



Farmbrook Village Recreation Association

2010 Homeowner Update **(May 1st, May 5th)**



Agenda

- Welcome and Introductions
- Current Challenges
- FVRA BoD Strategy
- Tennis Court Analysis
- Reserve Study Summary
- FVRA BoD Action Plan
- Q&A



Ground rules

- One person speaks at a time; everyone will be heard.
- Show respect to others that you would expect for yourself.
- Focus on the community as a whole.
- A parliamentarian will ensure the meeting is conducted in an orderly manner.



Farmbrook Village Profile

- 24 year old Covenant Community
- 98 homes total – 5 for sale
- Key selling points:
 - Swim/Tennis community with very low dues
 - Variety of architectural styles
 - Common areas include a clubhouse, gazebo and playground
- Annual dues
 - Paid \$23,991 (68 homes)
 - Late \$14,016 (30 homes)



FVRA Board and Committee Members

Role	Name	Lived in the Neighborhood
President	Stefanie Fountain *	2 Years
Vice-President	Randy Lariscy	21 years
Treasurer	Wes Barker *	18 years
Secretary	Rocky Brier	14 years

** Served on the board in 2009*



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Current challenges

- Tennis courts
- Pool shell maintenance
- Parking lot repaving
- No reserve fund
- Impact on home values & salability



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FVRA Board - Guiding Principles

- Maintain & Enhance value and salability of homes
- Preserve aesthetics of the community
- Sound governance of FVRA community assets
- Fiscal responsibility
- Open meetings



FVRA Board Strategy

- Short-term focus: Tennis Courts
- Long-term focus: build sufficient capital reserves



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Tennis Courts – Current State

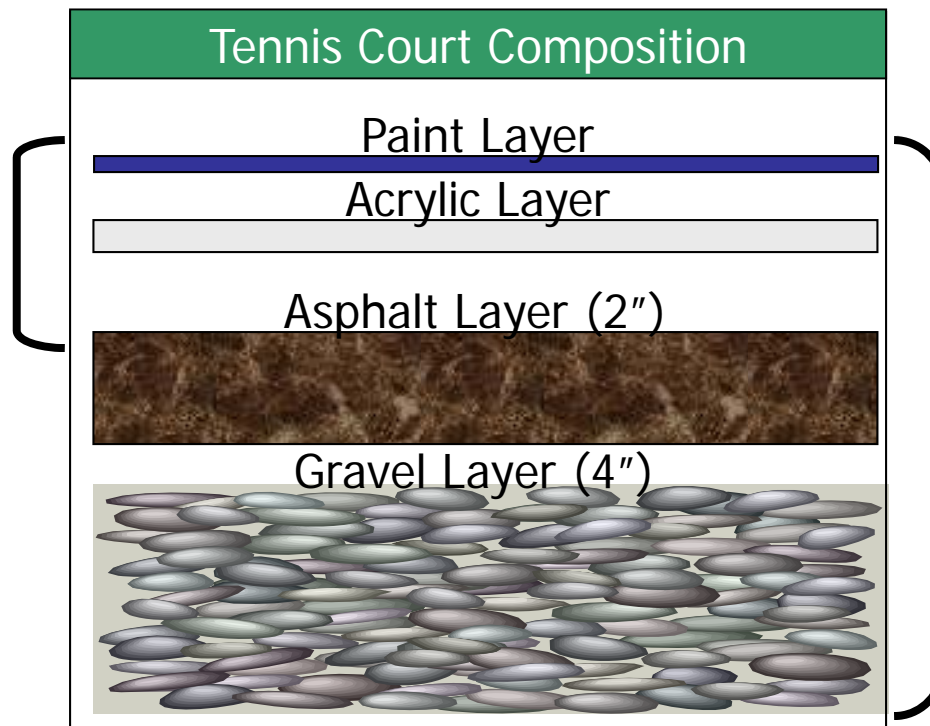
- End of life before the 2009 flood.
 - Typically courts have 25-year lifespan
 - Size/number of cracks negate resurfacing
 - Fencing torn down by flood
- Top 3 tennis court firms concluded courts must be rebuilt.

Tennis Court Maintenance

- Resurface every 5 years
- Rebuild every 25 years

Resurfacing

- Fill in small cracks
- Repour acrylic coats
- Repaint



Rebuilding

- Pulverize existing surface
- Pour gravel, asphalt
- Apply acrylic surface coats
- Paint



Tennis Court Options

	Rebuild	Not Rebuild
Pros	<ul style="list-style-type: none"> ■ Provides popular recreation outlet for the community ■ Swim & Tennis community raises value of each home ■ Swim & Tennis community increases salability of homes 	<ul style="list-style-type: none"> ■ Alleviates immediate need for capital.
Cons	<ul style="list-style-type: none"> ■ Large initial outlay of funds 	<ul style="list-style-type: none"> ■ Requires 80% vote from permanent members and changes to the covenants. ■ Cost \$3K-5K to tear down and establish green space. ■ Must replace with something of equal or better attractiveness or home value/salability will decline further



FVRA Covenant Requirements

Section 13

“In the event of damage to or destruction of all or any part of the Common Property as a result of fire or other casualty, unless eighty (80%) percent of the Permanent Members vote not to proceed with the reconstruction and repair of the structure, the Board or its duly authorized agent shall arrange for and supervise the prompt repair and restoration of the structure.”

Paragraph (a) “...the board shall obtain reliable and detailed estimates of the cost of repairing and restoring the structures thereon to substantially the condition that existed before such casualty...”

Paragraph (b) “If the proceeds of insurance ... or ... funds for the payment of the costs thereof are insufficient, a special assessment shall be made against all of the Permanent Members without the necessity of a vote of the Permanent Members...”

Paragraph (c) “Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Common Property was originally constructed...”



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What is a Reserve Study?

- Identify all assets managed by FVRA
- Estimate lifespan and replacement costs
- Assess current age/integrity of each asset
- Calculate capital funds needed to cover major maintenance and replacement (25-year view)
- Recommend annual reserve amount needed for the budget



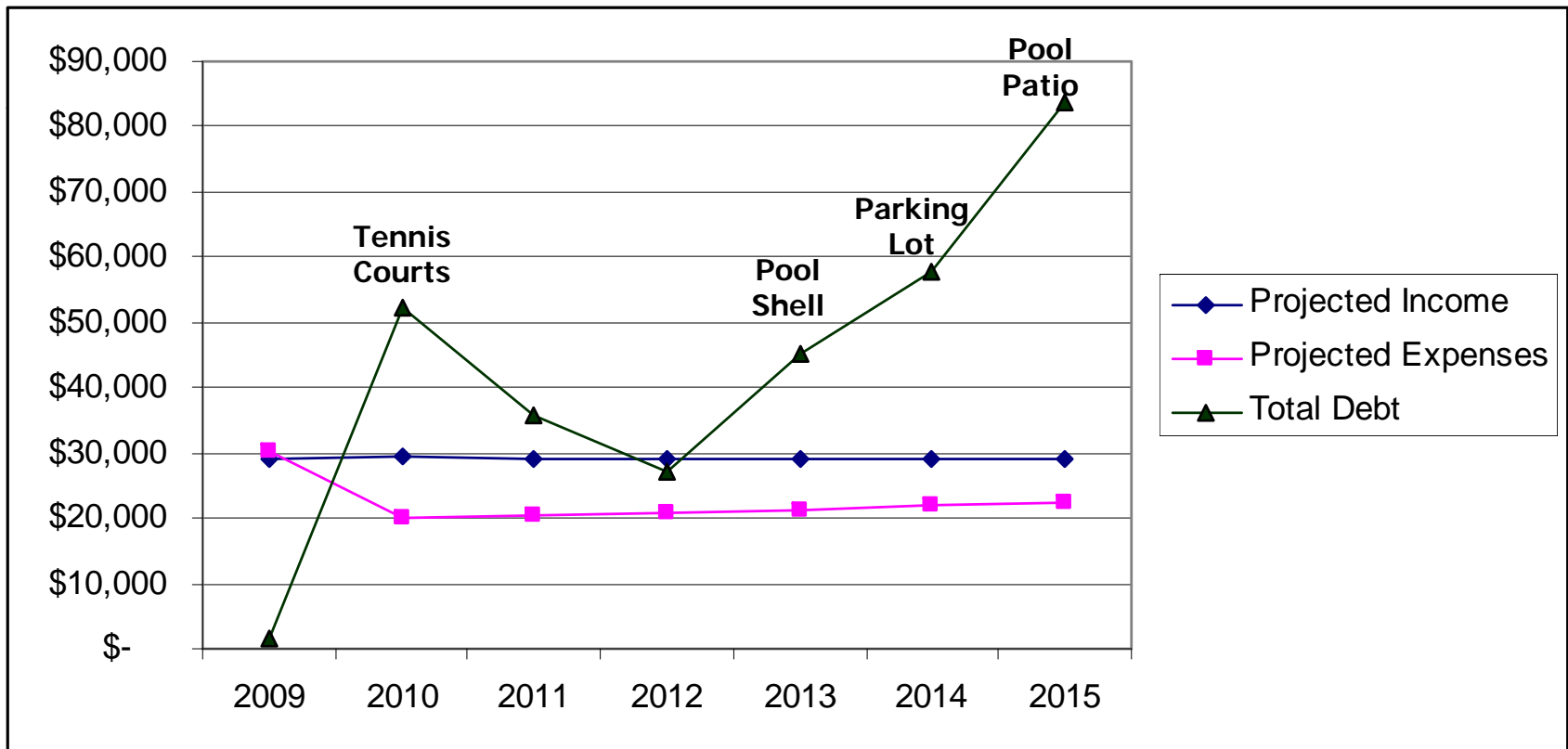
Reserve Study Summary *

- Immediate capital needs:
 - Tennis courts
 - Security gates (2) for the courts
 - Cost ~\$52,000
- Next 5 years – costs are TBD:
 - Pool shell
 - Pool furniture
 - Patio surface
 - Parking lot
- Annual reserve needed ~\$10-12,000
- Capital fund is 0% funded today
 - A strong position for reserves is 70% or more funded

** Note – the reserve study is incomplete at this time.*

Current Budget Projection

(all things remaining roughly the same)





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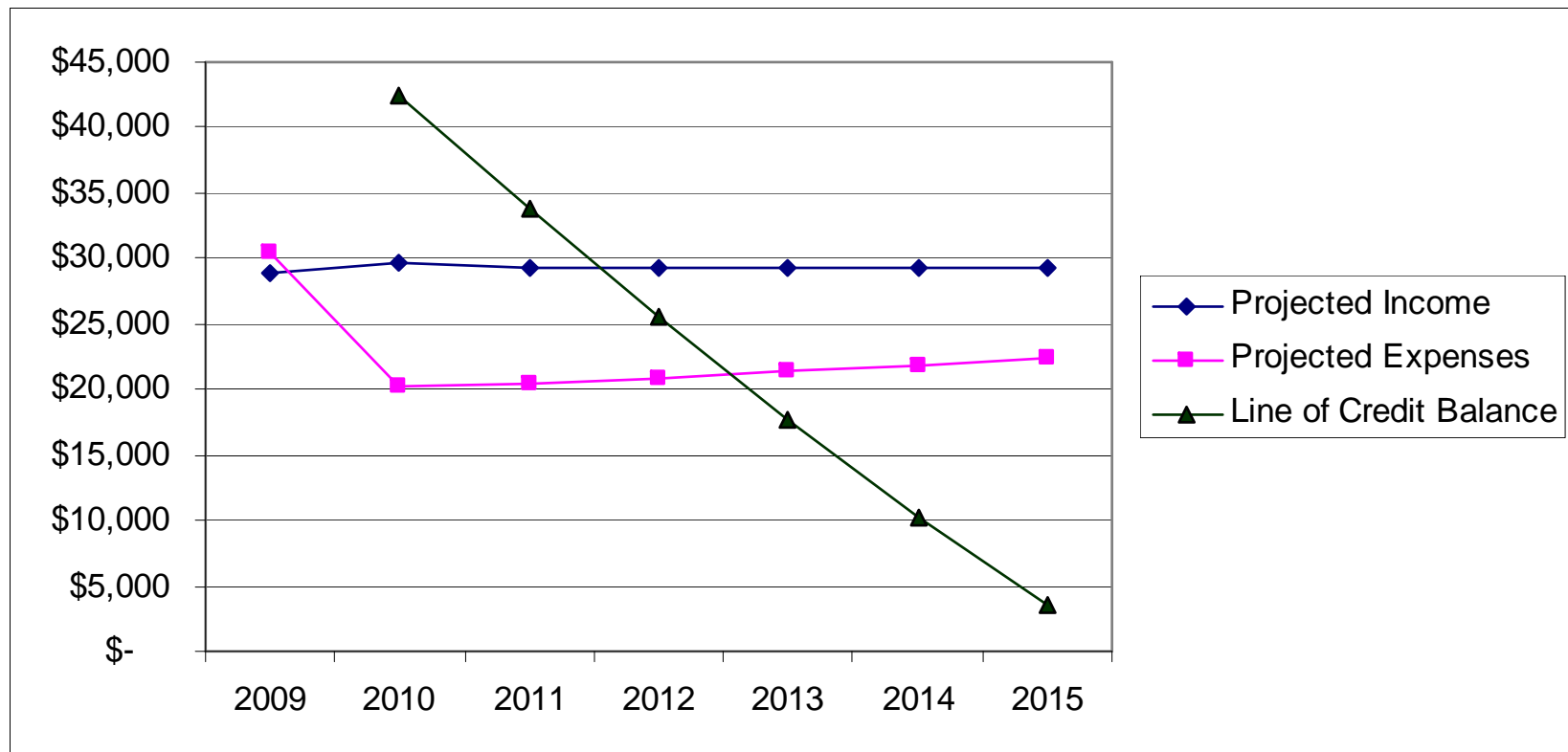
FVRA Board Action Plan

- Tennis courts
 - Rebuild tennis courts in 2010.
 - Bid the project to top 3 firms in area: Court Makers, Southeastern, Talbot.
 - Pursue a line of credit (LOC) ~\$60K to cover current costs of tennis courts and future potential capital needs.
- Complete reserve study and initiate action to establish a reserve fund.
- Continue diligent focus on late FVRA dues.

NOTE - Based on meeting motions, the board will complete the reserve study and reconvene with the community in July to discuss plans for 2010 and beyond.

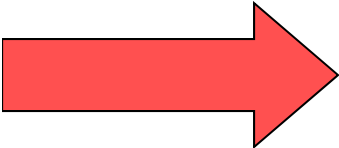
Budget Projection With LOC

- Excludes potential capital needs other than tennis courts
- Assumes no change to dues and no extraordinary expenses





Line of Credit Considerations

- With the line of credit we can rebuild the tennis courts in 2010.
 - Sufficient income is projected for 2010 to cover line of credit payments this year.
 - With current dues/expense structure, payback term for the tennis courts ~ 6 years.
 - Without the line of credit we would have to wait until ~2016 to rebuild the tennis courts.
-  \$60K Line of Credit will require a majority vote of eligible permanent homeowners.



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