

BellaVita Finance Committee
Minutes of the Meeting October 25, 2010

Attendees:
Margo Green
Lee Molloy
Jim Thompson
Elizabeth Woods

Absent
Jean Buchanan
John Thatcher

The Committee reviewed the operating budget for 2011, capital budget for 2011, and reserve study and makes the following recommendation:

The Committee recommends that the operating budget, capital budget and revised reserve requirement be approved, and that monthly assessments should remain at \$210 for 2011.

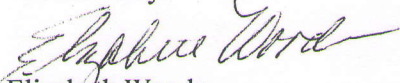
The committee reviewed bids for work to repair the pool deck. The Committee notes that Lennar and/or its agent might be liable for the emergent defects with the pool, estimated to cost approximately \$53,000 to repair. It appears that BellaVita's efforts to date to bring the matter to Lennar's attention have gone unanswered. The Committee believes that the Board should make a more forceful effort with Lennar to determine its willingness and commitment to indemnify BellaVita for the cost of pool repairs related to the defects. Time is of the essence in obtaining Lennar's written agreement to accept responsibility for defects in the pool. Lennar's interest and motivation in resolving the pool issues will decrease as time passes. When construction is finished at BellaVita, the builder's interest will be zero. The committee makes the following recommendation:

The Committee recommends that the BellaVita Board seek legal advice to determine what legal options are available regarding the repairs to the pool deck to enable the Board to decide whether to pursue legal action.

The Committee reviewed a list of common property that is not on the Harris County Appraisal District's records at nominal value. Those properties are valued at amounts as high as \$60,806, and tax payment of approximately 2,000 annually have been paid in January 2009 and 2010 because of those higher than nominal values. Although BellaVita was assured by Kristen Jovel in April 2009 and Alex Taylor in December 2009 that applications would be submitted to prevent unnecessary tax payments, values have not been reduced. We have attempted to obtain copies of applications for nominal value, but copies are not available because the applications were not retained by AMI. This is an urgent matter because delays have already resulted in unnecessary payments of taxes. The Committee is concerned that additional payments will be required in January 2011; therefore, the Committee makes the following recommendation:

The Committee recommends that the BellaVita Board request AMI to submit applications requesting nominal values for all properties; to maintain copies of all applications; and to monitor HCAD accounts until nominal values are obtained for all properties. The Committee also recommends that the Treasurer be designated to work with AMI to monitor progress regarding obtaining nominal value.

Submitted by:


Elizabeth Woods
Chairperson