

**QUADNA MOUNTAIN TOWNHOUSE ASSOCIATION**  
**MINUTES OF**  
**ANNUAL MEETING**  
**MAY 5, 2007**

The meeting was called to order by President Bob Madsen at 10:00 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 mailed to each owner following the meeting and were also available for review on-line at [www.qmta.org](http://www.qmta.org) for several months. 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. The year-end Balance Sheet and P&L were mailed out to each owner. Darrell stated that an audit of our financials will be completed this spring.

Darrell also discussed tax filings for QMTA. Tax filings were made timely for 2006. Monthly fees from owners are exempt function income. There were no taxes to be paid.

Darrell compared 2006 actual income and expense to the budget showing a small net loss. He also compared 2007 actual to budget for the first quarter indicating income was slightly higher than anticipated and expenses under budget as of 3/31/07. A few line items were highlighted as follows:

Late charges were higher than expected. Darrell reminded the group that homeowners can arrange for automatic payment.

Sewer charges are understated in our budget. These are expected to exceed \$32,000 assuming no increase during this year. The board is forming a special committee to review this.

Legal expense for the year is expected to exceed the budget (\$1,000) based primarily on legal document changes.

Fall meeting discussion and survey indicated that most owners believe all homeowners should pay equally for firewood. Legal Committee review also indicate that all homeowners must pay for amenities provided whether they use the amenities or not. This recommendation will be implemented effective with the July 2007 billing period.

There was discussion, again, about abuse in using firewood . A motion was made from the floor that the Board look into putting locks on the firewood storage units. The motion was seconded and passed. Perhaps these could be keyed so that existing pool keys would open the locks.

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, 2006, 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 Al Beisner and Nancy Deaton; Dan Clark, a current director, was up for re-election for a one-year term. There were no motions from the floor. Larry asked that each current board member and nominees introduce themselves. 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. President Madsen thanked the outgoing members of the Board for their service: Carla Gillson, Larry Johnson, and Darrell Norell.

## Maintenance Report

Director Dan Clark provided a maintenance report.

### Winter Report:

Cleaned all electric heater filters twice (Nov-Dec and Feb-Apr)

Created and placed all new wood routed signs at townhouse entry points.

Repaired and replaced a number of dock sections.

Spent extra time to check the building sewer lines due to exceptionally deep frozen ground (2 lines froze and had to be thawed out).

Several patio and window screens were repaired.

Winter unit heat checks were done one day each week.

### Spring Report:

Spring cleanup is in process and will be complete by Annual Meeting date.

All wood-burning fireplace chimneys have been cleaned.

Action plans are to have the townhouse dock in place by the opening of fishing (May 12, 2007)

Winter plow markers and extra basement heat has been turned off.

Action plans are to have newer pool opened by Memorial Day weekend; the old pool open sometime in June.

Townhouse maintenance will have flower boxes ready for planting by June 1, 2007.

Action plans include a spring application of lawn fertilizer and weed control.

Maintenance staff continues to work with the Board and Building Committee to help in any way with possible building renovations.

Ongoing Maintenance:

Roof/siding/deck repairs based on Board approval and direction.

Continuing tree limb and branch removal.

Summer shrub work.

Lawn mowing and lawn repair.

Work on repairing a couple of garbage dumpster fences.

Tennis Court repairs.

There was a question from the floor regarding dust control and mosquito control. Director Richards agreed to take care of these issues.

#### Old Business

Director and Chair of Building Committee Bryan Major stated that the Board had hired an independent consultant to review all buildings and report opinions on long-term building repair. Buildings 1-5 were the first phase of townhouse building at Quadna and were built approximately 1974. Buildings 6-11 were the second phase of building and were built approximately 1979. A fire destroyed building 11 at one point in our history and was rebuilt using insurance funds.

The independent consultant report was recently received. Essentially, the report confirms everything the Building Committee has concluded regarding buildings 1-5. Report highlights for Phase I include:

- Siding – Sidings on Phase I buildings are in very poor condition and cannot be saved.
- Roofs – Roofs on Phase I buildings all need replacement.
- Windows – All remaining original wood windows and patio doors in Phase I need to be replaced.

Report highlights for Phase II (buildings 6-11) include:

- Siding – Repair/replacement of overall areas and painting is feasible. Could extend life 10-12 years.
- Roofs – Roof replacement should be planned when siding replacement is done (10-12 years).

Other highlights from the report were:

- Trees must be kept trimmed back from buildings and fences.
- At residing time, new lights, doorbells, other incidentals need to be replaced.
- Siding colors should be light (like now)
- Existing siding should be left on except for bad areas that can be replaced as needed using “substrate” product.

Director Major suggested that all interested owners should plan to attend building break-out session in the afternoon for more information.

#### New Business

Emergency calls:

President Madsen stated that lodge employees have been receiving emergency calls from owners in the middle of the night. He reminded the group that lodge employees are not our employees. During daytime hours Monday through Friday, such calls should be made to our maintenance personnel. Director Joel Richards agreed that he would take emergency calls from owners during hours when lodge is closed assuming he can have keys to the units made available to him.

#### Legal Document Review:

New Director and Chair of Legal Committee provided a report. He stated that the Committee has been working on appropriate changes to legal documents, particularly regarding association monthly dues and fees and special assessments. A uniform assessment package is being considered for usual operating expense. Special assessments changes are being considered for long-term building repair/replacement which would require homeowners to fund changes to their unit based on size.

In addition, the Legal Committee is reviewed unit 315 – a timeshare unit – that is very much in arrears. He stated that information has been gathered on all the ownership weeks and an action plan, including quiet title or foreclosure proceedings, will be presented to the Board in approximately one month.

#### Breakout Sessions:

President Madsen stated that three breakout sessions were planned and encouraged all members to attend.

The sessions planned were:

- 11:15 Resort Condominiums International session, including an on-line demonstration.
- 1:00 Building Committee
- 2:00 Environmental Control Committee (subsequently we ran out of time to do this breakout session)

President Madsen confirmed that the social would be held at the QMTA recreation building at 5:00.

The meeting was adjourned at 11:15.

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Joanne Madsen, Secretary

#### RESORT CONDOMINIUMS INTERNATIONAL (RCI) BREAKOUT SESSION

(Jean Beisner/Joanne Madsen)

Resort Condominiums International was founded in 1974 as an exchange service for condo owners. It quickly became a driving force for growth within timeshares. Since QMTA entered the program in RCI's first year, each owner who originally purchased a townhouse was provided with membership for one year and for all 52 weeks. This is a very important benefit!

Jean stated that this is a great time to get enrolled in RCI for owners who do not currently have a membership. At this time, RCI is waiving the usual \$200 enrollment fee. Owners who are interested should contact the front desk at Quadna. There will be a review of the unit to determine that it meets RCI standards. If approved, the owner can become a member through payment of the annual membership fee (now \$89).

Current costs to make an exchange are \$164 for a domestic exchange and \$199 for a foreign exchange.

Jean provided an on-line demonstration of the RCI website and explained how to use the system to choose an exchange. She suggested that choices are better if you choose the exchange 2 years out.

#### BUILDING COMMITTEE BREAKOUT SESSION

(Bryan Major/David Traut)

There was a very good turnout for this breakout session. Most everyone in attendance was in agreement that buildings 1-5 need immediate attention (also stated by our independent consultant).

The Building Committee has the specification sheet ready to go out for bids as soon as we vote on a color for the siding. As stated at the annual meeting the Committee's recommendations are as follows:

Roofs using a 30yr architectural shingle weather wood in color

Windows would be Anderson to match the existing or recently replaced patio doors, windows series 400, patio doors Anderson permashield 8 ft slider w/stone screen

Decks would be replaced with treated lumber on a floating footing.

Siding will be steel. Light colors – similar to what we now have will be used. With aluminum fascia and soffits (thistle in color), the siding would be vertical on the short walls (wicker in color) and horizontal on the upper gable ends (antique ivory in color).

We are trying to get some pictures of other buildings done in a similar way so we can post them on our web site ([qmta.org](http://qmta.org)), so owners can get some kind of feel of what the buildings will look like. Keep checking.

Subsequent to the meeting, the Legal Committee in conjunction with our attorney stated the requirement that the entire membership had to vote on the siding type and color. In addition, owners of buildings 1-5 had to vote on the special assessment.

A notice of special meeting is forthcoming.