

Mt. Victoria Lodge Owner's Association
Meeting of the Board of Directors
March 1st 2008, 8:00 am
Unit #1: Pete Campbell Construction

Board Members in Attendance:

Pete Campbell
Joel Kellner
Steve Eddy

Management in Attendance:

Rick Pyle
Murray Bain
Bob Towne
Kate Bennett

Call to Order/Quorum:

The meeting of the Executive Board of Directors was called to order at approximately 8:12 a.m. As there were 3 out of 3 members present a quorum was established. Rick Pyle and Murray Bain chaired the meeting and Kate Bennett recorded the minutes.

Approval of Previous Board Minutes:

Rick discussed the previous minutes and asked the Board if anyone saw any changes that needed to be made. As no one had any issues with the previous minutes, Pete motioned to approve the previous meeting minutes from September 3, 2007: seconded by Joel. As all were in favor and none opposed, it was resolved that:

The Board meeting minutes from September 3rd, 2007 were approved.

Elective Board Positions:

The Board and Mount Royal Properties reviewed the elected positions for the Board of Directors. It was determined that Joel is the President, Pete is the Vice President as well as the secretary, and Steve is the Treasurer.

Financial Report:

Murray Bain reviewed the 2007-year end financial reports for the Mount Victoria Lodge H.O.A. He stated that by reviewing the balance sheet one could see that the association was fiscally healthy. He also discussed that our accounting software, QuickBooks, automatically creates a retained earnings account on the first of every year for the prior year's income less all expenses. MRP will balance out the accounts by moving this amount into the reserve account. This can be witnessed by viewing next month's financial statements.

Murray stated that the reserve account, which is currently held at: The Bank of the West was not earning much interest at the time. He suggested moving the funds into a CD or money market account, where the principal will not be subject to change, but gain more interest earnings. Though the interest rates were down significantly (around 3%), these investment accounts are still earning substantially more than regular savings accounts. Some concern was expressed regarding the liquidity of CD's.

Murray assured the Board that they would be able to sell the CDs if it were necessary. Murray will look into exact rates and get back to the Board with this information so that they can make a decision.

In regard to expenses, it was discussed that utilities seem to be on track and that the 'snow removal other' line item may go up in subsequent years as we have to remove ice dams and other projects. The only item that seems to be above the budgeted expense was the fire alarm system because of an early payment of the invoice that will balance out in the next cycle.

As there were no other comments on the 2007-year end financial reports, Joel motioned to approve the financial reports from 2007: seconded by Steve. As all were in favor and none opposed, it was resolved that:

The 2007 Financial Reports were approved.

Managers Report:

Bob Towne of MRP gave the managerial report. He commented that the snow on the roofs had been removed earlier this week and a bobcat was brought in to collect what fell. The adjacent house's cable line was caught and slightly damaged, but Bob repaired it and contacted the appropriate channels to get it resolved permanently.

Bob reported on the door that leads from the garage into the elevator lobby. The strike plate for the lock will need to be reinforced. It was agreed to put in a locking handle on this door, which is estimated to cost around \$800. It was brought up whether or not the lock is truly needed on this door, as there is still a locking interior door. Joel mentioned that a lot of times the interior doors get caught on the door sweeps and does not close properly or entirely, which could grant anyone access to the building. If it were possible to make sure that these doors got closed all the way then a lock on the outer door would not be as necessary.

The cart seems to move around a lot and block fire doors so the idea of creating a sign to show a good spot to put it was brought up. There were some leakage issues, such as the pipe leak in unit E and the deck issue in unit C, but MRP is monitoring these situations carefully every week. The garage door panel that was damaged will be an expensive project to fix so Mount Royal Properties will see if their maintenance man can do it in house possibly with Bondo or a panel beater.

Old Business:

Maintenance: The roofing issues have been taken care of at this time. Thanks to Pete being very proactive with the association, Dan Corwin's Plumbing issues have also been taken care of. Pete assured Dan that he would not pay out of pocket for his deductible.

Audit: Murray stated that he has just received the results of the audit back. With the exception of a few very minor accounting adjustments, which are necessary, everything looks good. Murray will make these changes and then present the Board with the final, very detailed report from the CPA, Stuhr & Associates.

New Business:

Rules & Regulations: The Board asked to be emailed a copy of the current rules and regulations for Mt. Victoria Lodge for review. There were a few issues that should be addressed in these guidelines. There was the question of who should cover the homeowners' insurance deductible, whether it should be the benefiting party or the Association. It is also essential that owners know that their decks must

be shoveled to a certain inch margin and that doors into the garage need to be pulled shut. It was stated that quiet hours should be established and posted: for example 10:00 pm to 7:00 am, for the hot tubs.

The idea of placing some kind of placard in the elevator with a sign that can be changed with reminders or holiday greetings was brought up. All agreed that some way of passing information to the members is necessary. Murray cautioned that if you place an information board you are required to post all information about meetings of the association on that board

2008 Budget & Reserve Schedule: Rick went over the 2008 budget and reserve schedule. He noted that income was on track as expected and that we do not anticipate many, if any, re-sales this year. The garage assessments were discussed. Rick further explained that they are necessary in order to keep the garage clean and orderly as well as pay for all utilities that are needed to run the garage. Banking expenses have been decreased due to new checks that MRP buys, fire alarm costs should stay the same, and there is an expected increase in insurance premiums in November. Other than that, everything should remain similar to last year's budget.

The snow removal expense item was brought into question, as this year has been particularly bad weather wise. Independent Builders, the current contractor, agreed to plow the parking lot, drive ways, and entrance into the garage. Rick highlighted that Independent Builders also added an extra allowance for removal of ice dams and inspection of the roofs, but the current budget may still be overrun because of snow removal from the parking area.

The issue of utilities came into question regarding how it was expensed. There are obviously two separate types of space in Mt. Victoria Lodge, residential and commercial. Should the expenses generated from the hallway which is mostly used by commercial people be separated? It was decided that it would suffice to have one whole account for both residential and commercial accounts, simply entitled 'Utilities', which makes this issue a mute point at this time.

The reserve schedule was updated. Some improvements this year were budgeted. In 2009, we plan on staining the exterior trim again, Pete explained that in the beginning of a project, items need to be repainted at least every two years as wood absorbs the stain more in the first stage of its life. Overall the reserve fund was healthy and MRP feels that the association has planned well, financially, for the next few years.

With few minor changes Motion to approve 2008 Budget and Reserve schedule by Pete: seconded by Joel. As all were in favor and none opposed it was resolved that:

The 2008 Budget and Reserve were we approved.

Landscaping: Rick asked the Board whether or not they were satisfied with the current landscaping around the building. Though there was not much, we are going for the native look, so that is to be expected. Owner Dan Corwin expressed an interest in placing grass all around the perimeter. Rick cautioned the Board that this is an expensive and most likely futile project and that there is not a lot of room anyway. The Board agreed to stay with the status quo for the grounds, maintain what we have, and table the issue for now.

Open Litigation: The snow pile in the alley way was discussed; as it was getting rather large due to the large amount of snow we received this year. The concern that was expressed was whether a fire truck could pass unimpeded. The Town of Frisco is responsible for moving the snow at night over to the marina to melt.

Joel expressed concern about the lighting in the garage. He said was almost always dark at night when he arrives. It was decided that the lights may be shut off but only during certain hours, for example from 11:00 p.m. to 5:30 a.m.

Other New Business: Rick told the board of directors that there was a change with Mount Royal Properties, Inc. He explained that he has purchased this company from Murray Bain. Murray has a 3-year consulting contract with MRP, is the signer on reserve accounts, and is still the managing broker. Everything should remain status quo as far as how the association is managed.

Annual General Meeting/ Board Meeting: The date of the AGM will be set at a later time. The Budget Ratification Special Meeting will be set up via email for the general ratification of the 2008 Budget and Reserve Schedule. We do not need a quorum at this meeting as the budget and reserve will be the only items discussed but MRP does encourage at least one Board member to be present.

Adjournment:

The meeting adjourned at approximately 9:53 am.

I hereby attest that these minutes are a true and accurate account of the meeting thus held on Saturday March 1st.

Signed: _____ Dated _____

As: _____ (officer position)