



**timberwood mountain estates
property owners association, inc.**

**1 Timberwood Drive
Marble, NC 28905**

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October 26, 2019

Meeting Minutes of the 2019 Annual Membership

To All Members/Owners:

In compliance with the Association's By-Laws of the Corporation, the Board of Directors hereby provides the following minutes of the 2019 Annual Membership Meeting.

Date: **October 26, 2019**

Time: **9:15AM**

Location: **MURPHY PUBLIC LIBRARY**
9 Blumenthal Street
Murphy, NC 28906

Attendance:

24 Lot owners attended in person. 6 Lot owners sent in proxies.

Total of 30 Lot owners were represented at the meeting. Quorum was present (>19).

Minutes Recorded by: Brian E. Smith

Meeting brought to order: 9:15AM by President John Leder

Agenda:

- 1) Adoption of 2018 owners meeting minutes. A copy of the 2018 meeting minutes is posted on TME website.

Discussion: None

Motion to accept: Charles Larson

Second: Rod Fortney

All in favor: Unanimous consent

- 2) President's Report (John Leder):

- Three existing Board of Directors: Brian Smith, Lauri Martin, and Lisa Lietz, will not seek re-nomination to remain Board Members.
- Overall, Mountain common areas are in good physical shape with no major tree falls or flooded areas. Two home owners have experienced water leakage inside their home and another owner had an outside water line leak on their property.
- As a result of Lisa Lietz selling her home in July, John Leder has temporarily taken over her Treasurer position. The financial books show the Association cash flow is in good condition.
- John welcomed all new comers to the mountain. He recommended that any questions be directed to the President via phone or email but also encouraged home owners to speak directly to your neighbors since most have extended tenure on the mountain.
- No major issues were reported.

- 3) Secretary's Report: (Brian Smith)

- The topics of CCR's and rental property will be discussed later in the meeting but since we have new property owners in today's meeting, we would like to discuss how our well water supply systems work to provide water to property owners.
 - o Timberwood Mountain Estates has 7 strategically located wells inside the subdivision. Currently 6 are active and 1 well is capped off since there is no need for it at this time. The Developer has complete financial and installation responsibility of the inactive well. It is his responsibility to activate this well when the need

arises. The Developer will then turn over responsibility to maintain the well to the Association.

- The Association has never assumed responsibility to provide services such as provided by a public utility but to only provide water to property owners' lots/locations as deemed by the Developer, or as written within the property owner's Cherokee County Deed.
- Detailed description of how well and/or substation storage systems provide water to property owner in-house storage tank was discussed. Also discussed was the water outage monitoring system John Leder has installed to provide early warning to the property owner in the event of a major mainline water leak.
- As stated in current (2014) and any future Convent Condition and Restrictions (CCR): The Association mandates that all new homes built not rely on pressure provided by the Association well or substation to pressurize their in-house water lines. The Association strongly encourages any homeowner that was grandfathered in before the 2014 CCR mandate bring their home up to current standard by installing a properly designed water storage system. Diagrams are provided on the Timberwood Mountain Estate website.
- Identification of a main water leak was discussed: the step-by-step procedure was reviewed, including the requirement to call NC811 to come onsite to mark underground utilities (such as high voltage lines), before Wilson Well Company can dig up the road to repair a leak.
- Rod Fortney emphasized that it is the home owner's (not the Association's) financial responsibility to repair any leak located in their portion of the line on their property.
- Vinnie Occhiogrosso introduced the subject of cutoff valves outside each home by the street. The Board has already been in discussion to make this mandatory during new construction but also strongly suggested that existing homes who do not have one install a main shutoff valve outside their home by the street. This

would assist in troubleshooting main water leaks by isolating each house during troubleshooting.

- Finally, reasons for water leaks occurring under roads was discussed. Unlike flatlands, there is much greater natural underground movement on a mountain. Waterline PVC pipe can only withstand a certain amount of flex. Once that PVC rating is exceeded, the pipe will develop a crack that must be repaired.

4) Treasurer's Report (John Leder)

FINANCIAL SUMMARY	2019
Operating Income	\$49,605.00
Expenses	<u>-\$27,762.00</u>
Net Income	\$21,843.00

Checking Balance	\$27,178.72
Savings Balance	<u>\$ 8,772.83</u>
Total Cash On Hand	\$35,951.55

- John Leder reported on 2018 expenses concerning erosion road repair along with continual well maintenance support. Separate accounts on the books for roads and wells are maintained.

Discussion: None

Motion to accept 2018 Treasurers Report: John Leder

Second: Charles Larsen

All in favor: Unanimous consent

John Leder report on 2019 budget:

- Expenses for 2019 to date are as expected.
- 2019 income is a little below budget by \$3900 due to lot owner's nonpayment.
- Largest yearly expense is used for maintaining gravel on Hawkeye and Spring Branch roads, and at the end of Timberwood Drive up on the ridge.
 - Example of costs: Gravel alone for Hawkeye and Spring Branch road - current expenditure to date \$1,350.
- Power bills with Duke Energy to date \$2,267 for water wells and power used at main entrance.
- Additional expense expected of \$5000 before end of calendar year.
- All lots which are delinquent in payment have liens registered with the Cherokee County. Interest in those lots is secured by the liens. Money owed the association is approximately \$28,302.
- The Board believes it should not get into the repo business where it would foreclose then try to resell properties. In the Board's opinion Lot 36 would be the only possibility of a resell after foreclosure. The Board is asking for suggestions from its members on how to proceed with delinquent lot owners.
- Additional money are set aside for legal fees concerning foreclosure proceedings and CCR ratification.
- The Treasurer reports \$47,300 in revenue.

Motion to accept 2019 Treasure Report: Jim Ricker

Second: Sharon Crown

All in favor: Unanimous consent

John Leder discusses 2020 Budget:

- The 2020 Budget remains similar to the 2019 Budget. No major changes but a few minor ones:
- Additional money added due to one new house now paying water fees.
- Two properties have failed to pay property dues in 2019 and the projection for 2020 is that they will continue to not pay their fees. Budget adjusted accordingly.
- Possible slight increase in Duke Power monthly rate.
- Legal fees were doubled for 2020 budget due to projection of more interaction needed with Association attorney.
- Maintenance reserve is a little over this year so monies will be transferred over from the operation to savings account. This is money held for catastrophic situations or major road repair.
- Due to increase in traffic on Hawkeye caused by the addition of two new homes more gravel maintenance money will be added to the 2020 budget to cover repair costs.
- The Board is researching cost of partially paving (asphalt) Hawkeye. It may be possible to justify the cost to pave instead of continually spending money for gravel repairs. Proposed road area would be from the intersection of Timberwood Drive & Hawkeye up to Well 3 on Hawkeye. This would have to be done under a special assessment if the project was to move forward with asphaltting Hawkeye Trail.

Motion to accept 2020 Budget: Rod Fortney

Second: Charles Larsen

All in favor: Unanimous consent

Current Board Resignation according to 2017 Bylaws term limit of 2 years:

- **John Leder**
- **Lauri Martin**
- **Lisa Lietz**
- **Brian Smith**
- **Nancy Ricker**

Nomination and election of 5 New Board Members:

- **Rod Fortney** – nominated by Brian Smith – seconded by Lauri Martin – motion carries by unanimous consent.
- **Doris Zeigler** - nominated by Holly Easton – seconded by Liz Smith – motion carries by unanimous consent.
- **Elizabeth Ellstrom (Beth)** – nominated by Lauri Martin – seconded by Liz Smith – motion carries by unanimous consent.
- **John Leder** – nominated by Rod Fortney – seconded by Charles Larson – motion carries by unanimous consent.
- **Nancy Ricker** – nominated by John Leder – seconded by Rod Fortney – motion carries by unanimous consent.

2017 Bylaws - Association Members only elect Board of Directors. Board of Directors are responsible for electing Officers of the Corporation.

Revolving Business

Main Gate Discussion

- John Leder – During membership vote in 2016 it was determined to change the gate code twice a year. New gate code will be included with the property dues invoice sent by the Treasure in December. It is not to be published. There is one code for property owners, one for deliveries, one for emergency services, and a set of codes for rental properties. The Board expects the rental property owners' users to always use different codes for each new renter. We continue to have individuals that should not be on the mountain receiving gate codes.
- Doug Easton – If anyone list their house for sale, MLS actually display the gate code. Therefore, anyone has access to the community.
- Rod Fortney – Proposed a separate gate code for property listing where the code would be deleted after the property sale.
- Eric Stevenson – suggests sending letter to Mountain Lakes Board of Realtors not to use gates codes in any real estate listing for TME. They will in turn send a letter out to every realtor in the area with our request. Listing agent must be contacted to receive gate code to property.
- John Leder – Our gatekeeper Mr. Day's instructions are to deny access to someone approaching the gate without a code. He will refer the individual to the TME property owner to get the gate access code. Also discussed was the emergency key to manually open the gate. Every property owner should have or request one.
- John Leder – Any home construction needs to be brought to the attention of the Board so the gate can be left open during the day. Also during construction no vehicle larger than 48 feet is allowed on subdivision roads. Materials must be offloaded from larger vehicle onto a 48 foot truck or smaller.

Property Rental Discussion

- Brian Smith – Doris & Don Zeigler provided a petition with 16 TME Lot Owners signatures who oppose the use of subdivision home as rentals.
 - o The Association attorney Cynthia Jones was contacted in advance of the Annual meeting concerning legal stance for the Home Owners Association concerning rental property. Cynthia states, “I know of no state or local laws which either allow or prohibit renting of homes on a short-term basis. The county may have some sort of requirement for a business license, business tax, etc. or I suppose there is a small chance this type of thing could run against some zoning law (although I’ve never run into that as an issue with any of these short term rental restrictions).”
- Doug Easton – Concern that renters feel no responsibility to the community as a property owner would. Roads and wells could be neglected by individuals who do not have a vested interest in the community. Propose a minimum 6-month rental contract along with a onetime \$1000 nonrefundable impact fee paid to the Association for property owners who wish to rent property.
- Vinnie Occhiogrosso – Actual vacation season in the area should be reflective of rental time period allowed.
- Sharon Crown – Concerns regarding individual who have never driven on mountain roads. Possible dangerous situations could arise from inexperienced drivers who are unused to the conditions.
- Don Zeigler – No policing of property owners who do not follow Association guidelines for rental property. Nothing to prevent owners from renting property for less than regulations permit.
- Eric Stevenson - Worries about property owner not being able to supplement their income with additional money coming in from property rentals.
- Doris Zeigler – Speaks to multiple studies that show short term rentals in subdivisions decrease property value.

- Rod Hughes – Shared his 4 years of bad experiences renting his TME home. It was hit and miss having a renter respecting the property.
- John Leder – The type of renter changes in respect to responsibility with the increase of time they must rent.
- Motion made by Doug Easton to make a property rental addition to CCR's for the following:
 - o Property rentals must be a minimum of 6 months
 - o Lot Owner must pay a one-time impact fee of \$1000 to Association.
 - o Secondary Liability Insurance must be purchased.
- Second: Charles Larsen
- All in favor: Majority consent

Note: motion is not final approval but only for it to be entered into new CCR document for Association Members to review. Final 67% majority approval of overall CCR will still be needed.

Information provided for new home owners

- John Leder
 - o Mountain living much different than living down South
 - o Must be prepared for winter weather events
 - o Road traffic coming up the mountain has right-of-way and traffic coming down must yield.
 - o Pay attention to oncoming traffic; Learn locations of pull-offs.
 - o Maintain slow speed on the mountain roads.
 - o Website contains many helpful links for new property owners
 - o Forestry website shows burn danger levels on a daily basis
 - o Keep an outside hose available for possible small fires.
 - o WKRK local radio station is the most reliable weather station for our area.
 - o Be prepared during winter to be house bound for up to 5 days.
 - o Mr. Day will hang the Gate Closed sign during extreme snow event
- Don Zeigler – Suggest creating a pull-off next to first curve after entering main gate.

TME Lot Owner Deed Research

- John Leder – Report distributed of all TME property deeds showing which subdivision water well each lot should be connected to along with the CCR version reflected in the owner's deed.
- This report shows:
 - Developer has well-to-lot distribution design issues.
 - In some cases, the number of lots on certain wells exceed state code of thirteen max.
 - Some Lots do not have any water rights in their deed
 - Some Lots are deeded on wrong well
 - Well 7 is drilled & capped but not currently set up to provide water.
 - Association will try to assist with water well allocation issues but the responsibility still belongs with the Developer. Lot owner should contact the Developer with all well-to-property line questions.
 - In some cases, the closing attorney provided the wrong version of CCR's during closing.
- John Leder – Well #2 notification system has been installed and functioning. All Well 2 users have been placed on the email notification list to receive warning when the well can no longer provide sufficient pressure.
- John Leder – The Association does not have any documentation on the existing subdivision main waterline system. The Developer has not provided any information to the Association.

New CCR Discussion

- Brian Smith – Board of Directors has been working many months on a complete rewrite of the current CCR's. Additional time has been taken to research similar mountain HOA communities to better understand what is best practice for Timberwood Mountain Estates. Current draft was presented to attending Associate Members and the document was posted on TME website. Although the Association does not need to completely follow the North Carolina HOA Chapter 47f regulation we are still required to vote accordingly with a 67% positive participation vote to successfully adopt new CCR's. The point was stressed to the members the Associations members the Board needs major participation for this CCR project to be successful.
- Ron Stuelcken – Questioned the new CCR regulation of not being able to fly a drone over the subdivision. He brought up the FAA ruling of needing permission from local airports if within a 5 mile radius. All agree the FAA ruling can be satisfied by acquiring written authorization from the airport but the issue is the Association Members not wanting any drone flying over their property. New CCR rule states a drone can be flown over your property only and at a maximum altitude of 50 feet. Flying over any other TME owner's property is prohibited.
- Elizabeth Ellstrom – Ask question of definition of access road and who maintains them. Single driveway are considered to be the Lot owner's responsibility. If two or more properties share a common road this is considered to be by the Association as an access road and the HOA will maintain it to the property boarder. Access roads are mowed on the same schedule as primary roads.
- John Leder – The Board has decided to build a FedEx and UPS drop-off box at the intersection of Timberwood Drive and Spring Branch road. This will reduce the amount of delivery traffic on subdivision roads. Any package too large for the drop-box or needing a signature will still be delivered to the doorstep. Walter Diel and Jim Ricker have graciously offered to build the box for the Association.

Adjourn Meeting

Motion: Brian Smith

Second: Rod Fortney

Approved: Unanimous consent

Meeting adjourned at October 26, 2019 at 11:50am.

Published by: Brian Smith, Secretary 2019