

BOD Minutes of Timberwood Mountains Estates Property Owner's Association 8/7/2010

John Leder called meeting to order. Present were Rod Branch, Lewis Houser (by phone), David Crown, Jerry Wiggins, Andy Rancourt and John Leder.

The Board agreed on a vote of 5 to 1 that it would make the determination of the increase to the annual assessment.

Dave recommended and the board agreed that analysis would be completed to determine the increase to the annual assessment. Once that is determined the association members would be notified. A discussion detailing the increase will occur at the annual HOA meeting in October.

The Board agreed to meet on August 7, 2010.

The Board agreed to send letters to the association members about the upcoming HOA meeting on October 16, 2010.

John Leder will send a letter to the Timberwood Development Company asking for specific details on the remaining commitments to the development.

Dave informed the Board that a company has been contracted to mow the grass along Timberwood Drive up to Hawkeye Road. Above Hawkeye Road only the culverts will be maintained.

Dave and John experimented with fixing the cracks in the road. The initial attempt didn't go as well as expected. They said that it looks like fixing road cracks will require two passes. More information will be forthcoming once they do additional work.

A building permit has been issued for Lot 52.

Andre Rancourt

Vice President

Minutes of Officers and Directors Meeting of August 7, 2010 @ 10:00 A.M.

John Leder opened meeting held at Andy Rancourt's home with all members of the Board present. Proceeded to agenda. Jeff House will be attending a portion of the meeting today to provide a Developer's report.

Rod will get a lockbox for Association and the original Articles of Incorporation.

Report on Road Maintenance: Landscape firm has been hired to provide the following scope of work: Mowing will be done on both sides of Timberwood Drive, up to waterfall. The rest of Timberwood Drive, Hawkeye and Spring Branch will be trimmed on the ditch side, keeping them clear of debris. Good job so far! Hawkeye required a load of gravel and some tractor work, \$450.00.

David and Sharon Crown have been repairing the cracks in the roads. Approximately 70 gallons of Asphalt sealer/filler have been used out of a 100. Cost was \$400.00. Bill Honeycutt was unable to help as he had been hurt in a fall at his home.

John Leder informed us that a temporary power pole request and Building Permit for lot 52, Demchek's property, has been submitted. We expect this request to generate a work- order to get the power from Duke. Jeff will now have to install electrical, phone and water system (including completion of 2 wells) to the end of Timberwood Drive. Paving will follow after settlement/stabilization of sub-grade.

Jeff has joined us at 10:30. He confirmed that he Arrowhead paving is on the NCDOT docket and will be done. TMEPOA funding for this project paid from 2010 special assessment. Further update as to the individuals holding out is that Wells has agreed to sign, Wilson fence to be replaced and lengthened. Ferguson will not sign, therefore, DOT will go ahead with condemnation. Looking at Spring 2011 to start the paving.

Jeff clarified his attempt to inform the association that some or all owners might like to purchase the lots left unsold at a rock bottom price. No other intention and apologized for his intentions being misunderstood by some members of the Board. The developer, will complete the "to do" list presented to the Association at the turn over. They will in no way renege on their commitment. His best updated proposal to complete said list is approximately \$121,467, if he does the installation, that is today's numbers. After

completion, it is out responsibility to maintain. He stated that United Community Bank will redo his loans. He asked that we work with him; he has several pieces of property priced aggressively to sell. First sale, money will be used to complete the installation of water, electrical and phone up to Demchek's property. Jeff feels that we should double the now collected dues, hire an attorney to collect for us.

We asked what he thinks of what we have done so far. He would like to see better maintenance of the grass along the road. In his opinion, it does not look as good as it could look. It must look impeccable to sell the last lots. He explained as to why we need to keep quiet the fact that we have gotten Wilson to maintain the wells instead of Miller. We must keep Miller's on our side for maintenance purposes.

Additional business discussed. Owner of 26A & B would like to combine the two lots on record. Jeff provided the history of the original purchase as the transaction was for two (2) lots. Request denied by the Board. Jeff had the sign at Hw 141, Arrowwood Drive repaired and repainted and gave us the bill.. He also suggested that we get filters for wells online. John Leder can get them for us, also o-rings. John Leder would like to cross-connect new water systems (which will be well 6 & 7), to well #5 service system piping. Protection in case something happens to either well system.

Jeff thanked us for inviting him to the meeting and departed at 11:30.

Next item of business: Mailing of the Newsletter, Proposed Budget and Invitation to the Annual meeting of the Association. Jerry Wiggins has prepared a Newsletter, reviewed with minor changes. The 2011 TMEPOA Annual Meeting to be held October 16th, 2010, 1:00 PM at David Crown's home. A discussion as to any additions to Newsletter was had. Rod Branch felt that the Officers and Directors should not feel that they have to justify what has not been done, but to show all that has been done by Officers and Directors toward managing the Association with what little they had to work with. It should be positive. Rod will make changes as suggested by the group and add a bullet list of what has been done over the year by the officers and directors for the Association and mail to members as soon as possible.

A proposed Budget was presented to the Board, by David Crown and Jerry Wiggins. Jeff House, TDC, says that the dues as collected historically is not enough to cover the actual cost of maintaining the subdivision, plus building reserves for future replacement of systems. The Officers and Directors also feel that we must raise the dues for road and water, plus raise the impact fee for new construction. Discussion follows as to what needs to be covered by reserves, cost of yearly maintenance of subdivision. Budget as proposed by David Crown and Jerry Wiggins is attached. Budget is to be revised based on what the Officers and Directors feel will cover the growing cost and the building of reserves for the future. A motion was made by Rod Branch, seconded by John Leder, to raise the Annual Road Dues to \$500.00 and the Water Dues to \$300.00. A motion was made by Jerry Wiggins to raise Road Impact Fee to \$1000.00, seconded by David Crown. . Jerry Wiggins made a motion that the President and Vice President, plus another person would form an Executive Committee to oversee the budget and do a quarterly review of the Treasurers Report.

Insurance for the Association was discussed. A sample policy was furnished by State Farm Agency. During discussion the most important part of the policy must be coverage for the wells, if not the road. Question brought up as to what if one of the Directors or Officers are sued individually? Would they be covered for personal liability by this policy? Jerry Wiggins and David Crown will be meeting with State Farm agency's representative to discuss and clarify the questions presented. The Board authorized them to acquire the insurance policy if issues are resolved.

Jerry Wiggins reported that the Treasurer has collected dues and assessment from all but four (4) lot owners. Liens will be filed against; Mr. Canady Lot 35, Dickey Lot 51, Fernandez Lot 59 and Green Lot 8. An Amended invoice for due is to be sent to the new owner of Lot 27, Mr. Leitz, for \$179.09.