

**Kahler Glen Community Association
Annual Owner's Meeting Minutes
May 5, 2012 10 AM
Lake Wenatchee Recreation Club**

Call to Order: The meeting was called to order by Co-president John Greiner at 10:05 AM. He introduced the board members present: Mike Wandell, Co-president; Carol Pierce, Secretary; Jim Farmer, Treasurer; John Bennett, Resort representative. Additional board members Carol Billesbach and Bud Olsen were not present. John Bennett then read a message from the board of directors of the Kahler Glen Resort stating that he was representing the Resort at this meeting, that with the Resort's presence there is a quorum and that the Resort would not be using its votes in the election of officers this year.

Minutes of the previous meeting: Kaye Marks asked that the tally of community votes together with the final results from last year's meeting be added to the minutes. It was moved and seconded to approve the minutes with the additional of the vote results as submitted by Kaye Marks and the motion passed.

Secretary's Report: Carol Pierce gave a report which included a brief review of some of the events leading up to last year's meeting and summarized the work done by the KGCA board this year. A copy of that report is attached to these minutes.

Treasurer's Report: Jim Farmer presented the Budget to Actual for the 2011-2012 and the budget for the upcoming year. The spreadsheet that he discussed is attached to these minutes. Annual income fell somewhat short of budgeted due to some property owners that are in arrears on their fees. There are liens in place. The 2011-2012 budget reflects the increase in service contract payments as agreed to in the recently completed service contract. Jim and other board members answered a number of questions from the floor regarding details of his presentation. There was discussion regarding distribution of the service contract to the owners. Mike Wandell stated that owners may request and receive access to the contract but that it will not be generally broadcast to all owners. Due to information the Resort considers confidential, the document should not be shared with outside entities. Jim also presented information on the annual decision as to whether or not to defer an audit of the KGCA books and the vote on this was included in the ballot later in the meeting.

Co-President's Report-Infrastructure:

Architecture Committee: John Greiner reported that the Architectural Committee's primary responsibility is to review proposed residential plans to make sure they comply with the protective covenants. They meet on an as needed basis and have not met this year due to no plans being submitted. The committee consists of John Killian (chairman), John Greiner, Bev Carlson, and Marion Brittain who is on medical leave from the committee. As Bev is selling her home and will no longer be on the committee, new committee members are needed and John asked anyone interested to contact him. He also mentioned that lots with noxious weeds need cleared and homeowners not in compliance

with this will receive letters with a 30 day warning. If the weeds are not cleared, the KGCA board will ask that the work be done by the Resort crew and the individual owners will be billed for this work.

AED's: John reported that with the assistance of Kaye Marks and Nancy Miller there is a new AED unit in the Athletic Club and an attempt is being made to find new pads for the AED in the KG Restaurant area, a CPR/AED training occurred with a number of people in the area now certified in CPR and a second training program is planned.

Outside Burning: John mentioned that outside burning is prohibited in our covenants and all owners should be extremely careful regarding any fires.

Storm Water: John noted that the new storm water system on the stretch of Miracle Mile down to the Athletic Club, past the Henebry site to the Hole 10 fairway is effectively working as are changes in the #10 pond drainage. He mentioned a new plan for dealing with the vegetation that is taking over some of the drainage ponds. The KGCA has started discussions with the Resort to clean up about one pond a year on a 50/50 cost sharing basis. Glenn Week, original developer of Kahler Glen, noted that the ponds are an intrinsic part of the storm water drainage system and are required by the EIS to treat water from impenetrable surfaces like roofs and roads.

Septic: The KGCA has started working with John Torrence as our new septic engineer and he has helped us in evaluating possible sites for new systems if needed. He also met with John Greiner and Tom Guthrie of the county health department regarding the possibility of monitoring our system usage and if it is found to be below a certain level, allowing us to add bedrooms to those systems. The county has agreed to this and we will have two meters monitoring this from May through July, one is currently active and another meter will be added. John also noted that the course superintendent's cell phone number has been added to the posting on the septic alarms for use in reporting problems.

Domestic Water: John reported that our domestic water system continues in good shape and that the health department's survey of our system resulted in a "Satisfactory with no Deficiencies", which is the top grade. Cary Eller, who does our water testing, reminds us that per new state law we will be required meter water by 2017. Details of implementation remain uncertain. Cary is looking at the possibility of one meter per building and the kind of meter that can be read by a drive by observation. He felt that we might be able to just have one meter per condominium building. The purpose of the metering is to determine if there is water loss between what's pumped out of the well and what gets to the end user. The plan would be to add meters gradually until they are all in place by the 2017 deadline set by the state requirement.

Roads: John read a Road Report written by Carol Billesbach regarding the paving work done last summer. There's been some question of breakdown of some of the repair work done last summer and the contractor will be asked to come out and review this with us. Now that the snow is gone, the roads will be inspected soon and plans made for repairs that might be required this year.

Contingency Plan: John and the Contingency Committee made up of Nancy Miller, Kaye Marks began work this year on a Contingency Plan due to the continued uncertainty regarding the ability of the

Resort to continue delivering services. They defined the services in question and established a roster of potential vendors and contractors. They found providers for the most needed services. They then looked at the current management model and decided it may not be suited to manage multiple contractors. Management services would be required and the committee saw little benefit in hiring an employee for this service, so looked at contracted services. Four names of possible providers of this management service were obtained and the committee drew up a letter describing in detail the services required. Of the four potential managers, 2 withdrew, 1 failed to respond and the final candidate was still very interested. In a follow-up discussion, this candidate said that \$50,000 per year would not be an unreasonable compensation for the job. The committee opted to not pursue detailed bids from local vendors on the individual service providers at this time. Winter service bids had been sought the previous two years and the bids are time consuming for the service providers. John also mentioned that the previously obtained bids for winter services included storage of some of the snow removal equipment at Kahler Glen. This would require approval from the Resort, as the KGCA does not own any land. John feels that contingency planning is now and will continue to be an important task of the board.

Co-President Report-Memorandum of Understanding with Kahler Glen Resort: Mike Wandell presented the work that the KGCA board and the board of directors of the Resort have been doing on developing a Memorandum of Understanding. His slide presentation is attached to these minutes. During the question and answers after the presentation, Bill Miller made a motion to direct the board to post the budget as well as the monthly financial reports on the website. His motion was seconded. Linda Wandell moved to amend the motion to quarterly updates and her amendment was seconded. There was then a motion to table both the motion and the amendment to the motion. After being seconded, a vote was taken and passed 70 to 15 in favor of tabling both the previous motion and amendment. The board will continue to work on developing a possible private way to share financial and other potentially sensitive material with owners, possibly via a Google mechanism as described by John Ward at the December 2011 Town Hall meeting. There was discussion regarding bringing the finalized MoU to a vote before taking it to the lawyers and incurring the expense for the purpose of rewriting the by-laws. This would require an interim step to vote again on the agreement before voting on the final documents. After extended discussion there was no motion to amend the ballot measure regarding the MoU endorsement and drafting of community documents.

Board election: There was a nomination from the floor for Dave Reynolds and Nancy Miller and they each accepted the nomination. Dave Thorbek was nominated and declined the nomination. Mike Wandell nominated John Ward and he declined the nomination. Nominations were closed.

The paper ballots were then marked and collected.

During the counting of the ballots, Bill Miller gave a report on Athletic Club activities.

The results of the election were then announced:

Elected Board Members: John Greiner, Nancy Miller and Dave Reynolds

The motion to endorse the board's efforts to complete the MoU and to direct legal counsel to draft amended community documents was passed, 74 yes and 13 no (proxies and members present). This was an 85% yes vote of the owners voting, 51% of the total votes possible in the community.

The deferral of an audit on the KGCA books was passed, 77 yes and 10 no, so no audit will be performed. (The vote number announced at the meeting was 74 and 13 but amended just afterwards on a recount of ballots.)

There was then a motion with a second to approve the expenditure of \$8790 for the retroactive increase in service contract fees for Jan 1 to April 30. The motion passed, 69 to 7.

There was a motion to adjourn, it was seconded and passed by voice vote at 12:46 PM.

Respectfully submitted,

Carol Pierce, Secretary, KGCA Board of Directors

KGCA Board Meeting-Organizational
5-6-2012 Kahler Glen Event Center

The meeting was called to order by Mike Wandell at 10:37 AM. A quorum was present. The following nominations for officers of the KGCA Board of Directors were submitted.

President-Mike Wandell
Vice President-Infrastructure-John Greiner
Vice President-Communications-Carol Pierce
Secretary-Nancy Miller
Treasurer-Jim Farmer

The board elected the slate of officers as nominated. In addition, Dave Reynolds will work with John G. in Infrastructure duties, along with Carol Billesbach.

The board had some further brief discussion of post-annual meeting reporting.

The next meeting of the KGCA Board was set for May 27 at 8 AM in the Kahler Glen Conference Center.

The meeting was adjourned at 11:10 AM.

Respectfully submitted,
Carol Pierce, out-going secretary
KGCA Board