

**Wildflower Two Association of Unit Owners
Board of Directors Meeting
July 11, 2008
Englert Home, West Linn, Oregon
11:00 A.M.**

These minutes are subject to approval of the Directors at the next Board meeting.

Directors Present: Richard Bennett (by phone), Rod Englert, Gary Lorenz, Ali Momeni, Bob Rath

Management Present: Tony Cunha (until noon), Joanna Johns

Owners Present: Penny Englert, Cliff Fahey, Ruth Momeni, Ron Weiss

Call to Order

President Rod Englert called the meeting to order at 11:09 A.M.

Owners and management introduced themselves. Joanna gave a brief background sketch of the new management group and their recent management transition activity.

The meeting agenda was adjusted to allow Tony Cunha, CPA to give his report and exit the meeting at noon.

Financial Report

Tony reported on financials statements prepared as of June 30, 2008. He asked the Board to consider, and they agreed, to adjust the tax year end from fiscal to calendar in the coming year. He reviewed the tax forms used by the association (either 1120 H or corporate filing) indicating that tax is only paid on interest earned. The choice of tax form to use is based on the amount of interest to be taxed with a variable payment % applied.

His recommendations made and accepted by the Treasurer, Ali Momeni and the Board were:

- 1) Account for pre-paid dues on the balance sheet.
- 2) Reconstruct equity, operations and reserves so they are stated properly in the record.
- 3) Upon receipt of the AG Edwards statement make sure the accrued interest is accurately stated.

In the two weeks since transition of records began Tony reported generally the accounts are clean with only small minor items requiring attention. Presently he has Account Receivable statements mailed to the owners for verification of balances although no replies have been received to date.

A copy of the reserve plan needs to be obtained from Ruth Jenkins. A meeting at ten o'clock between management and Ruth to review this report had to be cancelled due to

Wildflower Two Board Meeting
July 11, 2008
Page 2 of 5

a maintenance emergency Ruth was experiencing. Tony and Joanna cannot complete their financial review until they have the plan. Joanna will request a disk copy next week. Some minor chart of account adjustments on the Profit and Loss Report were made at the meeting and how to offset the 2008 \$30,000 snow removal cost overrun was discussed.

Approval of Minutes

Upon motion duly made, seconded and unanimously approved, it was:

Resolved: to approve the minutes of the April 18, 2008 Board of Directors meeting as written.

Manager's Report

The following issues were discussed:

- 1) Review of the Transition Report with Real Estate Letter, Database Completion and Book of Resolutions left to complete.
- 2) Inspection Report ready to send to owners in their annual meeting notice packet
- 3) Review of notes and recommendation from a meeting between Joanna and Affordable Yard Care owner Jeremy Lucas.
- 4) Ruth Jenkins agreed to resume web mistress duties. Joanna to coordinate with her.

Upon motion duly made, seconded and unanimously approved, it was:

Resolved: that as a result of a meeting with Affordable Yard Care and a letter of recommendations on grounds maintenance procedures and ideas for change in 2009, working closely with Jeremy, management will oversee a landscape maintenance service plan that will focus on a not-to-exceed-cost maintenance approach paying careful attention to weather conditions, resulting in delivery of a high level quality maintenance program. The cost of dandelion eradication treatment (\$1695), a water audit (\$985) and introduction of organic fertilizer shall be included in the not-to-exceed operation budget rather than charged as special projects. This year grinding of stumps will be done to help give clear path for mowers reducing labor costs associated with string trim work needed around stumps.

Ideas for entrance improvements, replacement garbage structures and fencing changes to be on future agendas after structural projects are completed based on funding availability.

Current Business

1) Phase Three Entrance and Step Deterioration

After a lengthy discussion it was determined that an engineer should be involved in the problem resolution and the resolution should be done once and done right. Pictures of Units 53-66 steps were provided to each director. Concerns regarding safety and liability were cited as reasons for making this the Board's highest priority project.

The Board stressed to management that hold back/punch list procedures for major projects is extremely important to ensure all work is complete before final payments are made to contractor. The Board gave structural integrity issues first priority until resolved over landscape/aesthetic issues making the Phase three steps their number one priority and Phase two roofs their second priority.

2) Storage Facility Choices for Inventory

Joanna and Tony proposed securing a Sunriver storage facility in which records from eight companies could be stored thereby sharing cost and space. The Board appreciated this approach and approved having Randy Parmele pick up and transport the inventory as soon as the new storage unit is available. Payment to be charged annually at a cost of approximately \$125.

3) SROA Bike Path Connector Notice

Rod reported on a recent SROA notification received that has routinely surfaced as an issue over the years. He has successfully been able to address this issue as a member of the SROA Public Safety Committee and resolve it favorably for the association in the past. The most recent notice indicates a connector path proposed on the west side of Abbot Drive in the area of Phase Three units. This is an action item for Rod to address in his committee capacity in the coming weeks with SROA.

4) Pool Site Parcel Belonging to WF II

The Board wants to remain vigilant in assessing future development potential with this parcel in the future. They have considered various options with Silver Star. Joanna suggested approaching Sunriver Resort as well.

5) Unit 37 Hot Tub Settlement Agreement

Joanna was asked to review the file and property as it appears the owner is out of compliance with the Settlement Agreement. Gary Lorenz able to accompany Joanna next week for this inspection. If that is the case notification action from the attorney would be appropriate. Joanna to report back to the Board on her findings.

Wildflower Two Association Board Meeting
July 11, 2008
Page 4 of 5

Concerns were raised during a question and answer session were added to the meeting Action Plan:

Action Plan

- 1) Account for pre-paid dues on the balance sheet. Tony
- 2) Reconstruct equity, operations and reserves so they are stated properly in the record
Tony
- 3) Upon receipt of the AG Edwards statements make sure the accrued interest is accurately stated
Tony
- 4) Obtain a copy of the reserve plan on disk from Ruth Jenkins Tony/Joanna
- 5) Request to consider using a payment coupon rather than a coupon card due to lack of professional appearance. Tony/Joanna
- 6) Unit 28 had broken furniture stored on their flat roof. Joanna asked to contact owner in writing to notify them that this will damage the roof and this is not allowed. Joanna
- 7) Behind unit 27-28 non grassy areas need attention. Joanna
- 8) Near units 54-54 the drip lines do not work. Joanna
- 9) Unit 53-66 new logs need sealing as logs have split. Joanna
- 10) Units 49-50 and 51-52 need siding shakes sealed. Joanna
- 11) Unit 65 rear elevation tree leaning that requires removal; leaning toward unit Joanna
- 12) Paving dips require correction Joanna
- 13) Possible Pine Beetle tree requiring removal neat unit 54 Joanna
- 14) SROA contacted to resolve bike path connector notice Rod
- 15) Unit 37 hot tub settlement agreement Joanna
- 16) Pool site options Rod & Board
- 17) Move inventory to new storage facility Joanna
- 18) New landscape plan structure Joanna
- 19) Phase Three steps Joanna

Wildflower Two Association Board Meeting
July 11, 2008
Page 5 of 5

Next Meeting: September 27 Momeni Unit Sunriver 11:00 AM

Annual Meeting: October 18 SR Library 11:00 AM

Cliff thanked the Board for their time and effort on behalf of all owners.

The meeting adjourned at 1:52 P.M.

Minutes written by Joanna Johns.