

BellaVita Finance Committee
Minutes of the Meeting September 15, 2010

Attendees:

Jean Buchanan
Margo Green
Lee Molloy
John Thatcher
Jim Thompson
Elizabeth Woods

The Committee reviewed a proposal from Wrinkle Gardner in the amount of \$10,000 for the audit and \$1,500 for preparation of the tax return and recommends that Wrinkle Gardner be engaged to perform the audit for December 31, 2010 and related tax return.

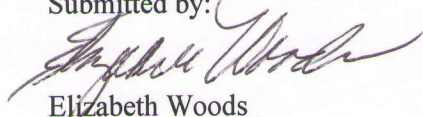
The firm indicates that the audit fee will increase if AMI does not provide requested schedules in a timely manner. The management letter provided from the firm indicated that there were difficulties obtaining needed information during the last audit. The Committee is concerned that inadequate preparation of documents has or will cause increased costs for audits; therefore, the committee recommends that a letter be sent by the Board, preferably from the Board President, communicating our concern and expectation that additional audit costs resulting from lack of cooperation will be paid by AMI. The committee also recommends that similar language to effectuate this expectation be added to the contract when it is renewed.

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, therefore, recommends that the Board 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. The committee also recommends that BellaVita seek legal advice to determine what legal options are available and whether we should pursue legal action.

The Committee reviewed preliminary budget for 2011, including information submitted from committees and Clubhouse Manager. The Committee recognizes that the Board determines which items are to be placed in the approved budget; however, there are a few items the Committee suggests be deferred or removed including EZ tag reader, shutters and additional (not replacement) exercise equipment.

The Committee discussed revisions to the reserve study. Revised estimates for costs were obtained from the Clubhouse Manager, historical expenses, and the Facilities Committee. Information obtained to date would result in an increase of around \$3 per month per home; however, work is ongoing, particularly on fencing costs.

Submitted by:



Elizabeth Woods
Chairperson