

**Timber Lakes Property Owners Association
Board Meeting Minutes
June 15, 2011 – 7:00 pm
Whitmore Library – Salt Lake City, Utah**

Conducting, Welcome & Roll Call: Mike Durr

Board Members Present: Shane Olson, Milt Taylor, John Blickenstaff, Mike Durr, Rondo Fehlberg

Board Members Excused: Ole Smith, Craig Allen, Gary Hume, Andy Berry

Employees and Others Present: Kris Price and John Price, Accountants, Martha Lackman, Administrative Assistant

Property Owners Present: 28

Mike Durr, VP of Administration, State Fire Liaison: Welcomed everyone and took roll call. Ole Smith resigned from the Board due to responsibilities at his employment requiring more time. Our governing documents require the Board to appoint a replacement to complete an unfilled term. We have selected Gordon Huetter to complete Ole's term.

Gordon Huetter took the Timber Lakes Oath of Office.

Warrant List: Mike asked for approval of the warrant list. Rondo made the motion to approve and Shane seconded. The motion passed with Gordon abstaining.

May Minutes: John moved to approve the May minutes. Milt seconded and the motion passed, with Gordon abstaining.

John Blickenstaff, Secretary – Discussed the Annual Meeting to be held at the Wasatch Senior Center on Saturday, July 9th at 10:00am. John invited everyone to attend. He stated that by now everyone should have received his or her notice of meeting, along with the ballot information.

Shane Olson, Vice President of Operations – Shane stated that Wasatch County has our construction plans for Blue Spruce. They are looking at the engineering. We have hauled 1,063 tons of rock for Blue Spruce repair. We are creating a sub base. We will start grading the side roads and after that, we will start our regular rotation. This summer, we will grade two times per week on Blue Spruce, and Ridgeline and once per week on the side roads, as needed.

There were questions about KB Sales and Plat 22. Rondo responded to those questions and stated that if any members have copies of any of the documents from the 1970s, please bring them to the office. We will make copies and return your documents.

John stated that at the time Plat 22 was being discussed between its owner and the County, the Association president was aware, but the members were not. Plat 22 required approval of 2/3 of the owners and that approval was never asked for nor obtained.

There was a question about the budget for the Blue Spruce rock that was purchased last week. Shane stated that we had \$20,000 left over from our 2010 budget and that was used for the rock delivered last week.

The asphalt proposal from Morgan Paving was \$97,000 to patch 26,000 square feet. We went back and reviewed it and we think that it is really only about 9,000 square feet. We can repair the asphalt for about \$22,000. However, it would involve Shane doing some of the work, which may be viewed as a conflict of interest. Shane's portion would be \$5,000 for the demolition work and we wanted to let all members be made aware. There was discussion about asphaltting the roads in Timber Lakes. Milt made a motion that we use Shane for the demolition work, in order to save the Association a considerable sum. John seconded and the motion passed, with Shane abstaining.

Rondo Fehlberg – Short Term Rentals are not allowed anywhere in Timber Lakes, even though it is going on. It is against the law to do this in Wasatch County. A few members have asked us to allow them. That is why we placed an article in the newsletter. The overwhelming feedback we have received from owners is to not change our governing documents to comply with the County law to allow them. If any of you want additional information, please contact us. Seven or eight owners have expressed their opinion that we should have short-term rentals in Timber Lakes, but the large majority is opposed. One of the serious problems with allowing them is that once we are known as a rental neighborhood, financing will be harder to get. You could not get an FHA loan and there would likely be a forty percent down payment required. There was discussion about forcing the county to enforce its no short-term rentals ordinance. We have to have a two thirds of the owners vote to change the CC&Rs in order to allow short-term rentals.

Milt Taylor, Treasurer - Reported on our accounting and collections. We are aggressively going after those who are behind with their assessments. We have verbal agreements with thirty-seven owners for a total of \$58,394. Seven of those have defaulted and are taking them to small claims court. We have written agreements with twenty-four owners for a total of \$44,000. We use small claims court because it is simple we are very successful in collecting the debts. There are forty-nine delinquent accounts we are currently processing, including bankruptcy and foreclosures. We have one-hundred-thirty-two new delinquent owners this year. We sent them a letter and they have until June 15th. On Monday, they will receive the attorney letter. If they do not respond, we will take them to small claims court. Our projection is we will collect about \$230,000.

We approved in the last meeting to go to a lock box system for 2012. Everything the auditors suggested from the last audit have now been done. Rondo moved to use Tanner and Company for the 2011 audit, John seconded and the motion passed unanimously.

Milt discussed cash flow. We funded our Capital Reserve Improvement Account this year with \$283,000. He discussed how we can reduce some of our costs, collections, and budgets. He also discussed how we will use the Capital Improvement fund.

Public Forum: There was discussion of meetings in Salt Lake, and trying to secure a location. An owner that works with the Library system is going to look into reserving our room for Salt Lake City meetings.

Lot 1716 Jack Yoho – Asked if it requires a two thirds vote for lot combinations. John stated that it is on the ballot for owner input. Jack asked if this is a change in CC&R's, and is it retro. Rondo said from a legal standpoint, the CCRs are clear, if you have one lot, you have one assessment. John said that we do not want to be rushed into making lot combination decisions based on a few opinions; we need feedback from our members.

Lot 1119 Terry Wieser – Stated that he was concerned about the lot combination issue being on the ballot, and felt it was unfair. Rondo said we are trying to solicit input from the members, which is a separate issue from the one raised by Mr. Wieser. Once we have the input from the owners, we will have better direction from all the members, and then we will address your issue separately. Terry said that he just wants this resolved, even if it is just one fee from here forward. Mike said that any big decisions need to be put before the members.

Mr. Black stated that he was one of the first to do a lot combination many years ago. He went to the County and was told he did not need permission from Timber Lakes, but the County wanted to cooperate with Timber Lakes. They asked him to get permission from Timber Lakes, and from the Timber Lakes Water Company. The Timber Lakes Board at the time gave him permission. However, they told him if he divided the lots in the future, he would have to pay the assessments for each lot. He said he had put at least \$60,000 into open spaces and road repair, plus another \$60,000 to reduce pollution. He can only build one cabin on his combined lot. If every owner had a combined lot, we would cut in half the pollution and road repair. We would have twice as much open space. It would make Timber Lakes a better place. We should not penalize the combined lot owner.

Rondo stated we want this type of input from our owners.

Shane moved to adjourn the meeting. John seconded the motion, which passed unanimously. The meeting adjourned at approximately 9:10 pm

Minutes provided by Martha Lackman, Administrative Assistant.