

**BAILEY'S GROVE PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
January 9, 2007**

The Bailey's Grove Property Owners Association Board of Directors held a meeting on Tuesday, January 9, 2007, at the Bailey's Grove Community Center, 5353 Bailey's Grove Drive, Kentwood, MI, 49512. Present directors were Connie Balazs, Bob Brady, Mike Caldwell, Tom Dunn, Geri Eye, Jeff Gedeon, Denise Johnson, Chris Sobieck, and Brian Toronyi. Absent directors were Bart Boogerd, Rick Engle, Fred Olejniczak, and Brian Waalkes. Also present were Jim Heglund and Jake Heglund from REALICO and Ron Koroleski, from I. C. Professional Property Maintenance. One community resident also attended.

Call To Order

The meeting was called to order at approximately 7:00 p.m. by President Toronyi.

Approval of Previous Meeting Minutes

The minutes from the November 14, 2006, Board meeting and November 30, 2006, annual meeting were reviewed; and upon a duly made, seconded, and unanimously carried motion, the minutes were approved as written.

Public Comments

5756 Hickory Hill. Eric Wiersma from 5756 Hickory Hill addressed the Board regarding his underground dog fence encroachment onto common area. After discussion, the Board, upon a duly made, seconded, and unanimously carried motion, RESOLVED, that REALICO be authorized and directed to write Mr. Wiersma a letter directing him to remedy the encroachment on or before May 1, 2007.

President's Report

Brian Toronyi gave a president's report on the annual election of directors to the Board. Write-in candidate Geri Eye of 5672 East Grove accepted her election. Write-in candidates Ed Lobbezoo of 5398 E. Heathwood and Carolyn Timmer of 3610 Runningbrook declined their elections. Upon recommendation from Kathleen Adams, Eastbrook Homes legal advisor, a community notice will be published in the February 2007 issue of *The Bailey's Grove Times* newsletter stating that the Board, under no community protest, allowed the membership to reelect four unopposed directors to two-year terms expiring November 30, 2008, without a quorum so that the Association could proceed with its fiduciary responsibilities. The new Board was accepted as is until the next annual meeting of the membership to be held November 27, 2007.

In accordance with the Bylaws, Article III, Section 5, the Board had one single-family home vacancy to appoint resulting from the resignation of former director John Long back in September 2006. Jeff Gedeon of 5876 Timberlake expressed interest to serve the balance of the unexpired term and, upon a duly made, seconded, and unanimously carried motion, was appointed to serve until the next annual meeting of membership to be held November 27, 2007.

Election of Officers

Upon a duly made, seconded, and unanimously carried motion, the following directors were nominated and unanimously elected to serve in the noted officer positions until the period ending at the next annual meeting of membership on November 27, 2007:

Brian Toronyi	President
Tom Dunn	Vice President
Denise Johnson	Treasurer
Geri Eye	Secretary

Property Management Report

Jim Heglund presented the Board with a draft letter to Mr. Eric Wiersma directing him to remove his encroaching underground dog fence from BGPOA common property on or before May 1, 2007. Jim reported that REALICO sent all single-family homes a REALICO welcome packet in mid-December containing contact, annual dues payment, maintenance request, and member profile information. Jim confirmed REALICO's commitment to help BGPOA collect delinquent accounts and indicated that REALICO intended to restart the collection process, including collection letters with statements, collection calls, lien filings, and/or attorney-drafted foreclosure notices. Jim reported that REALICO intends to mail 2007 annual association dues invoices yet this week and upon hearing the Treasurer's report recommended that Association and Pool Board profitability be reclassified into respective reserve accounts to maintain non-profit status and minimize income tax liabilities. Jim mentioned that during the property management transition REALICO identified 5 accounts not billed for association dues in years 2005 and 2006. Finally, Jim stated that Linda Singer accepted the On-Site Community Center Manager position and that the Center's posted hours were 10:00 a.m. to 1:00 p.m. on Monday, Tuesday, Thursday, Friday and 4:00 p.m. to 7:00 p.m. on Wednesday. REALICO has voluntarily (and likely temporarily) opted to staff the Community Center 15 hours per week (at no additional cost to the Association in accordance with paragraph 2.6 of signed management agreement that only requires 10 dedicated and defined onsite hours per week). Jake Heglund reported that REALICO began collecting closing fees on behalf of BGPOA, will start working to produce a February 2007 issue of *The Bailey's Grove Times* newsletter, and introduced Ron Koroleski, from I. C. Professional Property Maintenance. Jake and Ron requested copies of the Association map showing landscaped, natural, and conservation areas, private streets, and maintained sidewalks. Secretary Eye agreed to request updated hard and electronic copies from Eastbrook Homes and provide REALICO with copies upon receipt from Eastbrook.

Treasurer's Report

Treasurer Johnson provided a written Treasurer's Report that presented preliminary 2006 yearend performance. Unadjusted preliminary financials show the Association favorable to budget by and with net income of almost \$7,000, attributable to unbilled and/or delayed expenses. Johnson agreed to work with REALICO to properly reclass net income into the reserve account to maintain not-for-profit status and minimize income tax liability. Johnson reported a \$7,738 ending checking account balance, again expressed tight cash flow until collection commencement of the 2007 annual association dues, and suggested that operating cash may need to be temporarily borrowed from the Association's reserve account or the Pool Board. Finally, Johnson reported that the Pool Board also ended the 2006 season with almost \$10,000 in net income and an ending checking account balance of \$16,377. Again, Johnson agreed to work with REALICO to properly reclass and/or allocate the Pool Board's net income to a reserve account.

Committee Reports

Finance Committee. Secretary (Chairperson) Eye provided a written Finance Committee Report. The Board discussed the BGPOA process of collecting delinquent balances and approved several updates to the annual dues billing and collection procedure. The Board authorized REALICO to collect delinquent accounts by utilizing the services of an attorney, noting that all collection costs, including but not limited to attorney fees, additional management charges, and late fees, shall be the responsibility of the delinquent member and shall constitute a lien in accordance with Article VIII, Section 4, of the Bylaws. Upon REALICO's receipt of the Billing and Collection Procedure for Bailey's Grove Annual Dues from Treasurer Johnson, the Board directed REALICO to update said procedure for subsequent Finance Committee review and Board approval. Procedure to include date of late fee assessments, date of late fee notices and mailing protocol, partial payments or payments made after the late fee is due, collection costs charged to delinquent homeowners, steps for attorney-drafted lien filings and/or foreclosure notices, and example attorney letter(s). The Board also discussed the 5 accounts not billed for association dues in 2005 and 2006 and upon a duly made, seconded, and unanimously carried motion, RESOLVED, that REALICO be directed to bill these 5 homeowners for both 2006 and 2007 association dues in 2007. Year 2005 association dues will be forgiven for these 5 identified homeowners. Additionally, upon compilation of all property management transition issues, the Board will discuss claims against Gerow Management Company and/or Gerow's liability insurance.

Parks and Grounds Committee. Secretary (Chairperson) Eye provided copies of all to-date documentation and communication on the 5756 Hickory Hill underground dog fence encroachment. See Board action above under "Public Comments" section.

Community Events, Architectural Control, Website, and Pool Board/Committees. No written reports submitted and no Board discussions and/or actions.

Open Items

Deaver Development: Vice President Dunn reported Mr. David Deaver's phase of Bailey's Grove had finally been platted and that correspondence continued regarding receipt of Deaver's written agreement that the appearance and quality of the exterior construction materials used on his homes harmoniously blend with the exteriors of the existing Bailey's Grove homes.

Adjournment

There being no further business to come before the Board and upon a motion for adjournment being made, seconded, and unanimously carried, the meeting was adjourned.

The next BGPOA Board of Directors meeting is March 13, 2007, at the Bailey's Grove Community Center. The meeting will start at 7:00 p.m.

Respectfully submitted,

Geri D. Eye, Secretary