

Prairie Wood Development Association Meeting Minutes
August 20, 2011

All board members were present.

Jim Cooley opened the meeting.

Board member and support staff titles were clarified for all positions. Steve Burtness, if an LLC is formed, would be given the title of Treasurer due to LLC board member requirements.

The 2008 covenants were discussed. The board is working to get the covenants notarized and filed with the county.

Forming a Limited Liability Company (LLC) was discussed.

The board presented the following:

An LLC would provide liability protection for the association members and allow the association members as a group to secure a bank loan, which is required to purchase two marina lots. The name of Prairie Wood Development Association LLC would be registered with the ND Secretary of State.

Association members who choose not to be a member of the LLC will not be under the LLC protection and would not have ownership or use of any new purchases, including the two marina lots, that were not in existence prior to the LLC.

The attorney handling the LLC is Sandra Dittus with Zimney and Foster Law Office. She recommends a 2 to 5 million dollar insurance policy. Jim Cooley is in contact with Ken Myhre of Farmers Union Insurance and will provide price quotes. The association members will be able to vote on the amount of insurance coverage. Individuals who work for the association must be bonded. This does not include when individuals hire work done on their own lots. Jim Cooley stated that Glenna Gjestvang signed quick claim deeds to Prairie Wood Association for the three common lots.

To become a member of the LLC each lot owner would need to sign the Contribution and Intent Agreement form and the Membership Control Agreement form. These forms must be signed as the property deed was signed. Both of these documents will be posted on the Prairie Wood Development Association Website.

There was open discussion on the pros and cons of forming an LLC.

The board will provide tax information related to the LLC.

A majority vote passed the motion of the Prairie Wood Development Association forming an LLC. Thirty-eight votes were required for a majority vote. There were 45 votes available at the meeting and of those 45 votes, 41 voted to form an LLC.

The LLC signature forms will be mailed to the lot owners who did not sign at the meeting or were not present at the meeting.

The meeting minutes were discussed. The minutes were read from the July 24, 2011 association meeting by Mark Greicar. A motion to accept the minutes was made by Gene Weisenburger and seconded by Dan Rustvang.

The roads were discussed. The association members were encouraged to contact the Benson and Ramsey County Commissioners regarding the Wood-Rutten Road. Contact information will be provided on the Prairie Wood Website.

Dave Hovendick, board member of Lohnes Township, updated the association on potential repairs to Prairie Wood Lane which was reviewed by the State. There may be funding to fix the three soft spots with approx. 300 feet of 3-4" subsurface fill and 2" surface gravel. The Lohnes Township will be notified if and when the money has been allocated.

Money has been designated for the chemical treatment of Prairie Wood Lane. It has been delayed due to the truck traffic.

The meeting with the Lohnes Township was postponed to August 23, 2011.

A motion was made by Lynn Cooley to adjourn the meeting and was seconded by Shelly Roehrick