

Minutes of the HVPOA Meeting of the Members

Meeting was called to order at 10:10 a.m. on Saturday 30 May 2009 at the Senior Citizens Center in Fairview, Utah.

Trustees present were C. Johnson, J. Taufer, T. LeFevre, and R. Widdop. Absent was R. Walker. R. Walker had experienced some chest pains and had been taken to the hospital from the Senior Citizens Center just before the meeting started.

Members of the Association present were Mila Widdop, Mr. & Mrs. Holzworth, Jody Taufer, Mr. & Mrs. Meyers, Lyman Burton, Mr. & Mrs. Pack, Mrs. Hathcock, Mrs. Webster, Eric Peterson, Mr. Santiago, Mr. & Mrs. Bowers, Nelson Pfleger, Bryan Cook, J.D. Leavitt, Boyd Williams, Mr. & Mrs. Gary Majnik, Mr. & Mrs. Bennie Lee, Melissa Zobell, Mr. & Mrs. Tallmon, and others not named here. There were 30 members present.

1. The first Meeting of the Members agenda item was to introduce the 2009-2010 Trustees and describe the Offices they will hold. Officers are: Jim Taufer, President; Rick Widdop, Vice President; Tom LeFevre, Secretary; Roy Walker, Treasurer; and Clifford Johnson, Trustee.
2. The second Meeting of the Members agenda item was an update on the budget. In the absence of Treasurer R. Walker, President J. Taufer presented historical information and an update regarding the budget.

Discussion: The budget topic was opened to the members for discussion.

Mr. Taufer explained that there seemed to be some misunderstanding of budget accounts and figures. He explained that there is a reserve fund for unforeseen incidents or emergencies, which the Association is legally required to maintain separately from general funds. The budget amount for the reserve fund can be guessed, but can also be better estimated by professionals. We now have about \$25,000.00, which is our current target.

The assessment for 2009 is \$300.00 per lot owned. This assessment is based on the ballot results which approved the budget.

In the past year, the Board had no clear guidelines to go by. Now we have documents in place, both Articles of Incorporation and By-laws, which took much time and organization to produce, delaying the mailing of the proposed budget until October 2008. Only limited funds were available because money went to lawyers and bills. However, some roadwork was accomplished by the good graces of the contractor, Tom Crisp. Then Winter hit, and money was reserved for snow removal. By Spring this year, people have begun to pay assessments which permits further work on roads. Starting Monday upper levels will be worked correctly. The contractor has offered to do private work for property owners, saving them the cost of moving the equipment, since at present the equipment is located in Hideaway Valley. If all the roadwork proposed for this summer is accomplished, then by the end of 2009 the Association will have spent the budgeted funds, except for the reserve retained for

snow removal. The contract with Tom Crisp was signed for approximately \$78,000. He has been reasonable and helpful.

There was a question from the floor, asking how many property owners are not paying their assessments. Mr. Taufer reported that approximately 36% of property owners have not paid their assessments.

B. Cook commented that the material stored by the dumpster is part of the plan for the road maintenance. In response to the concern that "the material was being moved twice", Mr. Cook pointed out that the Association pays on a "per load laid down on the road" basis, thus the concern is unfounded.

3. The third Meeting of the Members agenda item was an update on road maintenance.

On Thursday May 28, 2009 three Trustees spent four hours touring Hideaway Valley to overview its roads and culverts. They produced a map color-coded to illustrate the status and plans of road maintenance work. Mr. Taufer encouraged members to look at the map.

R. Widdop explained that the roads that had not been regularly maintained would be maintained with large crushed material first to create an appropriate base. The general plan is to establish a subgrade, a 3" base, and then 1" minus in the process of correctly maintaining roads. The planning goals are safety, visibility, turn-arounds, passing room, and drainage. Work will start Monday south of Storm Mountain in Plats D and E, where there has been some work done, but needs to continue with rough grading and drainage. Whenever possible, natural drainages will be used for culverts.

Where present roads have encroached into lots, work will be attended to being respectful of where the easements really are. The Trustees will be sensitive to situations where roads can be corrected with little extra effort to better correspond to recorded Plats and lot boundaries. R. Widdop asked that members let the Trustees know of such situations. Requests brought before the Board of Trustees regarding roads will be handled on a case-by-case basis. Such requests must be clearly described in writing.

Mr. LeFevre pointed out that, where possible, turnouts, pull outs, and widening will be done so as to move more toward safer roads, and better emergency and fire fighting apparatus ingress/egress.

Members may contact the contractor and have private business taken care of while the contractor has equipment at the site. Contractor is: Tom Crisp, (435) 462-3161.

It is requested that members drive on the right side of the road and not overtake the center of the road. Lot owners are cautioned to beware of building in natural drainages. Culverts will be marked with tall posts to indicate location, so as to prevent their being crushed in turns.

Discussion: Members participated in the discussion.

4. The fourth Meeting of the Members agenda item was a Petition from the Association members for a Special Meeting of the Members. The Petition had 49 signatures. The number of lots involved may be more. Mr. Taufer will review the Petition with the law firm and determine what action will be taken.

Discussion: No discussion took place.

5. The fifth Meeting of the Members agenda item was the introduction of the law firm and consideration of HVPOA collections.

Mr. Taufer explained the relationship with the law firm, the services provided by the firm, and introduced attorney Mr. Peter Harrison. Mr. Taufer mentioned the amount of past due assessments and their impact on the dues levels paid by the remaining members. 36% of lot owners are not paying assessments. Because of the large amount of delinquency, the Board saw the immediate need to seek assistance in managing collections. The firm will do collections as directed by the Board of Trustees, with costs accruing to the delinquent property owner rather than to the lot owners who keep current.

Mr. Harrison explained that when given a delinquent account file for collection, the firm first checks to see if it is practical to initiate collection on the delinquent account. They check, for example, for bankruptcy and foreclosure. If the status of the account suggests that it will be impractical to try to collect the delinquent funds, the firm will recommend that the Board not further pursue the delinquent account because it would be a waste of effort.

Mrs. Melissa Zobell interrupted with accusations, one of which impugned the collections process, but did not provide corroboration for them. Another example of an unsupported accusation was that "Roy pays himself first" before paying association business. Mr. Taufer asked for an explanation and she did not provide one, but stated that "this is a corrupt Board" and that she "knows about a lot of crap". She objected that she did not know about meetings. Mr. Taufer pointed out that he posts them on the bulletin board, and emails them to the webmaster. She stated that she was not given the opportunity to vote because she did not receive the recent mailing of ballots. Mr. Taufer reminded her that the mailing was sent to the last known address of record for each lot owner, as required by the Declaration of Protective Covenants, which indicates that it is the lot owner's responsibility to provide the Association with their address. He also pointed out that, to ensure that everyone gets to vote, the Board had even contacted the Sanpete County Recorder's office in an effort to obtain the most updated addresses. A number of other members assisted Mr. Taufer in refuting Mrs. Zobell's accusations.

Mr. Harrison resumed the description of his firm's procedure, explaining that once a delinquent account was sent to him, the firm sends a 30-day letter to the delinquent lot owner. If the lot owner makes no response, payment, or payment arrangement, the firm files a lawsuit in district court. Mr. LeFevre asked if the action was against theft or a civil matter. Mr. Harrison explained that the failure to pay assessments is a breach of contract and therefore it is a civil, rather than a criminal matter. He added that the Hideaway Valley Declaration of Protective Covenants is a binding contract whether the lot owner is aware of

the terms of the Declaration or not. Thus, first there is a lawsuit about breach of contract, followed by a subsequent judgment ordering that the delinquent amount be paid. Mr. Cook asked what happens if the case goes to foreclosure. Mr. Harrison explained that the lawsuit is about breach of contract, not about foreclosure; and is intended to obtain payment. Once the breach-of-contract judgment is awarded, payment may be obtained, for example, by garnishment of wages. Foreclosure is pursued only as a last resort to obtain the payment. The state statute provides that the delinquent lot owner pays the legal expenses.

Discussion continued with questions and answers.

The Board will be turning delinquent accounts over to law firm, and the firm will process the past due accounts.

6. The sixth Meeting of the Members agenda item was a discussion on noxious weeds. The Association will do the road right-of-way and the common areas. Commercial sprayers are available for private lot owners.

Discussion: Members participated in the discussion. Members with concerns were referred to the Sanpete County authorities, since controlling noxious weeds is a matter of state law.

7. The seventh Meeting of the Members agenda item was a discussion about common areas and other general topics.

The meeting was opened to discussion.

The Board is going to hold meetings once per month at the Fairview Senior Citizens Center, every third Wednesday at 6 p.m. The possibility of improving the common areas was discussed. If the pavilion were walled, meetings might be held there.

A system of reservations for camping in the common areas was discussed.

Foreman Corporation will no longer maintain your water rights by showing usage. It was suggested that the well in the common area could be used to preserve a property owner's water rights by assigning the right to the HVPOA well until the property owner can show usage.

Mailing of statements for dues will be coming out shortly. The new By-laws will be signed, notarized, and recorded. A copy of the finished document will be posted on the website. The website will be revised to include a pass worded members-only section to provide protection of privacy.

The 30 May 2009 Meeting of the Members of HVPOA adjourned at 12:36 p.m.

Jim 5 to 7/15/9
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