

Drake Landing Condominium Association

Board of Directors Meeting

June 5, 2008

The Drake Landing Condominium Association Board of Directors met on Thursday, June 5, 2008, at the Wilderdest Commercial Center. Directors Gerry Hibbard and Bren Davis were present but did not represent a quorum. Barb Walter-Director of Homeowner Associations, Daniel Vleck-Director of Off-Mountain Properties, and Christine Lilly-HOA Liaison represented Wilderdest Property Management, Inc. The meeting was called to order at 4:04 p.m.

FINANCIAL REPORT

Ms. Walter reviewed the Balance Sheet and Income Statements as of April 30, 2008. She pointed out that the balance in the Reserve Account is extremely low and that it owes the Operating Account \$12,595. The Operating Account balance is also lower than recommended because funds have been used to cover roof repairs, as well as the additional expenses associated with gas heating costs and snow removal both in the parking lots and from the roofs. The equity balance is \$21,274, which represents a very low financial position for an HOA. The year-to-date loss for the Operating Account is \$22,044.

It was noted that the separate line item for garage dues has been added to the Accounts Receivable Due Report. All owners are current in their unit dues and garage dues with the exception of one unit, which only has a \$17 balance. As of April 30, 2008, there is no capital contribution income but some funds are expected soon from recent unit sales.

The Board requested that the Developer's transition audit be completed as soon as the required percentage of sold units is reached.

There was extensive discussion regarding how to get the HOA back on track financially. Options for consideration are to levy a special assessment and/or increase dues as soon as possible, which would require presenting a Board-approved revised budget to the membership for ratification at a special meeting. Another option is to establish a line of credit at a local bank, which could be drawn upon if the need arises until a new budget can be presented at the annual meeting. The Board members present asked Tony Snyder to investigate the terms of a line of credit for future consideration; his findings will be reported to the Board for decision.

OTHER MATTERS

Landscaping: Neils Lunceford has been contracted to perform all landscaping needs on the property this summer. If the entire contract is prepaid, there is a savings of 5% of the total contract price. However, with the current tentative financial position of the HOA, there are not sufficient funds to cover the total contract price of \$15,965 so monthly

payments will be made. Neils Lunceford is also scheduled to replace the trees planted last year that did not survive before receiving the 10% retainage withheld on last year's contract. Because WPM will not be performing the landscaping services, there should be a significant decline in the on site staff hours (about 300 hrs. less) for June/July/August.

Exterior Staining: Although staining was not originally in the budget for this fiscal year, it is agreed that property value depends on upkeep and maintenance. Approximately \$30,000 is needed annually to stain two buildings. Buildings will be restained in order built, which is as follows: Building A (completed in 2005); Building C and the Spa Building (to be completed in 2008); Buildings D and E(scheduled in 2009); Building B (to be completed in 2010). Beginning in 2011, the cycle will be repeated every four years. A bid received from Snyder Painting to restain Building C and the Spa Building this summer was reviewed. The Board requested that Ms. Walter attempt to negotiate lower pricing and/or extended payment terms with Brett Snyder. If the Snyder Painting proposal is approved, work could be started on July 21, 2008, weather permitting.

Drains/Downspouts: Mr. Vlcek will meet with Turner Morris on Friday, June 6, to review options to repair/add gutters and downspouts in the areas designated on the walk through.

Parking: The Board would like to mandate vehicle registration. WPM will include this issue on the proxy to be addressed at annual meeting

Driveway: A proposal from WPM for asphalt crack fill was reviewed but two more bids were requested.

Action List: The Action List was briefly reviewed and the following additional information was noted:

- The shake siding on the backside of B building needs to be replaced.
- There are extra stones in the Building C maintenance room; Building B stones are different than Building C stones so the stonemason who does the repairs must be cautioned to use the correct materials on each building.
- A notice will be sent to the owner of unit E8 requesting that the lockbox must be removed from the common entry door and installed on the unit entry door.

Annual Meeting: The annual meeting will be held on Saturday, October 25, 2008, at 2:00 p.m. rather than on the previously scheduled date of August 9, 2008.

ADJOURNMENT

The meeting adjourned at 5:56 p.m.