

**FAIRVIEW LAKES ASSOCIATION
MINUTES OF ANNUAL MEMBERSHIP MEETING
NOVEMBER 11, 2010**

Location of meeting: Provo City Chambers, 351 West Center Street, Provo, UT. The meeting convened at 7:00pm.

Board members present were Joseph Massey, Troy Worthington, Steve Schoonover, Ron Linton, Craig Blackley, Neil Armitstead, and Richard Brenchley. DeeDee Johnson attended as Secretary/Treasurer. Joyce Lewallen attended as Ombudsman. Terry Johnson, lot 110, attended as Financial Committee Member.

Joseph Massey, president, welcomed all members and called the meeting to order. He introduced the Officers, Board Members, Ombudsman, Terry Johnson, lot 110, Financial Committee member and Gregg Tobler, lot 1, Association counsel.

Joseph thanked those members who continually volunteer their services to the Association. He reminded the members present to use the Fairview Lakes website at: <http://fairviewlakesassociation.synthasite.com> for current news and information. The website has saved the Association substantial costs and improved communication to all members.

New members were introduced.

Members were invited to share any concerns, complaints or compliments with any Board Member. Members are welcome to attend a board meeting to better address their issues directly with the Board.

DOT officials have continued to widen and extend the winter parking area on the highway near Benches Pond. Mr. Massey encouraged members to park whenever possible in the large improved parking lots provided by the State of Utah to alleviate parking dangers on the highway.

During the summer, the Forest Service cut many dead and diseased trees within the Association property. This was funded by grant money and was totally free of charge to the Association. Cut firewood is found throughout the property and is available to members.

The Fairview Lakes dam will be rebuilt to alleviate a leak that has been increasing over the years. The State of Utah has had engineers on location to plan for the new dam. As the new dam and road are built, members will always be able to access the property. Work may begin summer of 2011.

The extension of the property lease has not been accomplished, but continued efforts to negotiate a lease extension are ongoing.

Joseph reported that the telephone at the host cabin is working very well. Members were encouraged to use it in emergencies as necessary.

The ownership of the Association chipper will be transferred from the State of Utah to joint ownership between Skyline Mountain Resort and Fairview Lakes Association. The State will no longer have any interest in ownership or the liability associated with it. Joseph has proposed that Skyline Mountain Resort take full ownership to alleviate all ownership liability from Fairview Lakes Association. In exchange for half ownership being forfeited, it has been proposed to Skyline Mountain Resort that Fairview Lakes be allowed to use the

chipper for a few weeks each year at no charge to the Association, as in past years,. In addition, at no time would any repair costs be charged to Fairview Lakes Association.

The Year in Pictures Slide Show was presented.

Steve Schoonover, engineering committee chairman, reported on the condition and cost of the annual road maintenance. The road costs were significantly under budget this year. The road work was performed by MKJ Construction. The Association water truck was used in the annual maintenance, saving additional water spreading cost. Gooseberry Water Users was billed for their portion of the road from Benches Pond to their gate, sharing those expenses with Fairview Lakes Association. The Association water truck was used throughout the year to keep dust under control and Gooseberry was billed for their portion of its use. Steve reported that a new sign will be placed on the main road to notify people that they are about to enter the private property of Fairview Lakes Association. The sign will be placed near an easy turn around area.

Richard Brenchley, architectural committee chairman, reported that a few cabins are under construction and that some improvements and remodeling have been accomplished on others. The overall value of Fairview Lakes continues to increase due to the cabins that are being built within the property. Members have been excellent to contact Richard before they build, add driveways or remodel current structures. Richard also reported on the newly-completed horse boarding area in plat C. This area was planned many years ago and was finally completed in late summer of 2010. Joseph was instrumental in obtaining free panels for making corrals.

Neil Armitstead, environmental committee chairman, reported that the water quality was tested throughout the year and found to be without problems. A State water auditor conducted an inspection on very short notice in the early summer. He noted a few minor issues which Neil quickly corrected. Neil cut the pipe down from the overflow in the lake to allow the pressure to leave freely to avoid the risk of pressure damage to the water system. Members were cautioned to refrain from altering any pipe, cross connection or water line related to the Association water system. The fence around the spring needs to be replaced and Neil asked that any members who have access to chain link fencing contact him directly. Neil also recounted his recent experience with mountain lions, which are prevalent in the forests in and around Fairview Lakes. He stated that during the deer hunting season, a lion came extremely close to attacking his adult son and stated further that a lion had dragged a deer several feet from the sight of the kill when Neil and his hunting party left for only a short time. He cautioned everyone to be very careful in the wooded areas.

Ron Linton, safety committee chairman, stated that there were no injuries or accidents within the Association property and thanked the membership for abiding by the rules. There were a few violation letters sent to members for leaving the roads and driving unsafely. Ron cautioned all members to drive the speed limit or less and use extreme caution throughout the property. Fines will be levied to those members who have continually broken the rules. Ron reminded those in attendance that all persons aged 17 and under must wear helmets when driving or riding in any and all ATVs, including side-by-side units. Flags are required for all off road vehicles and ALL motorcycles if driven within Association property. Ron reminded everyone that it is very important to abide by the State laws as adopted by the Association.

Troy Worthington, financial committee chairman, reported that the financial condition of the Association is solid and that there will be no increase in dues this year. Troy also explained the functions and duties of a Board of Directors in a corporate entity like the Association. Members elect the Board to act in their behalf for the benefit of the Association and its members. Troy explained that not all matters will come before the membership for a vote, because the Board is empowered and entrusted to make decisions on behalf of the Association and its members.

Terry Johnson, financial committee member, provided a short slide show covering the financial position and results of operations of the Association for the past fiscal year ended September 30, 2010. Income from dues

assessments and other fees were enough to cover operating expenses during the past year, which is the goal of the Association. He explained that dues need not be increased this year to cover operating expenses since the next year's costs are forecasted to be comparable to the year ended in September. The Association's objective is to set the dues at a level to only cover the operating expenses. Terry remarked that the savings in the road maintenance were substantial and aided in saving costs. Terry also discussed the state of the Association's investments with Merrill Lynch. The total value of investments has rebounded greatly over the past year. Members present showed their approval. He stated that Jeff Roundy, the Association's investment advisor with Merrill Lynch, and members of the Financial Committee continue to monitor the investment portfolio on a regular basis. The investments are well diversified and within the investment policy adopted by the Board.

Joseph stated that three lots have sold during the past year, proving that the investment value of Association property is stable and strong, especially considering the rather poor economy.

The Board asked that the membership of the Association approve a measure to indemnify the Board for their actions while serving the Association for the fiscal year ended September 30, 2010. A motion was offered by Gary Tassiner, lot 182, and seconded by Terry Johnson, lot 110. The membership voted to approve the indemnification of the Board.

Joyce Lewallen, Ombudsman, asked that all members complete a form describing themselves that will allow her to better know the members and ultimately the members to better know one another. She will spotlight a member from time to time via the website.

Floyd Ledford, lot 164, voiced his concern regarding the potential danger of parking on the Benches Pond dam during the summer months. Jim Bench, lot 50, contacted the Forest Service this fall to discuss the parking problem. The Forest Service was receptive to posting a no parking sign on the dam. Follow up will occur next spring.

Joseph thanked outgoing board members Ron Linton and Craig Blackley for their many years of service. DeeDee introduced prospective Board Members, Duane Goodyear, lot 138, Ted Peck, lot 18, and Karen Montague, lots 72 and 115. Each individual gave a short introduction of their talents and willingness to serve. Those in attendance voted for two individuals. After balloting concluded, Duane Goodyear and Ted Peck will join the Board.

The drawing for door prizes was held. Many treasures were won by those in attendance. Having no further business to come before the membership, the meeting was adjourned at 9:10pm. Refreshments followed the meeting.

Joseph Massey, President

DeeDee Johnson, Secretary/Treasurer