

QUADNA MOUNTAIN TOWNHOUSE ASSOCIATION
MINUTES OF
ANNUAL MEETING
MAY 6, 2006

The meeting was called to order by President Bob Madsen at 10:15 a.m. The official sign-in list will be attached to the master copy of these minutes.

Minutes of the Last Meeting

Minutes of the last annual meeting were available for review on-line at www.qmta.org and members were encouraged to review these in the annual meeting notice. There were no corrections or additions. A motion was made, seconded and passed to approve the minutes.

Treasurer's Report

Darrell Norell, Treasurer, briefly discussed the year-end financials. He informed the members that water and sewer costs were expected to again increase by about \$5,000 and noted that these have been increasing at the rate of \$5,000 annually for the past three years. A question was asked from the floor on the firewood costs. Darrell responded that this line item was well funded – 80 owners contribute \$10 per month (total is \$9600 annually) and firewood costs for 2005 totaled \$6665. There was discussion, however, about abuse in using firewood. A suggestion was made that locking doors should be installed on firewood storage units. These could be keyed so that existing pool keys would open the locks.

Darrell also discussed actions taken with unit owners in arrears on monthly dues.

Darrell also informed the members present that the Board approved a 10% across the board dues increase as a short term measure. A longer term restructuring and dues plan will be presented to the membership at the fall meeting. Voting on this will be required in compliance with bylaws.

Reserve Funds

President Madsen discussed the need for a resolution transferring excess funds to the reserve account. The following motion was made, seconded and passed:

RESOLVED, that any amounts collected by or paid to the Association in excess of operating expenses for the year ended December 31, 2005, shall be set aside for future major repairs and replacements and allocated to capital components as provided by the guidelines established by Revenue Rulings 70-804, 75-370, and 75-371. Such amounts shall be deposited into insured interest-bearing accounts. Any amounts so added to replacement funds shall be allocated to the various components at the discretion of the Board of Directors.

Board Elections

Director Larry Johnson discussed the nomination process and that bylaws limit the number on the Board to nine. He identified the nominees: new nominees were Carla Gillson and David Traut; current directors up for re-election were Bryan Major, Joel Richards and Bob Madsen. There were no motions from the floor. A motion was made, seconded and passed to close nominations. A motion was made, seconded and passed for a vote of acclamation of the nominees.

Long-Term Building Repair

Director Bryan Major discussed the survey results. Bryan stated that 47 surveys were returned to him. Thirty-six of the responses were in favor of having the siding and windows done; 16 stated they would pay out of pocket, 8 would prefer a loan, and 12 were not sure (possibly 50% cash and 50% loan). Five people responded they were not in favor of having the siding and windows done, but agree there are issues; 6 stated we don't have issues.

Bryan shared some samples of the concrete lap siding being proposed. Questions were asked regarding possible costs. Bryan stated he got preliminary estimates on windows and siding for a 3 bedroom unit with a gable end. The total cost estimate was \$24,000.

There were comments from the membership that windows have been and should continue to be the responsibility of the homeowner. Bryan agreed but stated that when the siding is done, it only makes sense to have old windows replaced at that time. A member asked if it was possible to start with just one building.

President Madsen stated that the Board has discussed a change to the way major building projects are paid for. Some members believe we should consider having building owners of each building pay their own way. It was pointed out that our current by-laws would not permit this – changes would have to be approved by the membership (and in accordance with the by-laws). President Madsen stated that committees are needed to work on various projects and report findings and recommendations to the Board. At this point, two such committees were identified: a Building Committee and a By-Law Committee.

Maintenance Report

Director Dan Clark provided a maintenance report. He stated that additional sidewalk repair to building 2 was estimated to cost \$3,500 to \$4,000. The Board has tabled this issue at the present time due to funding concerns. A member commented that actions should be taken on sidewalk repairs if there are safety issues.

Dan briefly discussed other maintenance issues:

- a. Winter Activities/accomplishments – Dan provided a partial list of winter tasks: cleaning heater filters (twice yearly), repairing dock tops, chimney cleaning, and snow removal from decks and parking lots. He also stated that the maintenance staff had gotten a roofing estimate for all of building #4 totaling \$28,000 and for just unit 329 the cost was \$6,000.
- b. Spring/Summer Activities – The maintenance staff has purchased fertilizer and has been doing lawn work, including mowing and weed cleaning. They also are working on putting in the dock, opening the new pool, and plan to open the old pool before July 4.
- c. Lawn Tractor – The mower was purchased and put into service.
- d. Sewer Repair – An outside contractor was hired to examine the sewer line and determine whether a repair was needed. His report indicated repair was unnecessary.

Old Business

Director Joel Richards discussed the plan for dust control. He has been working on this in conjunction with the city. When this is done for Hill City, ours will be done at the same time.

Director Joel Richards also discussed his research on cable TV. He stated that the basic service will continue to be paid by QMTA. It is his understanding that by 2007 the basic cable system will be improved to a digital system. Any property owner can improve his cable TV reception to digital by contacting the cable TV company for installation and paying an additional monthly fee of \$19. Digital TV and Internet service are available by contacting the cable TV company for installation, paying a \$100 one-time installation fee, and \$40 per month.

Director Bryan Major discussed various signs:

- The pool signs are done and will be mounted during the week of May 8.
- Two 'Child At Play' signs have been installed in response to a request from owners at the fall informational meeting.
- New signs are being worked on for the entries – these are planned to be installed in June.
- A 'No Swimming or Diving' sign was purchased and will be put in by our dock.

Director Bryan Major discussed pool work and pool furniture. He stated the old pool will be painted and open. A \$6,000 expenditure would be needed for new pool furniture. This would include 20 chaise lounges, 10-12 chairs and a few tables.

Director Larry Johnson reported that Colleen Richards again has offered to order and plant flowers. Our maintenance staff will water the flowers.

President Madsen stated that a parking plan (yellow stripes marking each parking space) has been established for each parking area. Currently there are no plans to implement this due to funding issues and President Madsen suggested this subject be given to a Standards/Rules Committee for research and recommendations.

President Madsen discussed several rules and security issues:

- Long-term parking/enforcement. He reiterated the policy regarding parking of boats, trailers, ATVs, snowmobiles, etc. Long-term parking (over 2 weeks) is not permitted on QMTA property. He stated that this policy will be enforced. The Board will take action to impound such property and owners will have to pay fees to get back their property. Owners will be responsible for all associated fees. He suggested that such owners (there were six on the date of the annual meeting) and others who would like long-term parking should contact Joe Duncan or lodge management for storage and fees on resort property.
- Pool and adult hours. At the fall meeting, it was suggested that adult only hours be considered at the old pool (perhaps from 5:00 p.m. to 7:00 p.m. daily). No action has been taken on this and he suggested this matter be given to a Standards/Rules Committee for research and recommendations.
- Current rules/standards. President Madsen stated standards were set many years ago for exterior of homes and decks, also dock area. A member suggested bicycle racks and rules on where bicycles can be stored. President Madsen again suggested that these subjects be given to a Standards/Rules Committee for research and recommendations.
- Dock usage. President Madsen commented on his research. He reported there are currently no plans by lodge management to add additional private marina space. Again, he suggested a Dock Committee be formed to research and recommend actions to the Board. There are some options described below.

1) Homeowners buy dock and put on Quadna Resort property.

This is the option used by Villas. In addition to dock cost, each user pays \$250 annually. Users responsible to put in and take out docks.

2) QMTA dock area is used – users buy dock with “feet” (about \$6,000 for 32’ section)

Our dock can be extended an additional 80’ horizontally (we can’t go beyond the 200’ of lakeshore we own). Cattails have multiplied so there is no dockage space on the shore side. A DNR permit would be required to take out the cattails.

3) QMTA dock area is used – users buy floating dock (this dock is very expensive).

Floating dock would accommodate the steep drop-off just adjacent to where the dock is now. A DNR permit would not be required. Docking might be easier.

4) Options 2) or 3) above with purchases by QMTA and annual rental to interested parties.

Funding could be a major issue.

New Business

President Madsen briefly discussed the Saturday night picnic plans.

He read a letter from Joe Duncan stating:

...Not much for an update on the resort. We are still in the process of purchasing the facility and still working with the current owner and Hollie in the operations of the resort until the transactions are complete.

This is obviously a much longer process than anticipated but is

probably the closest we have been. If you have any specific questions...you can leave a message with the front desk and I will return your communication...

The meeting was adjourned at 12:50.

Joanne Madsen, Secretary