MILL VALLEY NORTH ASSOCIATION, INC.

State of the HOA

Annual Report to Homeowners

2025 Review & 2026 Outlook

Prepared by Chris Slee
March 15, 2026

Board of Directors

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Table of Contents

A Message from the President 2
Mill Valley North Association, Inc. State of the HOA Report 3
I. Initial Assessment - Findings and Actions 3
HOA Records Review 3
Assets and Financial Statements Review 4
Policies and Procedures Review 5
Common Areas 6
Insurance and Contracts Review 7
Reserve Study Review 8
Communication 8
Community Involvement 9
II. Priorities and Plans for 2026 9
New Management Company 9
Transition from Cedar to CPS 9
2026 Annual HOA Meeting 10
New Homeowner Welcome Packets 10
Pool Reopening 10
Pond Maintenance Scope Expanded 10
Policies and Procedures Manual 10
Community Standards and Enforcement 10
Annual Assessments and Financial Considerations 11
Homeowner Guide to Understanding the CC&Rs 11
Ideas In Development 11
III. Looking Ahead: Our Vision for the Future 11
IV. How Homeowners Can Engage and Participate 12
Contact Us! 12
Annual HOA Meeting & Election 12
Table: 2025 Operating Income & Expenses 13

A Message from the President

Dear Mill Valley North Homeowners,

When I was elected on May 8, 2025, I made a commitment to strengthen communication and increase transparency between the Board and the homeowners of Mill Valley North.

Over the past ten months, the Board has sent eleven HOA Update emails to homeowners. We launched a website that houses the most important HOA information in one place and provides several easy ways to contact us, and we respond promptly to every message sent to us by email or through the website (284 so far and counting!) We also created an HOA Facebook page for homeowners who like to get their information on Facebook, although it's clear that our commitment to respectful communication and transparency extends far beyond social media.

In further support of that commitment, I am pleased to share the first annual State of the HOA Report with homeowners. This report provides an overview of the work accomplished in 2025, the priorities guiding the Board's decisions, and a look at our plans for the year ahead.

The Board has been building on the foundation laid by the homeowners who gained control of the HOA from the developer in late 2020. Since May, we have focused on evaluating and creating systems for the Association's operations and have begun to address several items that, for various reasons, had gone unattended for some time.

As you will see in this report, we have made meaningful progress in organizing the business of the HOA, improving shared spaces, managing resources responsibly, and planning for the future. There is still much to do, but we remain committed to preserving and enhancing the value, safety, and quality of life that come with owning a home in Mill Valley North.

On behalf of the Board, I would like to thank the homeowners who have taken the time to share their feedback, ideas, and support throughout the year. Your engagement genuinely helps make the HOA better! I would also like to thank my fellow Board members and our volunteers for the time and effort they have invested in serving our community.

I look forward to a positive and productive year ahead building on the progress we have made together. By continuing to keep the best interests of our community at the forefront of everything we do, I am confident that Mill Valley North will remain a place we are all proud to call home.

Christopher Slee

President
Mill Valley North Association, Inc.

Mill Valley North Association, Inc.

State of the HOA Report

Fiscal Year 2025 Review & 2026 Outlook

I. Initial Assessment - Findings and Actions

A comprehensive review of all HOA records, assets, and business practices was begun immediately after the May 8, 2025 Annual HOA Meeting and lasted several months. This assessment included:

HOA Records
Assets and Financial Statements
Policies and Procedures
Common Areas
Insurance and Contracts
Reserve Study
Communication
Community Involvement

The following is a recap of the Initial Assessment findings and subsequent actions taken by the Board to correct any deficiencies or issues.

HOA Records Review

- The HOA had no official record book to fulfill records retention requirements.
- EMS had no records prior to 2023 available in the portal. Other than a few reports provided to Associa by Borror after the management company change in 2021 and a few reports provided to EMS by Associa after the management company change in 2022, no records of the HOA had been obtained from previous management companies.
- There were no notes, records, or meeting minutes in the Board's possession regarding decisions made or actions taken by the previous Board from 2021 through 2025.
- There were no records in the Board's possession documenting the process of the homeowners gaining control of the HOA from the developer in 2020.
- No financial audit had been done at the time of the HOA takeover from the developer.

Action Taken:

- The Board established a Google Drive and Workspace for the HOA to use for all HOA business. All board members, support staff, and committees were assigned a dedicated HOA email address and an official Record Book of the Association was established.
- At the Board's request, the HOA's attorneys issued legal demands to prior management companies Borror and Associa for prior records. Thousands of pages of records were received in digital format from both companies. These recovered records include all historical records and documents prior to the switch to EMS in 2022 and dating back to the developer-controlled period, including correspondence, ARC requests, violation records, and financials. Records are being sorted and categorized in the Record Book.
- The Board was not given access to the email account created by the previous Board (millvalleynorthhoa@gmail.com), so the Board requested downloads of all email correspondence sent to and from that address, as well as deactivation of the account. Multiple emails were received and preserved for the record. Texts and emails related to HOA business sent by or to previous board members via their personal cell phones and email accounts are not available and have not been requested or volunteered.
- Since the previous Board relied heavily on a neighborhood Facebook group to communicate with homeowners and to post information, screenshots of all previous Board member posts and comments in that group were obtained and preserved for the record. Messenger conversations provided by homeowners have also been preserved.
- Work is ongoing to bring the Association into compliance with Ohio records retention requirements.

Assets and Financial Statements Review

- The Board thoroughly reviewed financial reports and found adequate funding in the HOA bank accounts controlled by EMS, with approximately $200,000 in the Operating account and $120,000 in the Reserve account in May 2025.
- The Board noted overdue homeowner accounts totalling $57,467.30.
- Additional funds originally totalling $325,000 were reported by EMS as having been withdrawn by the prior Board for investment purposes.
- The current Board did not have account information, access, signatory rights, or statements for the accounts opened by previous board members using HOA funds.
- Assets not under the control of the management company or reflected in the budget or records were two golf carts purchased by previous board members using HOA funds.

Action Taken:

- Complete monthly financial packets from the previous management companies were collected and added to the HOA's digital Record Book.
- After completing a review of all transactions handled by EMS/Cedar, the Board identified and asked for refunds and billing corrections for multiple invoicing and payment errors made by EMS/Cedar over the past three years.
- In July 2025, the Board received cashier's checks from a previous board member in the amounts of $9,027.85 and $157,271.93 representing the balance of one bank account and one CD account opened at Heartland Bank by the previous board member using HOA funds, now closed. Members of the current Board obtained signatory rights to one CD account that remained in the previous board member's control. Upon maturation of that CD, a cashier's check for $160,148.70 was obtained by the Board and the account closed. All funds were moved to a Money Market account at Richwood Bank and will be transferred to the new management company for investment. Statements from the original accounts are still pending.
- Two golf carts were transferred to the Board by previous board members at the end of May 2025. No HOA records existed for their purchase, though a receipt was produced by a previous board member that showed they were purchased in May 2024 for $15,461.48 using the previous board member's personal credit card. The purchase price was reported to have been reimbursed to the previous board member in 2024 by a withdrawal made from HOA funds held in the board-controlled bank account at Heartland Bank. As previously stated, no statements for this account have been obtained by the Board. The two golf carts had never been titled in the HOA's name, registered, or inspected. Upon taking possession, the Board titled and registered both carts, mounted license plates, and completed the required inspections. One cart was subsequently sold for $3,800.00 due to condition issues. A decision on the remaining cart is pending.

Policies and Procedures Review

- No written policies or procedures existed for the HOA beyond the CC&Rs and a Collection Policy written by the HOA attorneys dated September 26, 2023.
- Regular community inspections had not been conducted by the management company for years despite their contractual obligation to do them.

Action Taken:

- The Board deemed it necessary to write and approve the following policies and procedures to ensure efficiency, consistency, and legal compliance: Code of Ethics (Board Members); Board of Directors Operations Manual; Code of Ethics (Volunteers); Board Purchasing & Reimbursement Policy; ARC Request Policy; Social & Welcoming Committee Policy.

- Policies for Financial Oversight, Records Retention, New Board Member On-Boarding, Pool Access, Email and Social Media are in draft and will be reviewed and adopted soon.

- When the Board attempted to enforce the contract with the management company to perform community inspections, they were advised by Cedar that the contract in the Board's possession (dated to expire on September 30, 2025) was not the current contract, and that a contract had been executed by the previous board on April 1, 2025, to remove inspections from the scope of services provided by management so these inspections could be performed by the previous board members instead.

- The Board was advised by counsel that for liability and ethical reasons, community members should not be conducting inspections on other community members. The Board resolved to return the responsibility for conducting inspections to the property management company in the next contract and that any violations reported to the Board in the meantime would be forwarded to the management company for handling.

- After fielding multiple complaints from homeowners about unauthorized use of the pool, a "No Fob, No Entry" policy was enacted. Lifeguards are not permitted to let anyone into the pool area except emergency personnel, and all residents must enter using a pool fob.

- Pool fob recordkeeping and distribution was reorganized and streamlined. A "Request a Pool Fob" button was added to the Pool & Playground page on the HOA website.

- The Board compiled, approved, and published the long-promised Community Standards document based on the CC&Rs and the developer's vision and plans for the neighborhood. This document was written with guidance from other HOAs, real estate, design, and building professionals, and legal counsel. It is not a list of violations or possible citations, but rather, a compilation of HOA rules, community guidelines, ARC requirements, state and local codes, as well as helpful information about City services. The Community Standards will be updated as needed for clarity, and reviewed annually for content. Homeowners wishing to provide constructive feedback about standards may do so in writing through the HOA website.

- A legal audit of all HOA processes continues in coordination with legal counsel.

Common Areas

- The pool facility was assessed and multiple issues were found, including a broken gate, corrosion and rust in the pump room and electrical panel, chemical damage to the concrete, non-working canopy lights and light poles, broken doors and locks, plumbing issues, disintegrating pillars, and peeling and faded paint. Pool Condition Photos

- Upon inspections by both the Marysville Fire Division and the Union County Health Department, the pool facility failed in multiple categories, including open chemical storage, emergency exits not working and not to code, no fire extinguisher, no address signage, no access keys for MFD. Inspections Summary / MFD Report / UCHD Report

- The ponds were assessed and multiple issues were found, including excessive algae overgrowth, severe erosion and collapsed areas on the banks, foul odors, trash, and evidence of pest activity. Pond Condition Photos
- City and County representatives were consulted and confirmed the ponds were not properly maintained to industry standards for what appeared to be an extended period.
- Areas of concern to City and County representatives included loss of function, loss of capacity, erosion and bank instability, nutrient overload causing severe algae overgrowth, dense vegetation overgrowth at the inlets and outlet areas, and outlet structure damage. The Board was advised that if these conditions were left unchecked, it could result in costly repairs, property damage to homeowner and City property, downstream public water contamination, and heavy fines.

Action Taken:

- Necessary repair and maintenance projects were initiated at the pool facility, including electrical work, plumbing work, fence and gate modifications, pool resurfacing, pool house painting. Costs not allotted for in the 2025 Budget were funded using Reserve funds and funds that had accumulated in the Operating account due to prior years of deferred maintenance. Pool Overview & Costs / Pool Task Tracking Spreadsheet
- The Board consulted with stormwater pond experts and authorities from the City of Marysville, Union County, Ohio EPA, Ohio State University Cooperative Extension, and Soil and Water Conservation District to develop pond remediation plans. Necessary work was begun, including mechanical algae removal, suction dredging, and bank repair. All work was funded from funds that had accumulated in the Operating account due to prior years of deferred maintenance. Ponds Overview & Costs

Insurance and Contracts Review

- The insurance for the Association was current and a review of the policy indicated adequate coverage.
- All available contracts were reviewed for service and auto-renewal dates, scope of services, and cost. However, many contracts were missing from the records or unavailable for review.
- It was noted that the Association's contract with EMS was not in compliance with our governing documents.

Action Taken:

- Requested a quote for adding social media liability coverage to the insurance policy.
- A spreadsheet was created to track annual vendor contracts, dates, and terms.

Reserve Study Review

- The most recent Reserve Study was conducted on March 4, 2021.
- Several items identified in the study as needing attention had not been addressed, including pool house painting and siding deterioration caused by missing flashing.
- Additional items identified in the study as needing attention were not addressed promptly or properly as advised in the study, such as the inadequate ventilation in the pump room and the lack of recommended periodic playground inspections.
- Multiple items were identified as requiring repair work or regular maintenance, but the Board could not determine whether these tasks had been done, or if they had been done, how and when, due to the lack of notes or records in the Board's possession.

Action Taken:

- The Board is currently addressing multiple items identified in the 2021 Reserve Study.
- The Board has retained Superior Reserve to conduct an update to their 2021 Reserve Study. This will take place after the pool renovations are completed. All items identified in the new study will be calendared for review and repair as indicated in the study.

Communication

- There was no website or clear source for obtaining information about the HOA.
- There was no clear or consistent method for communicating with the Board.

Action Taken:

- Launched the Mill Valley North HOA Website with relevant information, announcements, documents and records, and multiple ways to contact the HOA. This website will be expanded regularly to include additional features for the community, such as a New Homeowners page, a Neighborhood Clubs & Activities page, and a Social Events page. Please contact the Board if you would like your neighborhood club or activity added.
- Initiated regular "HOA Update" emails to homeowners. These will be expanded later this year to include mailing or hand-delivering paper copies of the HOA Updates to the 40 homeowners in our community who do not have an email address on file with the HOA.
- Launched the information-only Mill Valley North HOA Facebook Page as a courtesy for those members of the community who use Facebook. Please note that Board members will not be communicating with homeowners on Facebook and all information posted on the page will be shared with homeowners via email and on the HOA website first.

- At the recommendation of the HOA's attorneys, the Board sent a letter to the administrator/moderator of the "Mill Valley North" Facebook group requesting that a disclaimer be added to the group indicating that it is not affiliated with or monitored by the HOA; requesting the removal of all HOA-related files; and suggesting a name change to prevent confusion in the community. No response has been received and none of the requested changes have been made as of this writing.

Community Involvement

- No standing committees were formed by the previous Board.

Action Taken:

- After requesting homeowner volunteers for several committees, the Board conducted interviews with four interested people and was able to formally establish the Social & Welcoming Committee. This committee held its first community event in December 2025 with the next tentatively scheduled for early April 2026.
- Attempts to staff a Pool & Playground Committee and a Pond Committee were unsuccessful due to lack of volunteers. Efforts may resume this summer.
- The Board was advised by counsel that forming an ARC/Standards & Violations Committee would be inadvisable due to the strict requirements outlined in our Bylaws for determining design standards for the community, and the ethical and liability issues that could arise from homeowners inspecting or issuing violations to other homeowners.

II. Priorities and Plans for 2026

New Management Company

Since the HOA encountered multiple serious issues with Cedar Management Group when they took over our account from EMS on October 1, 2025 after the merger, the Board voted not to renew Cedar's contract and sent a formal Notice of Non-Renewal in December 2025.

Six potential new management companies were vetted and interviewed, two formal proposals were requested, and the Board ultimately selected Capital Property Solutions (CPS) of Worthington, Ohio, as our new management company, effective April 1, 2026. The proposed contract with CPS was forwarded to the HOA attorney for review, and the agreement was revised and executed with 17 attorney stipulated changes implemented.

Transition from Cedar to CPS

The Board will continue to review and correct Cedar actions on a daily basis through the end of their contract date (March 31, 2026). The Board is also carefully monitoring the ongoing records, funds, and responsibility transfer from Cedar to CPS to help ensure no unnecessary delays or loss of records occur.

2026 Annual HOA Meeting

CPS will send official notification of the Annual HOA Meeting to all homeowners by email and regular mail in early April. A CPS representative will also attend the meeting, which is scheduled for **Thursday, May 7, 2026 at 6:00 PM** in the Commons at Northwood Elementary School. The Board encourages all homeowners to attend.

New Homeowner Welcome Packets

The Board will begin distributing Welcome packets to all new homeowners in January 2026. These packets will include a Welcome letter from the Board with information about the HOA and coupons from local businesses obtained by a member of the Social & Welcoming Committee specifically for this purpose.

Pool Reopening

The remaining pool projects (pool resurfacing, door replacement, pool house painting and carpentry work, safety systems, pre-season walk-through, security reinstallation, and state, county, and city inspections) will take place over the next two months. We anticipate opening on time, weather permitting, for the Grand Reopening on May 23, 2026.

Pond Maintenance Scope Expanded

The contracts with Burrey Aquatics Restoration have been extended to include all three community ponds in 2026 so all ponds receive the same level of attention and maintenance.

Policies and Procedures Manual

Development of a comprehensive policy manual and procedures handbook for current and future boards is ongoing.

Community Standards and Enforcement

The most common concern expressed by homeowners in our development is not the existence of Community Standards but rather the lack of adherence to them. Most homeowners seem to understand the necessity and value of the standards and the importance of their fair and consistent enforcement.

The Community Standards document was published at the beginning of the year to give homeowners plenty of time to review it and plan any necessary exterior projects before inspections resume. It also contains information about the ARC Request process for exterior design changes and will soon be updated with specifics from our new management company. Monthly community-wide inspections will be conducted by our new management company beginning in mid to late May. Notice of inspection dates and areas of focus will be provided to homeowners well in advance. Inspections will focus primarily on specific seasonal items, but egregious violations of any standard will also be addressed. With a professional management company handling inspections, homeowners can expect consistent, fair enforcement.

Annual Assessments and Financial Considerations

The annual homeowner assessment will remain $350.00 per year for the foreseeable future. These assessments pay for professional management services, pool operations, pond maintenance, green space upkeep, insurance, legal compliance, community standards enforcement, communications infrastructure, and Reserve funds for future maintenance as identified by our Reserve Study.

Homeowner Guide to Understanding the CC&Rs

We are developing a plain language version of the CC&Rs for homeowners to provide better understanding of the meaning and purpose of each document in our governing documents.

Ideas In Development

These are a few things the Board is considering getting, doing, or implementing in the future. These ideas are in the research phase at the moment and will only be implemented if they pass budgeting, logistics, and legal hurdles.

Updating the playground
Benches in the play area
Bike racks
Tables with umbrellas for the pool
Lights for the pool for evening swim
Movie night, Saturday morning cartoons at the pool
Restocking the ponds
Hosting a community fishing derby
More social events!

Please feel free to contact the Board through the website to suggest improvements, or contact the Social & Welcoming Committee through the website to suggest social events or activities you would be interested in attending. We love to hear from you!

III. Looking Ahead: Our Vision for the Future

The work documented here is presented for transparency. It is in no way meant to solicit praise or adulation, nor is it meant to diminish or criticize the work and contributions of any previous board members or volunteers. We believe that everyone who is called to serve in a volunteer position is sincerely trying to do the best they can.

The work of being a Board member is important. Our HOA is a non-profit business with approximately $250,000 in annual revenue and more than $1 million in assets. Its purpose is to help sustain and enhance property values in our shared neighborhood by maintaining common

areas and establishing and enforcing community standards. Identifying what needs attention, addressing it, and planning thoughtfully for what comes next isn't glamorous work, but it's what separates a well-run neighborhood from one that slowly loses ground.

The goal isn't perfection. Rather, it's steady, competent leadership and actions that keep our community safe, attractive, and running smoothly year after year. When that happens consistently, the results speak for themselves: beautiful and functional common areas, reliable infrastructure, well-maintained properties, neighbors who feel secure both at home and within the community, and property values that reflect this.

This doesn't happen by accident. It happens because people invest in where they live, and because the systems that support that investment are run well. The result is a neighborhood that's not just well maintained, but genuinely desirable. This is the standard we are working toward and it’s the vision that will continue to guide our efforts in the year ahead.

IV. How Homeowners Can Engage and Participate

Contact Us!

Homeowners are encouraged to contact the Board through the HOA website for questions, concerns, or to volunteer. Response times are typically within one to two business days.

Annual HOA Meeting & Election

Homeowners are encouraged to attend all Annual HOA Meetings to learn about the business of the Association, ask questions, and vote to elect competent and qualified members to the Board of Directors.

At the upcoming meeting on May 7, 2026, an election will be held for the Treasurer position. If you are interested in serving your community on the Board and feel you have the experience and qualifications necessary for this position, please contact the Board through the HOA website. You can read more about the roles and responsibilities of the Treasurer, and each board member, by clicking here: Roles & Responsibilities of Board Members.

Mill Valley North 2025 Actuals

Operating Income	
Operating Revenue	
380000 - Operating Assessment	$237,808
Total Operating Revenue	$237,808
Non-Budgeted GLs	
380150 - Miscellaneous Income	$975
Total Non-Budgeted GLs	$975
Total Income	$238,783
Operating Expense	
Landscaping	
416005 - Landscape - Contract	$58,078
416007 - Landscape - General Expenses	$866
416013 - Snow Contract	$867
Total Landscaping	$59,811
Pool	
417000 - Pool Expenses	$7,546
417005 - Pool - Contract	$80,640
Total Pool	$88,186
Management Fees	
418000 - Management: Contract	$24,675
Total Management Fees	$24,675
Maintenance/Repairs	
419000 - General Maintenance	$19,365
Total Maintenance/Repairs	$19,365
Stormwater/Pond	
424015 - Pond Maintenance	$28,179
Total Stormwater/Pond	$28,179
Utilities	
426000 - Electricity	$8,717
426500 - Phone/Internet	$2,285
431000 - Water/Sewer	$11,940
431010 - Trash Removal	$100
Total Utilities	$23,043
Legal Expenses	
432500 - Legal Fees	$9,388
Total Legal Expenses	$9,388
Insurance Expenses	
434000 - Insurance Policy	$3,073
Total Insurance Expenses	$3,073
Taxes/Audit	
435000 - Tax/Audit	$545
435005 - Real Estate Taxes	$4,987
Total Taxes/Audit	$5,532
Administrative/Bank Fees	
473000 - Administration & Postage	$12,276
Total Administrative/Bank Fees	$12,276
Non-Budgeted GLs	
417011 - Pool - General Expense	$214
419070 - General Supplies	$2,325
Total Non-Budgeted GLs	$2,539
Total Expense	$276,066

Table: 2025 Operating Income & Expenses

[Source: Cedar Management Group]

NOTES:

Some 2025 expenses were applied to incorrect categories by Cedar Management and cannot be corrected at this time.

This table shows income and expense totals for 2025 only. Reserve expenses for 2025 and income and expenses paid after January 1, 2026 are not reflected here.

The Association's Operating accounts total approximately $175,000, Reserve accounts total approximately $120,000, and Investment accounts total approximately $300,000 at the time of this writing.

The 2026 Budget is currently being finalized and formatted to our new management company's specifications and will be released, with a current Balance Sheet, at or ahead of the annual homeowner's meeting.