Quail Run II Condominium Association Annual Meeting

Presentation prepared by
Berkshire Hathaway HomeServices on behalf of the
Quail Run II Condominium Association Board of Directors

Welcome Owners!

Thank you to each of you who have joined us today!

- Introduction of the Board of Directors
  - Deb Beals – President
  - Kimberly Nower - Vice President/Treasurer
  - Carol Gersmehl - Secretary
  - Darlene Corey – Director
  - Judy Loudin - Director

- Introduction of Property Management Team

  - Lindsay Flynn and Diane Bornhorst from Berkshire Hathaway

Meeting Etiquette

- Out of respect for all attendees, we kindly ask that anyone wishing to speak during the meeting please raise their hand and wait to be recognized by the Board or management. We request that participants refrain from speaking out of turn so that we may maintain order and ensure the meeting proceeds in a professional and productive manner.

- A dedicated Q&A session will be held at the conclusion of the presentation. We encourage you to hold questions until that time. To allow everyone an opportunity to participate, each owner will be allotted up to three minutes during the Q&A.

- The Board is committed to ensuring that every Co-Owner feels heard and respected. These guidelines are in place to provide a structured environment where all voices can be expressed in a fair and orderly way.

Approval of Meeting Minutes

- The 2024 Annual Meeting minutes were emailed for your review after last year's Annual Meeting and have been available on the Association's website. Copies are available for any Co-Owner who would like to reference the draft minutes from November 7, 2024.
- At this time, the Board calls on any Co-Owner willing to make a motion to approve the 2024 Annual Meeting minutes from November 7, 2024.

Stay Connected!

- We have established a variety of ways to provide transparency and for Owners and to stay connected to the community and communicate with the Board:
  - Please LIKE us on Facebook! **https://www.facebook.com/QuailRunII**
  - Please visit the new Association website to get all condominium documents, financials, minutes, calendar of events, etc: **www.quailrun2.com**
  - You can email the collective Association Board at: **quailrun2condoassociation@gmail.com**
- You can also call or email Lindsay or Diane directly for any reason

Community Updates

- **Snow Removal**
  - Mow Co. will be handling the snow removal this season. All plowing will be done as early as possible after snow fall but be aware, plowing is dependent on the time of snow fall.
  - Salt will be installed on all drives and sidewalks but Co-Owners and their guests should use caution when moving around the property in winter months.
  - No plowing will be done in any driveway lane if a car is present.
- **Fall Clean Up** – CD Lawn Service will complete the second fall cleanup by November 30, 2025

Thank you for your cooperation!

- **Feeding of Wildlife –** Per the DNR, it is generally prohibited in the lower peninsula of Michigan to feed deer. In an effort to protect the structural integrity of the buildings, keeping seed and other food off the grounds will help to keep rodents away from the buildings. The property already has a natural setting so wildlife is very active, feeding is not necessary to enjoy sightings.
- **Christmas Trees** - Live Christmas trees are not recommended as they are a fire hazard but if you choose to have one they cannot be disposed of on site. You can drop off your Christmas tree at the parking lot at 322 E. Stockbridge through January 31st, 2026.
- **Spigots** - Your outside spigot needs to be winterized removing any hose that is attached. If this is not done, the line could freeze. If the line does freeze and damage occurs and/or a repair is required, you as the Co-Owner will be responsible for the entire cost.
- **Dryer Lint** - It is important to remember to clean out the dryer hose that connects from your dryer to the wall vent. Lint build up is a fire hazard and one that can easily be prevented.
- **Water Usage –** The Board asks each Co-Owner to check their plumbing fixtures to confirm there is no leaking or over usage of water. As the Association pays for water, that is one the largest regular expenses. Please do your part to check your toilets to make sure they are not running continually, make sure your faucets or exterior spigots are not dripping and be mindful not to leave water running when you are not using it. As a reminder, any overage in usage will be charged back to the Co-Owner. The Board appreciates your help! ☺
- **Modification Requests** - If you are planning to make an exterior modification which may include a change to the exterior building structure or landscaping or addition of an exterior element, advanced written approval is required from the Board. Please complete the Modification Request form which is available on the Association's website and return it to Berkshire Hathaway for Board consideration.

Energy Enhancement Policy

The State of Michigan passed the HomeOwner's Energy Policy Act 68 of 2024, which mandates all condominium associations within the state to adopt a formal policy regarding energy efficiency enhancements, such as solar panels, EV charging stations, energy-efficient HVAC systems, and related infrastructure.

In accordance with this new legislation, the Quail Run II Condominium Association, through its legal counsel, has drafted and approved a policy that complies fully with the requirements of the Act. This policy outlines the procedures, standards, and expectations related to the implementation of individual and community-based energy efficiency improvements.

Please note that, under the governing documents for our community, a majority of the exterior of all building structures are designated as a common element. As such, no energy enhancements may be made to these areas by individual co-owners. However, adoption of the policy remains mandatory under the legislation, regardless of the community's structural limitations.

As required per the legislation, we have mailed a printed copy of this policy to each of you with your Annual Meeting packet and posted this information to the Association website.

Financial Summary

- As of October 31, 2025:
  - The operating fund has a balance of $36,783.99
  - The reserve fund has a balance of $65,449.99
- At the end of 2025, we are anticipated to have:
  - The operating fund is estimated to have a balance of $36,384.33
  - The reserve fund is estimated to have a balance of $51,161.26
- We anticipate a year-end savings of $3,104.42 due primarily the renegotiation of the refuse contract which saved the Association approximately $8,000 per year.

Projects Completed in 2025

Over the past year, the Board has completed the following projects:

- Lyster replaced the roof on 2373/2375FG
- Precision Tree Service completed a community wide trimming and removal project
- Lyster replaced the siding & gutters on 2373/2375FG
- Lyster replaced the chimney chases on 2378/2380FG
- Wyoming Asphalt replaced the driveways at 2403MF and 2404MF
- All remaining clustered mailboxes were replaced on Mansfield with single boxes
- WMR replaced the decks at 2401WM and 2360/2362SM
- Arcadia Garage Door replaced the garage doors at 2403FG, 2384WM, 2401WM, 2403MF, and 2384MF

2026 Budget

The Board plans to complete the following maintenance projects in 2026 from the operating budget:

- **Lawn Maintenance** – Mow Co will be the new lawn maintenance provider and they will handle mowing, edging, weed control, bush trimming, spring and fall cleanup, fertilization, gutter cleaning and roof blowing.
- **Mulch** – The Association will organize a bulk mulch price for any Co-Owner interested in having mulch installed at their expense in the Spring.
- **Tree Trimming** - Preventative tree trimming as needed throughout the community
- **Asphalt Repair** - The Board plans to prioritize driveway sealing, crack filling and patch repairs as needed
- **Gutter Cleaning** - Gutter cleaning will be completed both in the Spring and Fall
- **Exterior Repairs** - The Board will complete a Spring 2026 walkaround and any exterior repairs needed will be completed throughout the Summer 2026

Capital Projects Planned for 2026

For 2026, the Board plans to completed the following replacements:

- **Roof Replacement** – West Michigan Roofing has been approved to replace the roof on 2402/2404FG
- **Siding and Gutter Replacement** - Lyster Exteriors has been approved to replace the siding and gutters at 2376/2378SM and 2405/2407SM
- **Chimney Chase Replacement** - West Michigan Roofing has been approved to replace the chimney chases at 2365/2367SM
- **Asphalt Replacement** - Wyoming Asphalt has been approved to replace the driveway at 2401/2403FG
- **Concrete Replacement** - The Board plans to replace sections of the sidewalk at 2365SM however no specific contractor has been selected.

Capital Improvement Plan

Please review the Five-Year Capital Improvement Plan which outlines the budgeted projects for the next five years, as well as identifies future capital needs over the next 25 years. We have engaged a variety of contractors—at no cost to the Association—to evaluate the condition and long-term needs of the property. These evaluations have helped establish a timeline for necessary improvements and provided valuable cost estimates.

Based on this analysis, the Association must contribute a minimum of $90,581 per year to the Reserve Fund to ensure that roofs, siding, paving, and other critical components can be replaced when needed—*without* relying on large, unexpected assessments.

Under the current budget model and fee structure, the Association should be able to allocate $100,000 to reserves yearly. This is an appropriate and responsible funding level for a community of our size and age. And while additional assessments are needed through 2029 to help address specific projects, they were not intended to be the primary method of funding long-term capital needs.

The capital plan will be reviewed annually in collaboration with contractors to reassess priorities and determine whether any long-term projects should be moved into the short-term planning focus.

Capital Improvement Plan

A healthy, well-funded reserve remains the most stable, predictable, and financially sound approach for co-owners. A well-funded reserve is vital for:

- Protecting the community from large emergency assessments
- Ensuring roofs, siding, and infrastructure can be replaced on schedule
- Maintaining the structural integrity and long-term value of the property
- Supporting stable, predictable financial planning for all owners

2026 Additional Assessment

- As communicated earlier this year, and in order to fund the necessary ongoing capital improvements needed for the community as detailed on the Capital Improvement Budget Plan, the Board will continue with its multi-year funding plan, which includes an Additional Assessment in 2026.
- Additional Assessments are anticipated to continue over the next five years, with the amount to be reviewed and approved annually during the October budget meeting.
- The 2026 Additional Assessment will be due by March 1, 2026
- Co-Owners may choose to pay their total additional assessment over a 6 month period from March to August 2026. Please contact Berkshire Hathaway if you would like to set up a payment plan.

Special Meeting Requested

- The Board has received a certified request for a Special Meeting to discuss a proposal to restructure the monthly dues to an Operating Expenses + 10% model.
- Under this proposal, the Association would reduce the reserve contribution made through the operating budget from the current 34.36% to 10%, and instead shift the remaining reserve funding into the Annual Additional Assessment.
- While the earlier slides outlined the Association's long-term reserve funding needs and explained why the current method was originally adopted, the Board is open to considering this proposal for 2026.
- Please see the provided spreadsheets which confirmed the revised monthly fees and additional assessments that will be due in 2026. This information will be mailed out to all Co-Owners as well this week.

Ballot Results

- Results of the 2025 financial review waiver:

  A total of 18 Ballots were returned:

  - 17 -Yes votes to waive the 2025 review
  - 1 - No votes

  The 2025 Financial Review has been waived by a majority

- Board Election results:

  Congratulations to Deb Beals and Carol Gersmehl on your re-election to the Board of Directors for 2-year terms!

Do you have a question?

- If you have a question, please raise your hand and wait to be called on. Please show respect to all members in attendance, remain quiet and listen to the responses from the Board and/or management company. Please do not speak out unless you are called upon.
- Each Owner will be provided 3 minutes to ask questions or address the Board. We will limit Q & A to 30 total minutes of discussion. Berkshire Hathaway will be available after the meeting for further questions if time does not allow during the meeting.
- The Board will do their best to answer all of your questions but they may not have all of the answers today. Any questions they cannot answer will be included in an email sent out to all Owners after the meeting, in the coming days.

Thank you for coming!

We appreciate you taking the time to join us this evening to further understand the Board's goals, plans and decision-making process.

It is a difficult job to make decisions for 42 Owners who all feel differently about a variety of topics. We hope that all Owners can understand that we do listen to all feedback but like anything else, have to put everything into perspective in terms of majority, priority and cost.

We appreciate the opportunity to serve on the Quail Run II Association Board and the positive support provided by Owners! We will continue with our best effort!