

Aspen Village Condominium Association Annual meeting
March 12, 2016

Mr. Hershberger requested that those not signed in to do so. This will allow the Secretary to get a count and voting percentage. Section 2.5 of Bylaws – Quorum = 25% of voting power including proxies. Those present represented 70.36% of the ownership by proxy (24 individuals and 17 units).

Mr. Hershberger demonstrated proof of notice of the meeting by showing the group a copy of the February 2016 Monthly Newsletter that provided notice of AVCOA Annual Meeting which was sent 23 January 2016. This act meets the requirement of Declaration Section 14.9 requiring 30 days' notice of meeting.

Following a motion duly made by Lowell Hursh and seconded by Liz Neighbor, unanimous approval was given to dispense with the reading of the 2015 annual meeting minutes, and approve them as posted on the AVCOA website.

Pete Franz presented the 2015 AVCOA Financial Report. He distributed a brief narrative which is attached as a supplement to these minutes. He also presented the Audited Financial Statement as required by Declaration Section 14.10 and made copies available. Lowell Hursh moved and Brian Benton seconded a motion to accept the report.

Mr. Hershberger presented the annual Report of the President.

He introduced Doug Moore to those present and noted why Bob Thachery (Property Manager, Debbie Isley (Club Manager) and Dave Holland, Board liaison member to THE CLUB were unable to attend.

Mr. Hershberger went on to review highlights from the 2015 year. (Note: the following text is taken from Mr. Hershberger's report.)

- a) PROJECTS COMPLETED, 2015
 - 1) Painted the exterior of Buildings C, D, E, and V, units 1-6, 7-10, 11-16 and 131-136 respectively. This was the sixteenth year of our program of painting on a seven-year cycle
 - 2) Made drainage improvements and repaired affected pavement areas in the Building S-T cul-de-sac area.
 - 3) Chip sealed and fog coated all paved areas within Aspen Village, including both roadways and parking areas. This was the major project of 2015.
 - 4) Inspected the roofs throughout the Village, both detail for small things and overall condition of older roofs. Based on the inspection, we will plan to replace the roofs of Buildings T and U during 2016.
 - 5) Constructed concrete curbs at THE CLUB and at Building P were needed to protect the engineered stone architectural walls from the corrosive effects of the ice control chemicals used in Aspen Village.

- 6) The water purification system at the peanut pool (located in the courtyard between buildings C, D, and E) was changed from one using granular chlorine to one using salt. The system worked well during the 2015 summer season.
 - 7) Rebuilt the top of the main outside pool and replaced the upper tile work
- b) CONVENIENCE STORE. The Convenience Store was sold to new owners, Dave and Carol Holland. The Laundromat section of the facility began public operation during February 2015. The store facility began operation in late May 2015.
 - c) CLUB OPERATIONS. Dave Holland serves as the AVCOA Board's liaison member to THE CLUB. Debbie Isley is the manager at THE CLUB. During 2015 use of THE CLUB, both by unit owners and outside members, increased and the financial results were good.

THE CLUB webpage has been re-worked and improved. You will find it at <http://theclubmccall.com>. We recommend that you take a look and use this webpage for obtaining information on programs at THE CLUB as well as of AVCOA, by clicking the AVCOA tab in the heading

- d) CABLE TV: Cable ONE completed their upgrade into McCall and continues to work on improving their infrastructure in the area. With the overall upgrade, they now have the capability to offer more services, including high-speed internet and telephone service. However, arranging for such services with Cable ONE is the responsibility of the individual owner. The Cable TV service which is covered as a part of the pass-through utility fees paid to the Association, covers only the trunk line into the AVCOA units, one small cable-top box, and the standard basic programming. Working with Cable One, unit owners can arrange for an additional small cable-top box to be installed for a second TV. The cost of this second box will be one-dollar per month and will be passed through to the unit owner as an additional charge on the AVCOA monthly bill. AVCOA's current contract with Cable ONE runs to 15 April 2016. We have negotiated an extension to this contract, to run through 15 April 2019. The cost increase associated with this extension during 2016 has been included within the current dues structure for 2016.
- e) INSURANCE: Due to high losses during 2013, our insurance carrier, The Cincinnati Insurance Company, found it necessary to increase the deductible on our Property Insurance program from \$1,000 to \$2,500 beginning 1 July 2014. This increase in deductible continues and remains in place through 1 July 2016, and is expected to continue on thereafter on an indefinite basis. Therefore, it is important for owners to be aware that if an insurable event should take place, caused by the action or lack of action of on the part of a unit owner, they will be charged the increased deductible.
- f) COLLECTION OF DELINQUENT DUES: This problem area has gradually worked its way out. Using the programs put in place with the help of our legal counsel, we have been able to collect nearly all of the outstanding dues balances upon transfer of ownership of foreclosed/short sale/distressed units. Only one unit is now in arrears. The owner of this unit continues to make payments sufficient to catch up over time. We are hopefully that the economy as a whole is on the mend and this problem will correct itself to where it was for many years. That is a non-problem.

- g) **CLEANING OF CHIMNEYS FROM WOOD-BURNING HEATING SYSTEMS.**
As we have noted the last several year, our insurance has changed to make the Association responsible for insuring **all real property** within the condominiums. That is property owned both in common by the owners of the Association, and individually by the unit owner. Therefore, rather than encouraging owners to meet their responsibility for maintenance of their own wood burning heating systems, as was done for some years in the past, the AVCOA Board determined in 2008 that to meet the Association's responsibility for prudent (non-negligent) action under the new insurance program, it was necessary to require that **all** wood-burning heating systems be inspected and cleaned every year. With significant effort on the part of many persons, this program was successful again in 2015. We achieved 100% coverage, given consideration that some units do not have wood-burning heating systems and some do not use their systems. Therefore, they are not active heating systems. As the insurance program now in place is a requirement of the CCRR's, and is as recommended and approved by our legal counsel, this program of required chimney cleaning will continue. And, specifically, the maintenance cost is chargeable to the unit owner. Charged amounts will be consistent with the costs incurred. That is, units with NO wood-burning heating will pay nothing. Those units with open chimney fire places, pellet stove chimneys, and more complex wood-burning stove units with horizontal chimney pipe runs will be charged in proportion to the work required as contracted. Note: this requirement is for chimney cleaning ONLY. Inspection, repair, and cleaning of wood stoves, pellet stoves, glass fireplace doors, etc. within the unit are not covered. Such maintenance remains for the unit owner to provide for as needed.
- h) **DRYER VENT CLEANING.** The by-subscription dryer vent cleaning program was again run during 2015, concurrent with the chimney cleaning program. Owners of forty-two units opted to have their dryer vents cleaned. This program went smoothly
- i) **FLOWER PLANTING DAY.** This activity was held on Saturday, 20 June 2015. Much good work was accomplished while having a good time. Liz Neighbor spearheaded the flower selection process and the program went well. Patty and Lowell Hursh lead the lunch and potluck supper programs and did a great job.
- j) **WINDOW WASHING PROGRAM.** This subscription activity was organized and accomplished. The world is always brighter when the windows are clean and the Village looks better.
- k) **GARAGE SALE:** The first annual, village wide, garage sale was held on Saturday, 23 May 2015, in conjunction with the Convenience Store grand opening. The sale was well coordinated and enjoyed by a number of Aspen Village unit owners.

Mr. Hershberger reviewed highlights of the plan for the 2016. (Note: The following text is taken from Mr. Hershberger's report.)

- a) **MAINTENANCE PROJECTS PLANNED FOR 2016**
1. **EXTERIOR PAINTING:** Continue with the summer painting program. This will be the third time around for Building B, units 149-158. It will be the first re-painting of Buildings J and P, units 41-52 and 81-86. These buildings are the last two constructed in Aspen Village.

2. **PAVED ROADS, PARKING AREAS AND DRAINAGE:** Following the end of the snow year, we will inspect the entire road and parking area of the village and observe how the drainage and paving upgrades of the last few years have stood up to the winter of 2015-2016. Based upon this review, we will develop a plan for the future. We expect that we will again begin a program of crack sealing in the early fall to do our best to keep water from penetrating into the base structure of our roads and parking areas.
3. **ROOFING:** The roof inspection of 2015 indicated that AVCOA will need to re-roof Buildings T and U, units 116-118 and 119-124, during the summer of 2016. This will be our major project for this year. During the re-roofing period, we will have all roofs inspected, make the necessary miscellaneous repairs, and develop a plan for 2017.
4. **RECREATIONAL FACILITIES:** With the upgrades and repair of our outside pools over the last couple years, we are hopeful that they are set for some time. Development of cracks continue in our tennis courts. We plan to continue to fill these on a maintenance basis over the next few years
5. **CONCRETE REPAIR:** Review the condition of the common area concrete sidewalks, especially concerning trip hazards, and develop a small program as funds allow.
6. **STREET LIGHTS:** We have a circuit of street lights on the south side of the Village that have shorted out. We will take the necessary steps to find the short, repair the system, and put the lights back into operation.
7. **FENCING:** The fence to the west of Buildings W and W-1 is beyond repair. We have arranged with the owners of the adjacent property, Convenience Store and Amerigas, to replace this fence during the summer season of 2016.

b) **PROGRAMS:**

- 1) Subscription program for window cleaning. Heartland Window Cleaning has agreed to continue this subscription program at the rate of \$3 per pane/one side. This price has been stable for the last 6 or 7 years.
- 2) Flower Planting Day – continue, discuss later
- 3) Inspection and cleaning of wood-burning heating systems. This program will continue as last year, at the end of spring time, to better accommodate the McCall weather patterns and the availability of firms that specialize in this work.
- 4) Dryer vent cleaning: This program follows with the chimney cleaning program.
- 5) Garage Sale: Based upon the success of the 2015, Village-wide, garage sale, the AVCOA Board has authorized a similar coordinated sale for 2016. Perhaps an end of season sale might be appropriate. Possibly Saturday, 17 or 24 September 2016. Following a discussion by those present, it was noted that the Saturday of Labor Day weekend is a traditional Garage Sale Day in the McCall area. The event is well attended. It was noted it may be beneficial to participate in that activity. That date would be September 3, 2016.
- 6) Parking: The only available areas for trailer parking on AVCOA common area are in the open lot to the east of the Convenience Store; and along the west side of the parking area at Building B (just off Davis Avenue). Note: the parking areas at the Convenience Store, in front to Davis Avenue, alongside the Laundromat, and

- the paved area immediately to the east of the store are limited common area under the control of the store management.
- 7) 15 mile per hour speed limit signs have been posted on all AVCOA common area roads. Please observe these speed limits and help us keep the vehicle speeds down. We have had a few “near misses” and want to do all that we can to avoid problems, particularly any associated with children at play and not being too careful.
 - 8) Continue to monitor dues collection and work to avoid costs associated with delinquencies.
 - 9) Continue to monitor dues collection and work to avoid costs associated with delinquencies.
 - 10) Continue to improve THE CLUB operation so that we can all enjoy use of this marvelous facility, while at the same time keeping it affordable.
 - 11) CONVENIENCE STORE: The Aspen Market is currently open (convenience store and laundry). The store is closed on Sunday.

The AVCOA Board’s nominees for these positions are as follows:

- Position #1, (three-year term) – Pete Franz
 - Position #2, (three-year term) – Ed Hershberger
 - Position #3, (three-year term) – Lowell Hursh
- Each of the nominees has agreed to run for re-election.

Rich Mader moved and Brian Benton seconded and unanimous consent was given to a motion to close the nominations and cast a unanimous ballot for the board recommended slate.

Rich Mader moved that “Any excess of membership income over expenses for the year ending 31 December 2016 shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.”

Wendy Payton seconded the Motion. The motion was unanimously passed.

In Director Holland’s absence, Mr. Hershberger provided an update on the operation of THE CLUB. THE CLUB operations and maintenance are going well. Items that need replacing or repaired are being done so on a regular basis. The financial position of THE CLUB remains healthy.

Mr. Hershberger commented on the success of the 2015 spring workday when the AVCOA owners planted flowers and did other light maintenance work. He noted that it was a success and serves as an opportunity to work together and get to know your neighbors. Following a lengthy discussion, Saturday, June 18 was recommended as the date for 2016.

Lowell and Patty Hursh consented to lead the effort with organizing the lunch and potluck supper programs. Mr. Hershberger asked those who are willing to help with this program to get with the Hurshs’ after the meeting.

Mr. Hershberger announced that Liz Neighbor was willing to continue another year with flower selection process and organization of the flower planting, as she has done before. However, she would be glad to have help from others who are interested in this program. He requested that those who would like to help with the flower program contact Liz directly.

Mr. Hershberger noted that among the owners there is quite a lot of experience in this area, and is sure that there are those who can give advice and information. Also, we have a significant amount of paper products, etc. available stored in the AVCOA storage locker.

Bob Thackeray, Property Manager, and Doug Moore, Buildings and Grounds Engineer, will be responsible for identifying additional work to be done on that day, provide any special equipment needed, and help Liz with handling the flowers as they are delivered, etc.

Heartland Window Washing. Cost will remain at \$3/pane one-side. Subscription forms will be with the May Newsletter. The work is to be completed prior to the July 4 weekend.

Mr. Hershberger announced that there will be a subscription dryer vent cleaning program. The announcement will be in the February and March Newsletters

AVCOA will conduct the annual Wood Burning Heating System Cleaning. Announcements have been in the February and March Newsletters. The cleaning will occur in the spring of 2016 following the stove burning season.

We continue to seek information on systems that are NOT USED, or that have been totally dormant, even have stoves removed in some cases. These are NOT heating systems. Therefore, given the necessary information, these units will be skipped, just as those in Building B, where there is NO wood-burning equipment.

Mr. Hershberger requested input from those present about holding a second annual garage sale in Aspen Village. There was an extended discussion (all positive) about the event with various suggestions for possible dates. Mr. Hershberger noted that the final decision would be made by the Board at the meeting to be held following this meeting.

Other New Business:

Concern was noted regarding grilling continuing to occur on the wooden decks in spite of the notice it was not allowed. Mr. Hershberger noted the proper procedure is to contact Doug Moore or Bob Thackery.

Parking on Aspen Village streets was noted as a concern and an owner requested clarification. Mr. Hershberger acknowledged that there is limited parking in Aspen

Village and that guests and overflow parking should be directed to the common parking spaces first.

Questions regarding what was included in the stove cleaning was asked. Mr. Hershberger noted that the cleaning process involved the pipes (vertical and horizontal) leading to the stove are cleaned. The interior of the stove is not included.

An inquiry as to why THE CLUB is closed on Sunday of a three day weekend was made. Mr. Hershberger's response was that it was the board's intention that it would be open and he would check into the matter.

A question regarding a dog park was raised. The owner wondered if one had ever been considered. Mr. Hershberger noted that only owners can have pets and that the pets must be controlled and cleaned up after. There was a discussion but no resolution.

An owner noted that some of the exterior lights are burned out. Mr. Hershberger directed the owner to Mr. Moore. He indicated that in some buildings the exterior lights are substitutes for actual street lights and are controlled by a light sensor. It is those that are the responsibility of AVCOA. Any lights that are controlled with a normal switch are the responsibility of the unit owner.

There being no other business to bring before the meeting, upon motion duly made (Lowell Hursh) and seconded (Brian Benton) unanimous approval was given to end the meeting. The meeting was adjourned at 11:55 a.m.

Respectfully submitted:
Rob Lohrmeyer, Secretary

AVCOA Treasurer's Report 2016

Overview

The overall economy has continued to improve over the past year and we have noted significant progress in our delinquency rate and most distressed properties in Aspen Village have been sold. At this time there is only one unit that is behind in dues payment and they are making payments at an agreed upon rate which will bring them current over time. We are seeing a renewed interest in recreational property and there have been a number of unit sales in Aspen Village at moderately higher prices this year. A check with local realtors indicates that there is definitely upward pressure on property values as demand is increasing. The Tamarack Resort has been operating on a full time basis this winter and heavier than normal snowfall has helped all ski resorts in the area including, of course, our own Brundage Mountain. The golf course situation at Tamarack is still an issue and last summer it did not open and was allowed to become overgrown.

Banks remain somewhat reluctant when it comes to lending on second homes and in particular condominium type residences. This makes it more difficult but not impossible to sell units in Aspen village as a number of units have been sold in the past year at higher prices than in previous years. Cash deals, seller financing, and selected credit unions have been some avenues for financing sales. The larger banks and government agencies such as the VA and FHA have pretty much ruled out lending on properties in Aspen Village. The local Idaho First Bank in McCall has indicated that they will lend on Condos in the area to those who have excellent credit and in this regard have made a few loans on condos.

The Sports Club continues to be an important asset for all owners and guests in Aspen village. Debby Isley continues to do an excellent job as manager. She brings a great deal of experience in the fitness industry to us and is an asset to the club. It appears now that the club is functioning well and a number of new programs are being designed to improve the overall performance and appeal of the facility. The CLUB's operations were within budget for the year.

The convenience store is completely upgraded and is in full operation. The appearance of the building has been significantly improved to where it is now an asset to all owners in the village.

Budget Performance

There was one major repair project planned for 2015 and that was the chip seal project for the paved roadways, driveways and parking areas within Aspen Village. A total of \$85,000 was budgeted for this project and it was completed within budget at a cost of \$78,750. Overall AVCOA operated within budget for 2015 and we have approximately \$495,000 in operating funds and reserves. These reserves are consistent with AVCOA's long term financial plan as approved by our outside auditors. There are no additional assessments or dues increases planned at this time.

Audit Review

The audit review for 2015 has been completed as required and there were no problems or discrepancies reported. Copies of this document are available for review for those who are interested.

Outlook for 2016

At this time the economy appears strong but low oil prices, although helpful to most consumers, can have a negative impact on the economy. There have been over 100,000 jobs lost in the oil industry and this has some ripple down effect on support industries. This year we have seen energy prices drop significantly which has been a great boost to travelers. In Valley County we have seen a sale of Tamarack Resort and full operation of the tamarack ski area resumed. Substantial early snow in Valley County has allowed our resorts to open early and should maintain excellent ski conditions through an expected longer than normal 2015-16 ski season. Vacation property values should continue to rise although somewhat slower than overall residential real estate prices. The inventory of unsold properties in McCall is declining and this should put upward pressure on prices and also encourage new construction to pick up again. We have seen substantial new construction in Boise and this should push demand for recreation property as new families move into the area. We do not know if the peak prices reached several years ago before the downturn will be again realized but the outlook is good at this time. As always it will continue to be the goal of your board to maintain property values, while keeping ongoing costs down and provide a favorable living environment for all residents.

Respectfully Submitted:

Robert P. Franz
Treasurer, AVCOA

RESOLUTION OF THE ASPEN
VILLAGE CONDOMINIUM
OWNERS ASSOCIATION, INC.

RE: EXCESS INCOME TO BE APPLIED TO ASSESSMENTS
FOR THE FOLLOWING YEAR

WHEREAS, the Aspen Village Condominium Owners Association (AVCOA) is an Idaho corporation duly organized and existing under the laws of the State of Idaho; and

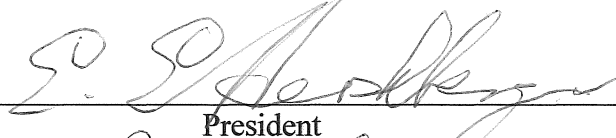
WHEREAS, the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service (IRS);

NOW, THEREFORE, the members hereby adopt the following resolution on behalf of the Aspen Village Condominium Owners Association:

RESOLVED, any excess of membership income over membership expenses for the year ending 31 December 2016 shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

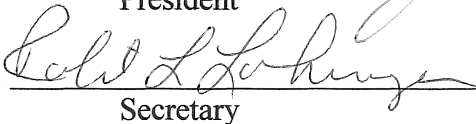
This resolution is adopted and made a part of the minutes of the AVCOA Annual Meeting of 12 March 2016.

BY



President

ATTESTED:



Secretary