



timberwood mountain estates property owners association, inc.

**1 Timberwood Drive
Marble, NC 28905**

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Marble, October 31, 2014

Annual Membership meeting

Date: October 18, 2014

Time: 1:00 PM

Where: Blue Mountain Coffee & Grill, 30 NC Highway 141, Murphy, NC 28906

The Meeting was called to order at 1:00pm by John Leder

In attendance:

John Leder (1), David & Sharon Crown (2), Lisa & Steve Lietz (1), Lew Houser (1), Andy & Margaret Rancourt (1), Vinnie Occhiogrosso (1), Mike & Winnette Ginn (1), Jeffrey House (9), Jim & Nancy Ricker (1), Rich Huovinen (1), Rod Branch (1), and Daniel Mills

Between people present (20) and proxies representing lots registered with the Secretary (10) or via members not in good standing (6), 36 lots were represented.

Agenda:

1) Review 2013 Annual Meeting minutes.

Owners were informed in the notice of this meeting that a copy of the 2013 meeting minutes is posted on our website. There were no questions regarding the minutes.

2) President's Report

John reviewed turnovers on the mountain (3 foreclosures – 2 lots & 1 house); video security added; gates closed 24x7. No problems as a result of the gate being closed; emergency vehicles can get in without a problem. We can put 100 gate codes in the system. Vinnie asked about changing them every year and John said we could discuss that under new business.

3) Treasurer's Report

Lisa distributed her financial reports. She reviewed each report and explained the balances (including new savings account and transfer into it). She also reviewed the financial summary report. Six lots are unpaid (4 of which are delinquent for more than 1 year). We anticipated one new construction start this year but it did not happen. One construction start is assumed in 2015 budget. She is forecasting another \$7k in expenses in 4Q. Steve asked about the \$7k for road repairs. David responded that it's to repair separating culverts,

cracks, general road repairs. Part of the savings account goes toward rebuilding the section of the road below Defoes' that was estimated 2 years ago to cost \$35k; probably \$45k now. \$28k is currently in reserve & we are expecting another \$6-7k excess at the end of this year to add to it.

There was a discussion of how hard it's been to get gravel delivered and spread over the past two years. Rich suggested Sammy Verrong (sp?) for gravel & said he's never had a problem getting it when he needed it. David will get with Rich to get information.

Lisa reviewed 2015 budget. No unusual expenses are planned. She is hoping for additional homeowners vs. lot owners. The budget is \$36k; expenses are forecast to be about the same as this year. She added a category called maintenance reserve.

For those who were not at the meeting, copies of the treasurer's report are available upon request.

4) Secretary's Report

Margaret thanked Sharon Crown for making the transition as painless as possible, for keeping excellent records and for her continued support.

Board of Director meetings were held quarterly on Jan 18, April 26, July 25, and Oct. 18, 2014. Minutes are posted on the website (10/18 meeting will be added).

Second Invoices were mailed March 25th with a \$25 late fee added to the original amount due. For lots remaining unpaid as of 9/1, Notices of Liens will be filed with Cherokee County Clerk of the Court this month on six lots.

2014 Annual Meeting Notice, Proxy form and Newsletter were mailed on September 8, 2014, and were posted on the website.

Invoices for 2015 annual fees will be mailed at the end of October and will be due January 1, 2015. Late charge of 15% of the outstanding balance will be added February 1st and liens will be filed with additional \$100 charge if still unpaid as of March 1, 2015. This report reflects the fact that the new fees were approved later in this same meeting under New Business.

BOD has proxies representing 16 lots for today's meeting from absentee property owners and those lots whose fees are not paid current and therefore revert to the BOD per By-laws approved at the 2012 Annual Meeting.

David moved to accept Secretary's report; Steve seconded; unanimously approved.

5) Adoption of the Treasurer's report

John moved to adopt the Treasurer's report; Lew seconded; unanimously approved.

6) Expiration of Term for the following board members:

President, Vice President, Treasurer, Secretary, 1-Year Director

(John Leder, David Crown, Lisa Lietz, Margaret Rancourt, Lew Houser)

The following are the remaining board members and their changes:

2-year director has served one year and is now the 1 year director (Andy Rancourt).

3-year director has served one year and is now the 2-year director (Sarah Mills).

8) Nomination and election of new board members:

President: Andy nominated John; Sharon seconded; unanimously approved.

Vice President: Margaret nominated David; Lisa seconded; unanimously approved.

Treasurer: Margaret nominated Lisa; Andy seconded; unanimously approved.

Secretary: Lisa nominated Margaret; Sharon seconded; unanimously approved.

3-year Director: Margaret nominated Jim Dafoe (who volunteered via proxy); Lisa seconded; unanimously approved.

9) Discussion, presentation and adoption of the 2015 Budget

Mike motioned to adopt the 2015 budget as proposed; Lew seconded; unanimously approved.

10) Old Business:

a) Gate Security and access control.

On the lights, Vinnie is going to move the sensors to the back to see if they can get more sunlight so the lights won't be on as much and offered to put a timer on them. Lisa suggested replacing the bulbs with LEDs and offered to buy them. Vinnie said he would install.

We have installed a security camera. Takes very good pictures, day or night. A couple of people asked about getting remotes for the gate. One site Margaret has ordered from is here:

<http://www.gatehousesupplies.com/Multi-Code-Garage-Openers-s/24.htm>

John commented we're always watching for new ways to secure the neighborhood; have explored Wi-Fi for the mountain but given the contours of the mountain, would need multiple towers/relays. Discussed using cell network but it would be very expensive. This is something we'll continue to review.

11) New Business:

i) Presentation of the board's vote to the members on changes to the late fees and filing of liens as unanimously adopted by the Board. This is the related excerpt from the minutes of that Board meeting:

Discussion of late fees & liens. Discussed options of increasing the fixed fees for being late and filing liens or making fees equal to % of outstanding balance. Any changes would be effective on balances as of 1/1/2015. Andy motioned; Sarah second; all approved making late fees 15% of the outstanding balance calculated annually and increasing lien fee to be \$100. One last step is checking covenants for process to increase fees.

Margaret informed that group that the late fees and lien fees are part of the covenants so revised covenants will be filed. Vinnie motioned to adopt the proposal and modifications to the covenants. Andy seconded; 27 votes in favor (11 present + 16 proxies) and 9 opposed. Motion passed.

ii) Ongoing maintenance challenges and increasing costs.

John talked about the general condition of the development and the fact that we are facing greater costs to maintain the road. He was not proposing a fee increase this year but would like membership to be thinking about it to be effective in 2016. He used Lot 35 as an example. We've learned from the engineer we consulted that the damage comes from water running out around the culverts instead of through the culverts themselves. We have had several culvert pipes separate, causing significant damage to the road. The separation on Hawkeye Trail was the other example. John opened it to the floor for discussion. Mike asked if the board had discussed an amount. No, the Board has not. This issue is being raised for awareness. Steve asked if we feel we need to increase dues, when we would consider it - before the next annual meeting or earlier than that. Margaret said it depends on what happens. If we have more instances and more expense, we'd have a special meeting or else cover it at 2015 annual meeting to be effective 1/1/16.

Rod raised the water situation. John responded that we addressed it by putting in the requirement to have the water storage tanks in new houses and made a strong recommendation to have them installed in existing houses. It was mentioned that someone (the Knutsons) installed their tank underground.

At this point in the meeting, Jeff had to leave. He communicated to those present that he was giving Rod his 9 proxies if needed.

The discussion continued about the state of the roads, water, and electricity. The work that needs to be done for the electricity needs to be done by Duke Power. Nantahala Power used to work with people to lay cable and then hook up power but Duke does not. Estimate from Duke Power to run power to the end of Timberwood Dr. is \$100k.

Rich talked about his lot and said he knew that he didn't have power or water when he bought it.

Steve talked about his intent to live up here for a long time. There are big bills are coming and we do not have enough in reserve. It's better to raise fees now than to hit owners with \$5,000 assessment later (\$5,000 was an example). This is a better option for raising necessary capital. The property owners encouraged the Board to increase the fees now. Various increases were discussed. Steve motioned we increase road maintenance to \$600 and increase water/wells to \$400, effective 1/1/15. Vinnie seconded. 3 votes were in favor; 33 (8+25 proxies) opposed. Motion did not pass. And discussion continued. Andy motioned we increase road fee to \$600 effective 1/1/15 and leave the water/well fee as is. Vinnie seconded; 27 votes in favor (7 + 20 proxies); 9 votes (4 + 5 proxies) opposed. Motion passed. 2015 invoices will reflect the increased road maintenance fee.

iii) Open floor questions and/or discussions.

Earlier in the meeting, Jeff had requested that we consider a payment plan for Timberwood Development Corporation. Margaret informed Jeff that the Board had reviewed his request and voted unanimously against it. Rod asked that we reconsider Jeff's request. Rod motioned that we accept Jeff's plan of \$2500 due on 1/31, \$2000 due on 6/30. In addition Rod motioned that we extend the additional \$900 that would be due with today's vote to 8/31. If any payment is late, all monies would be due in full retroactive to 1/1 including late fees and lien fees. Vinnie seconded. In favor, 29 (9 +20 proxies); 7 (2 + 5 proxies) opposed. Motion passed.

Steve motioned to adjourn the meeting; Vinnie seconded. Unanimously passed. Meeting adjourned at 3pm.