

Timberwood Mountain Estates

Property Owner's Assoc., Inc.

1 Timberwood Dr., Marble, NC 28905

www.timberwoodmountainpropertyowners.com

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September 1, 2010

Dear Property Owner

We are sending you this Newsletter to provide the latest information concerning the status of the infrastructure and commitments of the developers. The letter also provides details on what has been done to set up our Association and the future plans to maintain and administer Timberwood Mountain Estates at a level that property owners want and expect.

John and Jeff House of Timberwood Development Corporation have made promises to the association and to personal property owners to complete certain activities before they end their relationship with Timberwood. They have stated that the following:

- complete the paving of Spring Branch Road and Timberwood Drive to the top end (lot 52) of the mountain
- repair the section of Timberwood Drive at the bottom near and above the entrance
- complete the 2 outstanding wells, water lines, power and phone lines to the end of Timberwood Drive
- add guard rails at appropriate locations within the development.

Several properties have also received additional promises such as the paving of driveways as part of your original purchase agreements with the Houses. Their ball park estimate for all this work is approx. \$150,000 in today's market.

It is the opinion of the Board that the John, Jeff and Timberwood Development Corporation will honor their commitments to us. Some of you have dealt with them for as long as 15 years and they have never given us pause to doubt their sincerity and honesty. As all of you know the real estate market nationwide is in the tank and even more so locally. Timberwood Development has had to foreclose on several of the mountain properties and they have severely cut lot prices to aid in stimulating sales. Jeff also came to our last Board meeting to reiterate their commitment to the completion of the development. He stated ".... I live here, have several developments and I'm not going anywhere....". The Board was assured the full commitment of Jeff and Timberwood Development.

On another note a building permit has been issued for the last lot on Timberwood Drive. This has initiated the work of Duke Power and Jeff to provide power, water and telephone lines to the end of Timberwood Drive. Once the ditches have been backfilled and settled for approximately 12 months the gravel road portions can be paved.

Since January 1, 2010, when the Board assumed responsibility of managing the development, the following has been accomplished:

1. The corporation's bylaws were written, rewritten, adopted and approved and recorded. Special thanks to John Leder for bartering the use of his house for legal fees for the review by an attorney. This literally saved "thousands" of dollars based on estimates from local attorneys. The Bylaws are published on your website: www.timberwoodmountainpropertyowners.com
2. A corporate bank account and permanent mailing address were established.
3. Association's Liability insurance was researched and purchased.

4. The website was initiated by John Leder and built by Andy Rancourt. Please visit it for updates on the mountain. www.timberwoodmountainpropertyowners.com.
5. Contracts for significantly limited road side trimming and ditch maintenance were signed and implemented. Many thanks to David Crown for his efforts to get the most for our money.
6. David Crown addressed the asphalt cracks that have occurred over the last couple of years, especially the hard winter of 2009/2010. We had received estimates from professional landscapers for these immediate repairs of approximately \$15,000. David researched the problem with the cracks and devised a method to fix the deterioration of the road. To date, David and his wife Sharon's have spent over 100 hours of personal sacrifice along with other board members to fix the road. These efforts held down the cash outlay for these improvements to approx. \$1,200.00. The Board hopes to have the major cracks sealed by November 1, 2010. Feel free to help David with this goal at anytime you are up there. Again many thanks to David and Sharon.
7. Our dues collections have been erratic. Some owners had moved, our address data base was incomplete or were not billed correctly. These errors have been resolved. Unfortunately we are still running about 10% delinquency rate and we are in the process of filing liens against those properties we cannot get a working arrangement with. Many thanks to Jerry Wiggins for spearheading this entire process.
8. The Association along with Timberwood Development have setup an escrow account to the benefit of the North Carolina Dept. of Transportation. Several Board Members, especially Jerry Wiggins and David Crown and others attended 3-4 different meetings to get this done. The deposit (using the special assessment funds collected) has been made for the Association's contribution to the paving of Arrowood Road (SR1528). The NCDOT is in the process of settling with the affected property owners and in one or two cases has filed condemnation proceedings to clear the project. As much as we had planned on having Arrowood Road paved this year it looks like it may slip to next year as the paving season draws to close for this year. We will keep you updated as we get news.

On January 1, 2010 the Board was given historical operating data containing Development information accumulated over the past 15 years. The House brothers have admitted that the fees collected over the previous years were insufficient to cover the actual costs of maintenance and should have been raised many years ago. They chose instead to cover the deficits as a marketing expense rather than raise the fees.

This is no longer the case and now the burden has fallen on us, the property owners. Your current Board has managed to stay within the current budget for this year by following the NON-SUSTAINABLE measures:

1. We limited the amount and frequency of vegetation trimming and cutting along all the roads. We set-up for MINIMAL road ditch maintenance.
2. We limited the maintenance of the current water infrastructure to emergency repairs.
3. We limited the repairs to ALL roads to emergency repairs (Hawkeye Road washout and crack repairs. Most of them carried out by your current Board members at material costs.
4. We have not established a reserve fund. Sufficient funds are not available for the establishment of any reserves for any future road repairs, resurfacing, acts of God (i.e. wind damage to trees, including cleanup, lighting strikes, broken water pipes, well repairs, well equipment. Should such an act occur we could not even borrow any funds from any bank unless we have a comprehensive reserve fund policy in place. This is considered an absolute necessity.
5. The Board members took on almost all tasks that should not be expected from this or future Board members. We gladly did this as an extraordinary measure to stay within the current dues received.

Based on very careful review of the current incurred costs and the expected future costs the Board has adopted by resolution, the enclosed 2011 budget. With it comes the inevitable requirement to raise the annual dues that have not been raised in 15 years.

Per Lot Costs	2010	2011
Road and Infrastructure maintenance fee	\$250.00	\$ 500.00
Annual water usage fee	\$250.00	\$ 300.00
New construction impact fee	\$300.00	\$1,000.00

All of the Board members have contributed a significant amount of time and effort to this initial year of the TMEPOA association. However, a very special thanks should be extended to Jerry Wiggins, David Crown, his wife Sharon Crown and John Leder for their leadership, resoluteness, tenacity and frugality.

The annual Mountain Property Owner's meeting is scheduled for Saturday, October 16, 2010 at 1:00PM at David and Sharon Crowns house as they have graciously agreed to host this year's meeting. They are located at 1352 Timberwood Drive, Phone (828) 837-9241, e-mail: davidcrown@frontier.com

The following posts are up for election:

Current Member:

President	(1 year)	John Leder
Vice President	(1 year)	Andy Rancourt
Secretary	(1 Year)	Caryl Branch
Treasurer	(1 Year)	Lou Hauser
Director	(1 Year)	Rod Branch

The following posts continue:

Director	(2 Year)	Jerry Wiggins	(1 year left)
Director	(3 Year)	David Crown	(2 years left)

It promises to be a great fall season and we look forward to seeing you all on the mountain.

Sincerely

Officers and Board Members
T.M.E.P.O.A.Inc.