

Devon Hills Community Association
P.O. Box 210945
Nashville, TN 37221
615 256 7146
www.devonhillshoa.com

Resolution April 22, 2013

The Devon Hills Homeowner Association met on April 22nd and discussed the creation and purchase of a private investment mutual fund. The investment fund will provide a way to set aside annually, for at least ten years, a certain amount of homeowner funds. We anticipate that the accumulated funds will be used for the replacement of the retention pond liner which has a limited life span left. We expect the cost of replacement, in ten years, to be in the neighborhood of \$60,000 and the anticipated beginning amount to be invested yearly between \$2,500 and \$3,000. It was discussed that when our SBA loan is paid off in 2015 that we could increase the yearly amount.

Motion and follow up

A motion was made by treasurer Richard Osgood to proceed as to the purchase of and to the funding of the initial investment with at least \$2,500 which is the minimum required to open an account.

The motion was seconded by Susan Curley a board director of the homeowners association.

The motion was voted upon and the resolution was carried unanimously by all directors present.

Directors present and who voted were: Dennis Petty (DHoward), Susan Curley, Porter Ragsdale and Richard Osgood.

It was agreed that Suntrust Bank Private Investment Services would be our buying agent and account holder.

The board asked president Porter Ragsdale initiate this transaction and to open the account. The board asked that they be advised of the specific investment choice before it is acted upon. The board also asked that we advise again all homeowners of our intentions and wait thirty days before we activated the specific investment.

Signed and Dated, _____
Porter Ragsdale, president
Carolyn Strickland, secretary

Our Pond Liner Nov 2012

For the last couple of years we have been aware that the pond liner is in need of repair. The flood of May 2010 had a significant impact on the pond as well as two vehicles that have ended up in the pond due to accidents that occurred in 2008 and 2009. The last accident had damaged the liner near the top edge on the side of Old Hickory Blvd. When we investigated the costs of repair in late 2009 we came to realize that the amount was more than we had so we established a pond reserve to accumulate funds. We had funds from our insurance company in the amount of \$5000 and in our SBA loan, which we took out in September of 2010 to repair the drainage system, we were able to add another \$3800. We continued to save money into the reserve and we were able to implement the repair in September of this year(2012).

We had to hire two different companies to complete the job. We hired one to drain the pond down to a level so that we could see what the actual damage was. The second company was from Huntsville, Al. It took them 3 days to repair the damage from the vehicle and to patch some twenty holes in the liner. A good portion of the liner was covered with silt from years of drainage and from the results of the flood. The job was completed and we feel as if we have added another ten years of minimal maintenance and fewer issues to be concerned about.

Our main concern now is the future of the pond liner. The pond is actually a retention basin for rain water that comes off of the hills behind homes on Devon Glen and Devon Valley. The liner is there to create a visual effect (such as a pond with some wildlife) but it's function is extremely critical. It functions to retain rain water that is delivered down the city sewer system. The liner when it was put in place had a life of 25 years. We are 16 years into that life span and we have about 10 more years before it has to be replaced. We estimate that this project may cost up to \$60,000. To that end we believe that the Board of Directors has a fiduciary responsibility to make plans for that money to be available in the year of 2022.

Our plans are to establish an investment account in which we will set aside each year a lump sum to accumulate principal as well as an investment return. On the **second** page of this document we show the amounts that have to be invested in a lump sum (at the beginning of each year) at an assumed rate of return. The money to set aside will come from our discretionary cash flow each year. We may have to save a lesser amount in each of the next three years while we continue to pay off our SBA loan. After that we should be able to increase that to a larger amount.

We want you to be aware of our plans for the future. It falls on the Board of Directors shoulders to project ahead and be prudent as we plan to meet the financial obligations anticipated in the future.

	3%		5%		7%		3%		5%		7%	
1/1/2013	3000.00		3000.00		3000.00		1/1/2018	22514.61	5000.00	26765.20	5000.00	28002.15
4/1/2013	3022.50		3037.50		3052.50		4/1/2018	22683.47		27099.77		28492.19
7/1/2013	3045.17		3075.47		3105.92		7/1/2018	22853.60		27438.51		28990.80
10/1/2013	3068.01		3113.91		3160.27		10/1/2018	23025.00		27781.49		29498.14
12/31/2013	3091.02		3152.84		3215.58		12/31/2018	23197.69		28128.76		30014.36
1/1/2014	6091.02	3000.00	6152.84	3000.00	6215.58		1/1/2019	28197.69	5000.00	33128.76	5000.00	35014.36
4/1/2014	6136.70		6229.75		6324.35		4/1/2019	28409.17		33542.87		35627.11
7/1/2014	6182.73		6307.62		6435.03		7/1/2019	28622.24		33962.16		36250.59
10/1/2014	6229.10		6386.46		6547.64		10/1/2019	28836.91		34386.68		36884.97
12/31/2014	6275.81		6466.29		6662.22		12/31/2019	29053.19		34816.52		37530.46
1/1/2015	9275.81	3000.00	9466.29	3000.00	9662.22		1/1/2020	34053.19	5000.00	39816.52	5000.00	42530.46
4/1/2015	9345.38		9584.62		9831.31		3/31/2020	34308.59		40314.23		43274.74
7/1/2015	9415.47		9704.43		10003.36		6/30/2020	34565.90		40818.15		44032.05
10/1/2015	9486.09		9825.74		10178.42		9/30/2020	34825.15		41328.38		44802.61
12/31/2015	9557.23		9948.56		10356.54		12/31/2020	35086.34		41844.99		45586.66
1/1/2016	14557.23	5000.00	14948.56	5000.00	15356.54		1/1/2021	40086.34	5000.00	46844.99	5000.00	50586.66
3/31/2016	14666.41		15135.42		15625.28		4/1/2021	40386.99		47430.55		51471.93
6/30/2016	14776.41		15324.61		15898.72		7/1/2021	40689.89		48023.43		52372.69
9/30/2016	14887.23		15516.17		16176.95		10/1/2021	40995.06		48623.73		53289.21
12/31/2016	14998.88		15710.12		16460.05		12/31/2021	41302.53		49231.52		54221.77
1/1/2017	16998.88	5000.00	20710.12	5000.00	21460.05		1/1/2022	46302.53	5000.00	54231.52	5000.00	59221.77
4/1/2017	17126.37		20969.00		21835.60		4/1/2022	46649.80		54909.41		
7/1/2017	17254.82		21231.11		22217.72		7/1/2022	46999.67		55595.78		
10/1/2017	17384.23		21496.50		22606.53		10/1/2022	47352.17		56290.73		
12/31/2017	17514.61		21765.20		23002.15		12/31/2022	47707.31		56994.36		