that would indirectly affect Dahlia.

Marie handed out a recent newspaper article about how homeowner's associations are doing their own web pages.

Mike will contact Les for the phone number of Todd with the Grounds Keeper, the current landscape company servicing Holly Hills. Les says that Todd has done all the landscape work and infrastructure installation since the start and that Les has been very pleased with his work. When Mike contacts Todd, he will verify that Todd is handling the Blackberry and English Ivy situation (per Doug Tweet's comments aired at the last meeting).

5. Next meeting and agenda: The next meeting has not yet been set.

Signed   
David Lampe, Secretary  
Holly Hills HOA