

Arbor Ridge Community Corporation 2007 Annual Report

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Financial Highlights

	Closing Balance 2007
Income	
Association Dues/Fees	\$ 32,720.00
Other Income	\$ -
Late Fees	\$ 1,275.00
Legal Fee Reimbursement	\$ 100.00
Interest Income	\$ 1,406.13
Total Income	\$ 35,501.13
Operating Expenses	
Administrative	
Accounting	\$ 200.00
Permits & Licenses	\$ 20.00
Miscellaneous Expenses (1)	\$ 344.14
Legal Fees	\$ 1,214.00
Management Fees	\$ 3,381.75
Postage/Print/Office Supply	\$ 472.19
Taxes & Insurance	
Taxes	\$ 210.00
Property Insurance	\$ 1,367.98
Utilities	
Electric	\$ 105.36
Water/Sewer	\$ 99.12
Grounds Expenses	
Grounds Services/Improvem.	\$ 450.00
Fertilization	\$ 2,346.00
Mowing	\$ 8,438.00
Snow Removal	\$ 4,013.00
Asphalt Seal/Repair	\$ -
Sprinkler Maintenance	\$ 551.25
Maintenance	
Repair Services	\$ 143.50
Total Operating Expenses	\$ 23,356.29
Net Operating Income	\$ 12,144.84
Assets	
Checking	\$ 2,405.89
Reserves	\$ 12,131.64
CDs	\$ 43,578.45
Total Assets	\$ 58,115.98

Notes to Financial Highlights

(1) Miscellaneous” included door prizes and food costs for Association Meetings.

Investment Summary

CD Investments as of December, 2006

Balance	APY	Term
\$ 5,541.16	4.80%	12
\$ 5,654.80	4.30%	12
\$ 5,454.19	4.30%	12
\$ 10,575.39	4.50%	12
\$ 4,124.96	4.25%	12
\$ 4,098.53	5.00%	12
\$ 4,129.42	4.30%	12
\$ 4,000.00	5.15%	12
\$ 43,578.45		

Checking account and reserve savings account = 2.75 APY as of January, 2008

At year-end 2007, the remainder of reserves was held in checking and savings accounts.

Notes to the Investment Summary

- 1) Arbor Ridge Bylaws specify that the Association may invest only in insured accounts, deposit certificates or in interest bearing obligations of the U.S. Government.
- 2) Pinnacle will continue investment in a laddered structure of CDs that will mature quarterly, each with a 1 year maturity period with local banks.
- 3) Pinnacle Management has successfully leveraged its increasing portfolio of managed properties to insure that local financial institutions provide Arbor Ridge with among the highest, local interest rates.

From the Board of Directors

The Board reports improved financial health of the Association after 2006CY. The Association total assets increased by approximately \$12,000. The Board thanks all of you who, in this difficult financial time for Michigan, pay your dues promptly, and encourages those who do not to please make sure you budget for timely payment of dues. To facilitate timely payments, co-owners can now utilize automatic payments. (See the ARCC web site for more information.)

The Arbor Ridge financial goal specifies achievement of \$100,000 in reserves by year-end 2010. At that time, our streets and walkways will reach approximately 15 years of age and will most likely have need for replacement. Meanwhile, the Directors will continue to request biannual crack fill and seal coat application to our paths and walkways.

This past year's Annual Meeting on November 1 at the Pittsfield Township Building again featured pleasantly high attendance. Counting proxies and co-owners present, the association reached a quorum of voters and was able to hold an election. Thanks to all who attended or submitted proxies. The Board was pleased to award the annual cash prizes to non-Directors. The Board also fielded questions about investments, snow removal, and bidding practices.

Regarding Arbor Ridge Phase II, the Board has no further information to report. Our understanding with the developer should give us advance notice of Phase II construction.

The Board is always open to help from individuals interested in their community. To date, and in addition to the Board, we have two active Committees (Website, and Landscaping). Please contact Pinnacle Management or a Board member if you are interested in forming or joining a committee. Also, if you would like to voice a concern to the Board, please feel free to contact Pinnacle or a Board member. Please note that identities of those expressing a complaint are not shared with other residents. The Board encourages the residents of ARCC to voice their concerns and opinions.

The Association is online at <http://www.arborridge.net> . Co-owners may find Association Documents, forms, information about Board Meetings, email addresses, and other useful information there.

Best wishes for a prosperous New Year!
Arbor Ridge Community Corporation Board of Directors

Collection Policy

(effective 4-10-02)

1. Assessments may be paid in a single payment on January 1¹ or they may be paid in two equal payments on January 1 and July 1. Arbor Ridge Condominium Bylaws provide for a 10-day grace period. [Article II, Section 2] During the grace period no late fees will be assessed.
2. A late fee of \$25 will be assessed, each and every month, beyond the grace period of ten (10) days. Assessments not paid by the close of business on January 10th (or the last business day immediately preceding the 10th) will incur a late fee. Thereafter, each month that assessments (including all late and legal fees) are not paid in full, another \$25 late fee will be assessed. If an outstanding balance of \$100 or more remains for sixty (60) days, a formal collection process will be initiated and a lien warning will be mailed. A copy of the warning will be sent to the Co-owner's mortgagee, per the Bylaws.
3. If full payment is not received within ninety (90) days of the original due date, a lien will be placed on the Co-owner's title. A copy of the lien will be sent to the delinquent Co-owner's mortgagee, per the Bylaws. Outstanding liens will incur an additional \$100 monthly assessment, plus the maximum allowable interest rate retroactive to the first missed due date, until the lien is satisfied.
4. If full payment has not been submitted within 180 days-of the original due date, foreclosure proceedings on the delinquent unit will begin, per the Bylaws [Article II, Section 5].
5. **The Board of Directors will not consider exceptions to this policy.**

The Directors wish to make it clear that if you are delinquent for more than 60 days (past the last business day in February or August), you will likely incur legal fees for which you will be held responsible AND which, if unpaid, will be treated as outstanding assessments (per the Bylaws). That means your balance continues to collect late fees, regardless of its amount. In other words, *make sure your assessment payments reach the Managing Agent on time.*

Examples of Application of the Collection Policy

- 1) Unit 99 mails a check for six months' assessment on December 31. It reaches The Managing Agent on January 3, beyond the January 1 deadline. However, no late fee is assessed because of the 10-day grace period.
- 2) Unit 101 mails a check for six months' assessment on January 9. It reaches The Managing Agent on January 11. A late fee of \$25 is assessed bringing Unit 101's balance to \$25. Per the Bylaws, this is treated as \$25 of *assessment* owed. Unit 101 should get a reminder notice in the mail stating that there is a \$25 balance owed. Unit 101 ignores the reminder past January 31. \$25 additional late fee is assessed bringing the total balance to \$50. Unit 101 ignores the second

¹ Where specific dates are mentioned, the deadline is on or before the close of business on the prior business day, if the date mentioned falls on a non-business day for the Association management.

reminder mailed in February. After February 28, The Managing Agent contacts the Board, which examines Unit 101's ledger. The Board may decide to pursue collection per the Policy. If the Board decides to pursue collection, the Association Counsel would be contacted to open a collection account on Unit 101 and mail a lien-warning letter in March. This incurs substantial legal fees and another \$25 fine, bringing the balance to over \$140 after legal fees are billed.

- 3) Unit 103 mails a check for six months' assessment, which reaches The Managing Agent on January 10. The Managing Agent submits the check for cashing, but the check bounces. This makes Unit 103 late because the grace period expired, incurring a \$25 late fee. The bounced check incurs a \$40 fee. Unit 103 must now write a new check for \$365 and get it to The Managing Agent prior to the close of business on the last business day in January.

Reminders

- 1) Please remember that ***before starting or obtaining Township approval for a project***, you must obtain approval of any ***exterior modifications*** (for example, decks, fences, major landscaping, new exterior paint colors, satellite dishes, exterior lighting, grade changes) to your Unit with the Architectural Control Committee (currently the Board of Directors). This is basically a formality and not very painful, unless you do not seek approval before starting your project. Contact a Board member and review your Bylaws (Article VI) for further information.
- 2) Please ***park your vehicles*** in your driveway when the streets need plowing or when significant snowfall (three inches or more) is forecast. This will keep costs down.
- 3) Please make sure the ***exterior condition of your unit***, including the yard, driveway, all sides of the house, and the roof, is good. The Board will conduct periodic inspections throughout the calendar year. Please help us promote ***safety and the highest possible property value***.

Budget Review

The 2008 budget, which was mailed separately, reflected higher allocations for taxes and asphalt maintenance. Higher taxes result from the higher interest income of Association investments.