

2020 ANNUAL MEETING AGENDA

- 1. Welcome and Introductions**
- 2. Minutes of 2019 Annual Meeting**
- 3. Road Committee Report**
- 4. Firewise Committee Report**
- 5. Legal Update**
- 6. Allocation Formula Examples**
- 7. Retroactive Adjustments**
- 8. Plan for Termination of MDA RMAs**
- 9. Plan for Election of MDA Directors**
- 10. Questions and Answers**
- 11. Next Meeting**

LEGAL UPDATE

After five years in court, the Welker lawsuit is finally over!

- In June of 2015, the Welkers sued MDA and all Mount Dallas property owners in Superior Court
- **Final Order (Mount Dallas Road)** was entered in December of 2017
 - Comprehensive – governs all aspects of main-road management and assessments
 - Recorded against all 84 tax parcels in January of 2018
- **Final Order (Mount Dallas Side Roads)** was also entered in December of 2017
 - Mimics the 2017 main-road order
 - Binds only owners of tax parcels accessed via seven specific side roads:
 - Lower No-Name Road, Kiya Way, Tumac Road,
 - Rascal Road, Stormridge Road, Rockledge Road, Skylark Lane
 - Not yet recorded (but the MDA or any affected owner could record it)
- The Welkers appealed the main-road order in February of 2018
- **Amended and Restated Final Order (Mount Dallas Road)** was entered in June of 2020
 - Supersedes and replaces the 2017 Final Order
 - Makes minor changes to the allocation formula (redistributes about 6% of a nominal \$30,000 annual assessment) – **no other material changes**
 - Recorded against all 84 tax parcels in August of 2020
- 2017 side-road order was not appealed – original order stands
- Certain owners signed joinders to (eight) MDA RMAs in 2016 – MDA expects to terminate those

LEGAL UPDATE

2020 Amended and Restated Final Order (Mount Dallas Road)

- Posted on the MDA website under the Documents tab – also recorded under AFN 2020-0813022
- Supersedes and replaces the 2017 Final Order
 - Comprehensive – governs all aspects of main-road management and assessments
 - Binds owners of all 84 tax parcels accessed via Mount Dallas Road
- MDA serves as the managing entity – responsible for maintaining the main road
- MDA is authorized to assess owners for various costs, and owners are obligated to pay
 - Reserve fund for periodic resurfacing costs
 - Routine general maintenance costs
 - Certain administrative costs
- **Sectioned allocation** of all maintenance costs (see Exhibit A, Exhibit C, and Exhibit D)
 - The order divides the main road into seven Sections
 - Maintenance costs for each Section are tracked and allocated among only those owners who have the legal right to use the Section to access their parcels
 - Owners of all parcels, whether **developed** or **undeveloped**, who can legally use the Section to access their parcels equally share 50% of resurfacing costs for the Section
 - Owners of **developed** parcels who can legally use the Section to access their parcels in addition equally share all other maintenance costs for the Section
- Court-approved administrative costs are still shared equally by all owners
 - Other administrative costs (e.g., liability insurance) will be covered by **voluntary donations**
- MDA will retroactively adjust the 2018 and 2019 resurfacing assessments

ALLOCATION FORMULA

Periodic Resurfacing Example (from Exhibit A)

Assessments to Property Owners for a total of \$20,000 of expenses for maintenance work associated with periodic resurfacing of Easement Section 1, including both preparation for resurfacing and application of resurfacing, would be calculated as follows:

\$20,000

Total expenses for maintenance work associated with periodic resurfacing of the Easement Section

\$119.05 = $(50\% \times \$20,000) / 84$

Each of the 84 owners of Parcels having the legal right to use the Easement Section is assessed this amount.

\$232.56 = $(50\% \times \$20,000) / 43$

In addition, each of the 43 owners of Developed Parcels having the legal right to use the Easement Section is assessed this amount.

ALLOCATION FORMULA

Routine General Maintenance Example (from Exhibit A)

Assessments to Property Owners for a total of \$1,000 of expenses for routine general maintenance work located within Easement Section 1 would be calculated as follows:

\$1,000

Total expenses for routine general maintenance work located within the Easement Section

\$23.26 = \$1,000 / 43

Each of the 43 owners of Developed Parcels having the legal right to use the Easement Section is assessed this amount. (Owners of Undeveloped Parcels are not assessed for these expenses.)

MOUNT DALLAS ASSOCIATION

established 1989

RETROACTIVE ADJUSTMENTS

- MDA will issue a refund for each parcel that was assessed too much in 2018 and 2019 for the 2019 resurfacing (refund will go to the current owner)
- MDA will assess an additional amount for each parcel that was assessed too little in 2018 and 2019 for the 2019 resurfacing (additional assessment will be to the current owner)
- The following example shows the retroactive adjustment calculation for TPN 451113002

Year	Parcel	Description	Type	Amount
2018	451113002	Actual	D	\$ 654.01
		Corrected		\$ 605.62
		Retro		\$ 48.40
2019		Actual		\$ 175.04
		Corrected		\$ 162.09
		Retro		\$ 12.95
2019		Refund actual		\$ 294.02
		Refund corrected		\$ 272.26
		Retro		\$ (21.76)
		Retroactive refund or additional assessment		\$ 39.59