

**QUADNA MOUNTAIN TOWNHOUSE ASSOCIATION
MINUTES OF
FALL INFORMATION MEETING
SEPTEMBER 22, 2007**

The meeting was called to order by President Bob Madsen at 10:00 a.m.

Financial Report

Treasurer Deaton provided a financial report.

2007 highlights:

- Association Fee Revenue \$207,432
- Year-to-date Expenses \$138,282
- Annualized YTD Expenses \$207,423
- Miscellaneous Income: contract work from Villas and \$1000 in late fees

Breakdown of expense:

- 42% Operating and Maintenance
- 31% Utilities
- 18% Taxes and Insurance
- 9% Administration

Significant Items:

- Sewer charges now expected to be \$33,000, the budget was set at \$30,000
- Treasurer Deaton discussed how recordkeeping for homeowner propane is currently being handled. Current processes include only annual reports to homeowners regarding their current balance and setting up accounts receivable as necessary for homeowners in the August timeframe. Going forward, homeowners using propane should expect a report and bill during the winter season if they owe the Association for propane.
- Maintenance costs have been held in check – there is a favorable variance of 12K

Discussion Items:

- Treasurer Deaton explained that Villas have been granted access to our pools and tennis courts (at a set price) for many years. Through the years our costs for these amenities have increased and this amenity will be offered to the Villas at an increased fee.
- The two timeshare associations at Quadna are interested in paying for access to our pools and tennis courts. Treasurer Deaton asked for feedback from the members as to whether QMTA should offer this amenity. If these amenities are offered to the timeshares, there will be increased funds to fix the pools and the old pool will be kept open for a longer period. (In 2007, the old pool was open for 67 days, and the new pool was open 102 days. There was discussion regarding parking near the pool for timeshare users and also whether this amenity could be offered for a one-year period to test the impact. It was also noted that including the timeshares in these amenities would improve our rating with RCI. Based on feedback, the Board will go forward in offering the amenities to timeshare users at a reasonable fee.
- Treasurer Deaton explained that members should expect adjustments to dues in 2008 to streamline the structure and provide a more equitable allocation.

Managing Our Environment

President Madsen presented an historical perspective and stated that Quadna Resort and the demographics involving townhouses have changed - we need to respond. He commented that an Environmental Control Committee is a permanent standing committee established in accordance with the Legal Documents of QMTA. He also stated that the Board has powers and duties to enforce approved rules. Some of the current rules may not be relevant with current demographics. Each of our published rules were read – these are also published on the web site and provided to all renters through the Lodge.

President Madsen stated that our environment is eroding. He asked:

- What are our needs?- Rules to add, change, delete?
- Impact on owners overall?
- How much will changes cost and who pays?
- Who will implement the projects?
- Enforcement – Who, What, How, Fines, etc.?

President Madsen stated there would be an organization meeting of the Environmental Control Committee following this meeting and invited those present to participate.

Maintenance Report

Director and Maintenance Chair Clark presented the maintenance report. Highlights from the report included:

- Flower beds planted and maintained
- Shrubs were pruned 2-3 times
- New pool open 102 days, old pool open 67 days. Both pools winterized and covered now.
- Currently working on wood bin doors.
- Dock will be removed in October
- Plants growing on tennis court fences will be removed and tennis courts power washed.
- Plans to put gutters on buildings 9-10
- Plans to put pavers in as necessary to extend sidewalks
- Path to lake to be graded
- Tree trimming and removal as approved by Board

Building Restoration Report

Directors Bryan Major and David Traut presented the report. Director Traut informed the members that while examining building 4 prior to restoration, it was noted that there was significant hail damage. As a result, an insurance adjuster was asked to review all QMTA buildings. Findings were that buildings 1-6 have significant hail damage. We have replacement cost insurance on the buildings with a deductible of \$5,000. Payment will be made in two phases with the final phase after the work is complete. Roof replacement needs to be done in 180 days unless there is a file extension. We also need to determine whether the \$5,000 deductible is per building or per occurrence.

Director Traut stated that a building contractor will be selected that can do all six roofs and do the necessary work on building 4. New invoices will be issued to building 4 owners reflecting insurance coverage for the roof and final numbers for siding, etc. with the selected contractor.

The meeting was adjourned at 11:15 a.m.

/s/ Joanne Madsen, Recording Secretary

ENVIRONMENTAL CONTROL COMMITTEE MEETING

Chair Bob Madsen called the meeting to order at 1:00 p.m. Present were: Mary Boatman, Jackie Freecheck, Roy Johnson, Joyce Kennedy, Joanne Madsen, Joel Richards, and Andrew Stotts.

Chair Bob Madsen suggested we start with a review of the current rules and get input from the group. These rules were approved and published by the Board in 2000. It was decided early on to define penalties within each rule section.

Current Rules - Parking Lots and Docks

1. Only licensed motor vehicles are allowed in parking lots (20 ft maximum length). All other vehicular entities shall be parked in parking areas so designated by the Association (includes all trailers, snowmobiles, ATVs, golf carts, etc.)
2. Operation of all unlicensed motor vehicles shall be restricted to the roads for the purpose of reaching the trail system so designated for their use. It is noted that operation of ATV s upon any public roadway or its road slope is prohibited under Minnesota statutes.
3. No parking or operation of any vehicle is permitted on any other part of the commons area. (Grass covered areas are specifically noted).
4. Long term storage of vehicular units is prohibited in all commons areas. Storage is defined as parking any unit on the property when not being used on a regular basis. The Rules Committee can be consulted on interpretation of storage vs. regular use.

Suggested Rules – Parking Lots and Docks

- Renters will be given signs identifying rental unit for their car(s) so that others can know where to find them if necessary.
- Only seasonal long-term parking on common grounds will be allowed.
- Golf carts: Can we get variance to use hiking path for golf carts? Golf carts should be restricted to marked roadways only. No one under 16 is allowed to drive golf carts on Association property. Observe all posted signs.
- Non-seasonable long-term storage items will be assessed a monthly fee of \$200. Charges will appear on monthly statement from Omega.
- No long-term dock storage is permitted (longer than 7 days). Violators will be charged \$100 per violation.

Current Rules - Pools

Use is restricted to owners and guests and is limited to the number of persons staying on property who may legally occupy that unit. No person wearing diapers may enter the pools even if the torso covering is labeled "Pool Safe", "Leak proof" or "Waterproof".

Suggested Rules – Pools

- Take out “legal”
- Expand on unit size – people in pool
- Other rules posted at pool
- Owner “may” be assessed \$5 per extra person.
- Owner needs to sign off on these rules. Renters need to sign off on the rules.
- Penalty for contaminating the pool: cost of cleaning pool.

Current Rules -Quiet Hours

From 10 PM until 7 AM all outside activity shall be subdued so as to not interfere with those who wish to relax and rest.

Suggested Rules – Quiet Hours

No changes suggested.

Current Rule - Pets

Guests may have pets in units whose owners give permission. They must be on leash or under direct control when outdoors. Cleanup after a pet is required in all areas.

Suggested Rules – Pets

- Owners and guests pets must be on leash when outdoors.
- Remove “or direct control”
- Cleanup immediately
- Penalty for pet violations: Hill City Police and/or Humane Society may be called and an appropriate fine assessed.

Current Rules - Firewood

Firewood in sheds near buildings is only for and restricted to indoor fireplaces. Outside transportation and burning of supplied firewood is prohibited. The wooded areas contain enough deadfall and wood pieces to fulfill this purpose and you will be helping to clean up the area.

Suggested Rules – Firewood

Any wood provided by the Association must be used on Association premises.

Current Rules - Decks and Walkways

Outside decks may contain deck furniture and grills for barbecuing. Open storage of all other items is prohibited. Reminder: Decks are located on the common property and are not part of a private dwelling imprint.

Walkways must be kept free of toys, bikes, sporting equipment or any other types of clutter at all times. Foot traffic, maintenance and emergency personnel must have unimpeded access 24 hours a day.

Suggested Rules – Decks and Walkways

- Requests for variances on outside decks must be made in writing from ECC. Include guidelines in rules.
- “Common” walkways – leave the rest alone.

Current Rules - Penalties

QMTA By-Laws define penalties that may include suspension of privileges, fines and legal orders as appropriate and as determined by the Rules Committee.

Suggested Rules -

Define penalties within each subject area.

Recommended rules changes will be submitted to the Board for consideration. Final rules to be presented at May owner’s meeting.

IF YOU ARE INTERESTED IN SERVING ON THIS COMMITTEE AND WERE UNABLE TO ATTEND THIS SESSION, PLEASE LET US KNOW VIA THE WEBSITE.