

TIMBERWOOD MOUNTAIN ESTATES PROPERTY OWNERS ASSOC., INC.
(TMEPOAI)
1 Timberwood Drive
Marble, NC 28905

Board of Directors Meeting Agenda
October 19, 2013; 10:00 am

The 4th Quarterly Board of Directors Meeting was called to order at 10:20 am at Blue Mountain Cafe. All BOD members were present with the exception of Director Lew Houser who had submitted his proxy.

Jerry Wiggins moved to accept the Meeting Agenda as presented. Margaret Rancourt seconded the motion and it passed.

Old Business

1. Total 7 Liens filed July, 2013 for a total of \$6,200.
2. Timberwood Road & Well Upgrades – David & John

Updated - Road engineering company. John moved in 2012 to hire road engineering firm or soils firm to get assessment of trouble areas. Motion passed and John located DeWayne Brown, PE, PLS of Vaughn & Melton Consulting Engineers & Surveyors from Asheville. David met with Mr. Brown and after reviewing all of the Timberwood roads he pointed out the areas he thought would develop issues. David understands his suggestions but we have not received his written report as of this date, nor has he invoiced us for his three-hour consultation. David explained the possible remedies discussed with Mr. Brown. David also met with Crisp Paving regarding this area and discussed the plan set forth by the Engineer and Crisp Paving to correct the situation. Crisp Paving's unofficial estimated cost to be approximately \$35,000. We will continue to monitor this particular spot. We need to plan for concreting all the culvert entrances in the subdivision to avoid further water erosion of road surfaces and culvert separations.

Crisp Paving estimate to repair areas where water pipes broke last summer, fill the cracks on Timberwood Drive and repair and repave the upper portion of Timberwood Drive at Lot 37 where the culvert was replaced and hillside was dug out to widen the road is \$5,700. Crisp has filled cracks in Timberwood Road but the paving has not been completed as of this date.

Margaret inquired about action to be taken. The Board will proceed with getting firm estimates for repairs to be accomplished in two parts. Part 1 would be the repairs on the road and Part 2 would be the further culvert upgrades/repairs along the road. After we determine the costs for both parts we can make a decision about how to finance the repairs. David suggested the BOD meet at the next quarterly meeting to determine the status of the area most serious then consider and evaluate the remainder of the culverts and road problem areas. John doesn't think the proposed soil compaction to fill the ditches in the problem areas is the answer and recommends crush and run instead with the possible addition of another catch basin or culvert.

Discussion of Well Problems and Repairs- David Crown reported that Wilson Well replaced the control box on Well 3 and that we need to replace the storage tank at that well since tank size was the major factor in burning out the control box. The new larger tank would cost approximately \$200 or a second tank could be added. The other alternative would be for the homeowners to install a water storage tank. David pointed out that we have spent \$500-\$600 in repairs on Well 3 this year. Andy Rancourt questioned whether we are talking one or two tanks at this well. Board agrees that we should proceed with getting this well updated while we can but it will probably be a 2014 item. The Board also strongly recommends the homeowners install a water storage tank in their home. It is suggested that language addressing the water storage tank issue be included in our Welcome letter to anyone purchasing an existing home without a storage tank.

John reported that he has not made any progress on a mountain wi-fi system at this time. John will present his progress on security updates at the Annual Meeting for discussion.

New Business:

Jerry Wiggins presented Treasurer's Reports for the third quarter, the first three quarters of 2013, and the annual treasurer's report for fiscal year 2012. We collected \$3000 in October, 2013. At the end of October, 2013 our balance is \$19,134.53. Savings account currently has a balance of \$14,284.31. Current payment status of 7 lots unpaid, 1 partial pay and 57 lots fully paid. John Leder moved to accept the Treasurer's reports as submitted. David Crown seconded the motion and it passed.

The 2012 Budget Status Report was reviewed by David Crown. The budget for repair and maintenance of our wells is over our estimated costs. The well maintenance is the only budget item that has run over the budgeted amount, largely due to telemetry problems. David pointed out our November 2013 road obligation to Crisp Paving for repair work on upper Timberwood Drive. David moved to accept the 2013 budget report as presented, Margaret seconded acceptance of budget report.

David presented Proposed 2014 Budget pointing out the increase in mowing/weedeating/ditch cleaning by Accent Landscaping. The projection for road repairs dropped based on work already completed. Well maintenance increased due to problems we've experienced during the past year. Gravel for unpaved roads is a recurring item. Gravel and spraying for weeds on unpaved roads was done this year. Sharon Crown pointed out the lower projected funds left at the end of the year. John Leder brought up that we may need to initiate discussions about raising the annual fees. Jerry projects an end of calendar year surplus of approximately \$9,000 to \$10,000 this year. Lot 56 is in foreclosure and we will attempt to collect fees from the foreclosing institution.

David questioned if John had an amount in mind for any increase in fees and expressed his thoughts that, if necessary, we consider raising rates on houses with water first. John concurs. Need to consider more well upgrades needed over the next year plus concerns over road problems to allow for major repairs in Timberwood. Jerry mentioned possibility of a special assessment for road repair and that he would not want to consider raising water rates but would support a special assessment for road repairs instead. Jerry is against any rate increase until we are not putting money away at the end of the year. No one would support a special assessment for the roads at this time. Margaret suggested that we present this information at the annual meeting since it may happen in the future. John presented everyone should pay for water and road based on the fact that water is available to all, just not connected to all lots. David pointed out that we have gone for the fix on wells instead of just repairs. We have been repairing roads because we cannot afford to fix

the problems at this time. This will be on the agenda for discussion in the first quarter of next year when we will know the actual numbers for calendar year 2013. Margaret Rancourt moved to accept the 2014 actual budget based on discussions. Andy Rancourt seconded the motion and the motion passed.

David Crown moved to accept the 2014 Proposed Budget for presentation at the Annual Meeting. Jerry Wiggins seconded the motion and it passed.

As of October 8, 2013, Lots 26A & 26B have been consolidated into one lot and are on record with the Cherokee County Register of Deeds. The Secretary has a copy of the new General Warranty Deed for our records. 2014 billing will reflect 1 lot, 1 vote.

Insurance: New Liability Insurance Policy has been acquired with Auto-Owners Insurance. Jerry Wiggins presented a summary of the new coverage and premium. Deductible is the biggest change and we were advised that it would probably take three years from the date of the last claim to seek reduction. We also increased coverage on several infrastructure items. This will be an information item at the Annual Meeting.

Lot 38, Merrie & Don Heins has sold to Randall Smith of Florida. Sharon has contacted the new owners and has sent our Welcome letter.

Lot 56, is in foreclosure. We have a copy of the Foreclosure Notice and Sharon will follow up with the Foreclosure institution to see if they will pay amounts due until the lot is resold.

Discussions regarding security. 24/7 gate closing and changing the sign at gate will be discussed at the Annual meeting. The Board will recommend at least changing the gate code which has been in use for too many years. It will be proposed that we create numerous codes. David expressed his interest in keeping costs down. John pointed out the current system will handle 100 codes. Five of the seven members of the BOD are in favor of closing the gate. David Crown expressed that we must have a mechanism for the gatekeeper to call someone other than the Crown's when he has questions. John explained his concept to make owners responsible for their own code allowing us to keep track of coming and going. Construction, Realtors, Deliveries, Guests codes could be available. More hardware would be needed. Mr. Day has agreed to be the primary contact for anyone gaining entrance without a code. John Leder has agreed to be available to Mr. Day for any questions. The Board will present this to the Annual Meeting for a vote. Sharon will advise of new gate code in invoices going out at the end of October.

The BOD discussed the re-election of officers and those who are interested in serving on the Board.

Sharon Crown asked the Board to consider a future discussion regarding schedule for invoicing and budget preparation. Example: Fees are due January 1st, just after taxes and holidays when everyone is broke. Should we consider operating on a budget from October through September instead of January through December?

In preparation for today's Annual Meeting the Board of Directors holds the below listed proxies for voting:

Proxy Forms	BOD – 7 (per Liens) + 2 proxies – Lots 15, 17, 19, 20, 46, 47, 49, 52, 56
	John Leder -3 – Lots 5A, 53, 54
	Margaret Rancourt – 2 – Lots 41, 42
	David Crown – 17 – Lots TDC (10), 9, 16, 22, 28, 29, 35, 39
	Jerry Wiggins -1 – Lot 10

The business of the Board having been concluded, Sharon Crown moved to adjourn the meeting. Andy Rancourt seconded the motion and it passed.