

Belrose Community Homeowners Association Annual Meeting Minutes
April 1, 2009

Location: Belrose Sample Home, 7:00 p.m.

Present Board Members: Doug Knox, Marc Pelletier, Becky Diamond

Absent Board Members: Tom Bentley and Andy Capeli.

Others Present: Becky Mueller and Barry Bauman (Mid-Atlantic Management); Mike Fisher, Jen Fisher, Brandon Spears, Meredith Spears, David Domnisch, Elizabeth Domnisch, Donna Pepe, Michael Liebman, Karen Helm, David Lee, Kate Cote, Charlotte Cote, Stan Nix, April Nix, Bob Krauss, and Hugh Diamond (Belrose Homeowners).

Proceedings:

- Meeting called to order at 7: 15 p.m.
- No minutes from prior meetings.
- Roll call was taken and enough board members were present to establish a quorum.
- Introductions were made of all present.
- Financial review was given. Becky M. advised the Board that the 2009 budget was generally on target. Board members receive a monthly financial report. Any owner can view the financial report at the Mid-Atlantic office upon request. Income tax will be filed this month. HOA must pay tax on interest generated on the reserve fund and any bank accounts.
- Becky M. stated that the snow removal contract expires in April and the landscaper contract expires in December. Both are one year contracts.
- Doug Knox presented the builder's report for Bentley. Twenty units are currently sold, 2 are leased by Bentley. The new building at the end of Ladbroke, with the first floor bedrooms on the ends, should be ready by July. If this floor plan proves popular the rest of the buildings will use it. Parking pads will be redone in pervious asphalt when construction of the entire community is finished. No estimated date for that due to the current economic climate and housing market conditions. Square footage may change in each model. but the basic cost per square foot remains the same. Dead trees around the community will be replaced this spring and more pine trees will be planted in butler zones.
- Motion made by Becky Diamond to approve Resolution #2 concerning Investment Policy. Seconded by Doug Knox. Passed unanimously. (see attachment #1 below)
- Motion made by Doug Knox to approve Resolution #3 concerning insurance coverage. Seconded by Marc Pelletier. Passed unanimously. (see attachment #2 below)

- Doug K. mentioned that dryer vents need to be checked by individual homeowners on a regular basis to prevent fires. Dryer vents are in the front of each house. Discussion was initiated about making this an HOA job. Board will discuss this at next meeting.
- Becky D. brought up discussion of screen door additions to unit front doors. Several owners would like to install them, although there have been no ARC requests as of this time. Board will discuss and recommend one, or possibly two, models which everyone must use for a uniform look throughout the community. Bob Krauss suggested "phantom" screen doors. Becky D. will post ARC form on web page.
- Dog problems were discussed. P A law says dogs must be under owner's direct control. Belrose HOA rules say dog must be on leash. Cleaning up after a dog is mandatory everywhere on the property. Several owners have observed unleashed dogs. A violation form will be created and placed on the internet so that this violation, and any others, can be reported to the management company.
- Cars traveling too fast was discussed. The township has set the speed limit in a residential neighborhood at 25 mph. Owners are asked to go even slower now that the weather is good and kids are out playing.

Meeting adjourned at 8:32 p.m.

BELROSE COMMUNITY ASSOCIATION

ADMINISTRATIVE RESOLUTION #2

INVESTMENT POLICY

Passed at April 1, 2009 Annual Meeting

WHEREAS, Article III, Section 3.2 of the Bylaws creating the Association gives the Board the responsibility to manage the business affairs of the Association; and

WHEREAS, Article III of the Bylaws for the Belrose gives the Board the power to handle and invest funds of the Association; and

WHEREAS, the Belrose Community Association has a professional management agreement with Mid-Atlantic Management Corporation; and

WHEREAS, the Board and Mid-Atlantic desire to set policies regarding how funds are to be handled and invested for the Association,

NOW THEREFORE BE IT RESOLVED, that Mid-Atlantic is hereby authorized to administer and the Board will retain its responsibilities for those funds as follows:

I. Prudent Investor Rule and Ethics

Investments on behalf of the Community will be made in accordance with the Prudent Investor Rule. The Prudent Investor Rule is a legal doctrine which provides guidance to investment managers regarding the standards for managing an investment portfolio in a legally satisfactory manner.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

II. Investment Objectives

The primary objectives in order of priority are safety, liquidity, and yield. The Board of Directors seeks to balance the three objectives:

- Diversifying investments among asset class to ensure safety of principal;
- Maintaining sufficient liquidity to meet financial obligations;
- Earning a market rate of return.

The liquidity goal is achieved by matching investment maturities with the expected timing of obligations. Attainment of a market return is measured by benchmarking the portfolio against a relevant market index.

III. Investment Strategy

Selection of securities will be made with an emphasis on the preservation of capital, the quality of the investment, maturity dates, and continued liquidity of funds. Securities shall be structured to mature in 6 months to five years. Structuring should insure that securities are laddered to spread maturities equally over a five-year period. Once established, a consistent purchase of securities at the

long end of maturity will be undertaken with new or maturing funds. A majority vote of the Board of Directors is required for all investment transactions. The Association will maintain readily available operating funds.

IV. Independent Professional Investment Assistance

The Board of Directors of the Association in consultation with the Finance Committee may hire a qualified investment counselor to assist in the formulation of a specific investment strategy.

V. Limitation on Investments

All funds shall be invested in authorized investments. Authorized investments include, Bank or Brokerage firm CD's and AAA rated Municipal or US Treasury securities having a maturity of 5 years or less. No bank or investment firm shall have a balance of more than, the FDIC or SDIC limit. The associations' funds may not be invested where the principle thereof is at risk in any way whatsoever.

VI. Accounting and Control

Monthly Reserve Fund statements will be developed by our professional management company or by a qualified investment counselor. The Board of Directors shall review these reports to insure that the funds are receiving competitive yield and meeting our objectives and shall make recommendations to the Board of Directors should prudent adjustments be needed.

The monthly accounting report shall include, but not limited to the following:

- All investment transactions.
- Brief review of money market and interest rate conditions.
- Composition of investment portfolio, including par value, book value, market value, average life and maturity schedule.
- Net interest income earned to date (portfolio yield).
- Portfolio performance comparison to recommended benchmark.
- All reserve accounts and investments need to be in the name of the association
- Only the Board Members are to be signers on any Reserve or Investment Account
- While Mid-Atlantic may investigate interest rates and return rates for alternative investments to assist the Board, **it is not acting as an investment advisor or any similar capacity.**
- Mid-Atlantic shall continue to provide the regular financial reports which reflect the status of investments and any transactions. Therefore, Mid-Atlantic must receive all information regarding any funds or investments on a timely basis, including those handled directly by the Board or designated Board member.

VII. Investment of Reserves

The Board of Directors shall invest funds held in reserve in a separate Reserve Fund account. By law the Reserve Fund contains only reserves and cannot be combined with other funds, e.g. operating funds. The purpose of the Reserve Fund is to responsibly fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for and for such other funding as the Board of Directors and Finance Committee may determine.

By a majority vote of the Board of Directors, funds may be withdrawn for the purpose of which they were deposited. However, in the rare situation where unforeseen extraordinary operating expenses temporarily exceed the available operating funds, the Board of Directors may authorize a loan from the Reserve Account. The maximum loan is 20% of the Reserve Account balance and must be repaid, with interest (the interest rate will be derived from the current investment acct. from which funds were borrowed, within 6 months.

Mid-Atlantic shall administer to or assist the Board in the routine investment transactions with funds, lending institution, or other sources as approved by the Board or designated Board member

VIII. Securities Selection Guidelines

The Board of Directors is responsible for establishing, maintaining, and amending general guidelines and procedures for investing Community funds. The Board along with the Finance Committee shall review, revise if necessary, and approve the investment selections. This program will be presented at a quarterly meeting and will outline appropriate action to be taken with respect to the investment of new monies over the next ninety days.

The Board of Directors shall, at each scheduled meeting, review investment transactions made since the last meeting to insure conformance with the approved investment policy and established procedures. The Board shall require a review of internal controls as part of an annual Community audit.

IX. Policy Changes

The Board of Directors may deviate from the procedures set forth in this Policy if in their discretion such deviation is reasonable under the circumstances. Changes will require a majority vote by the Board of Directors.

X. President's Certification

The undersigned, being President of the Board of Directors of The Belrose Community Association, Inc., a Pennsylvania Non-Profit Corporation and a Pennsylvania Planned Community in Chester County, certifies that the foregoing Investment Policy was adopted by a majority vote by the Board of Directors of the Association at a duly called and held meeting of the Board of Directors on October 25, 2007 and in witness thereof, the undersigned has subscribed his name.

By: _____

Belrose Community Association, Inc

BELROSE COMMUNITY ASSOCIATION

Administrative Resolution #3

Insurance Coverage, Deductible, and Claims Procedure Resolution

Passed April 1, 2009 at Annual Meeting

In order to clearly define the roles and responsibilities of the Board, Management, and Owners regarding Association insurance, this Resolution has been adopted and distributed.

1. The nature and extent of Association insurance is primarily governed by Section 11 of the Declaration creating Belrose. Within the limits of the current insurance market, the Board will continue to maintain coverage which is equal to or in excess of the requirements outlined in the Declaration.
2. Included in the coverage is a Special Form master insurance policy. This policy provides coverage for most losses which affect the Common Elements
3. Owners, or their mortgage holder, may request an annual Certificate of Insurance from the Association's insurance agent.
4. The Association property insurance policy is subject to a deductible per occurrence.
5. Owners are required to maintain their own homeowners insurance (often referred to as a Form HO-6 policy), covering personal property of the Owner, building losses for which the Owner is responsible as well as liability protection. Additionally, it is recommended that the Owners obtain what is referred to as a "Loss Assessment Endorsement", as well as expanded "Betterments and Improvements" coverage. These coverages could assist the Owner in minimizing any deductible exposure arising out of a loss related to the Association's property policy. (Investor owners may require additional coverages.) It is recommended that a copy of this Resolution be given to the Owner's insurance agent to further assist in obtaining adequate insurance.
6. Should an Owner sustain damage which they feel may involve the Association's insurance policy, they must contact Management. The Owner should provide information such as: *time and date of incident, probable cause, nature and extent of damage with details*. This information will be requested in writing. Under no circumstances should an Owner contact the Association's agent or carrier directly without prior consent of the Board.
7. The affected Owner is urged to notify his or her insurance agent regarding the loss, advising them of the potential involvement of the Association insurance coverage.
8. The Board and Management will review all information and, if appropriate, file a claim with the Association's insurance agent for evaluation. The Owner will be subsequently contacted by the Association's insurance agent, carrier, adjuster, or Management – as appropriate.
9. The Association shall have no responsibility to and will not repair any interior damage to the Unit [Home], except to the extent such damage is covered, above the deductible, by the insurance maintained by the Association. Owner(s) who experience the loss will be subject to any applicable Association insurance deductible. The deductible will be assessed to the Owner's Association fee account.

This Resolution has been passed by the Board on 1st of April 2009. It replaces the prior Resolution(s) regarding Association insurance coverage and claims processing.

For the Board of Directors, Belrose Community