

**FAIRVIEW LAKES ASSOCIATION  
MINUTES OF ANNUAL MEMBERSHIP MEETING  
NOVEMBER 29, 2012**

The annual meeting of the membership of Fairview Lakes Association (the "Association") was held on November 29, 2012 at the Provo City Chambers, 351 West Center Street, Provo, UT. The meeting convened at 7:00pm.

Board members present were Neil Armitstead, Steve Schoonover, Richard Brenchley, Steve Mower, Troy Worthington and Ted Peck. Mike Barclay was absent. DeeDee Johnson attended as Secretary/Treasurer. Joyce Lewallen, Ombudsman, was absent. Terry Johnson, lot 110, attended as Financial Committee Member.

Neil Armitstead, president, welcomed all members and called the meeting to order. He introduced the Officers, Board Members and Terry Johnson, lot 110, Financial Committee member.

Neil thanked those members who continually volunteer their services to the Association. He presented a gift of appreciation to Association member, Noel Clark, lots 7 and 8, for his never-ending volunteerism.

Neil advised the membership that the Annual dues will remain at \$500 per lot for the upcoming year.

New members were recognized.

The Seeley Mountain fire was discussed and special thanks were given to members, Lisa Murdock, lot 119 and Ron Linton, lot 146, for their on-the-spot reporting during this tragic time. As a result of their efforts, members received important and timely information during the fire.

The chipper was onsite twice during the summer months. Much thanks to Terry Heath and his crew from the State of Utah for their excellent service. The chipper will be available to the Association next summer. Board member, Ted Peck will coordinate this service.

In-kind Match Tracking sheets were distributed to members in order to report time and equipment expense spent on pruning, removing dead trees, clearing and hauling brush from Association property. In the event grant monies become available, such time and expense reports will be submitted for in-kind service, such as cutting dead and potentially dangerous trees. The sheets were gathered at the end of the meeting.

Due to a light snow pack so far this year, Neil reminded members to tread lightly on the roads in order to preserve the snow insulation, which protects the water lines against freezing.

Neil stated a new property lease is in the early stages of negotiations. A joint board meeting between the Cottonwood Gooseberry Association and Fairview Lakes Association was held in October. A new lease proposal has been drawn and will be presented, via email, to the Cottonwood Gooseberry Association president and secretary on or before December 5, 2012.

Dam reconstruction efforts will likely take place from late summer to early fall, 2013. Neil stated that core testing results have not yet been evaluated and it is not possible to speculate on the overall impact to members of the Association.

A secondary escape route has been established. Member, Steven Cox, lots 68 and 69 has agreed to allow access across his lots as an escape route in case of emergency. A breakaway gate leading to the main road coming into the property will be installed in the early summer of 2013. This entrance will be used only in case of emergency and, possibly, in the event the access is necessary for entry into and out of the Association property during dam

reconstruction in the early fall. However, it is possible that an alternative route could be chosen for the temporary time needed for dam reconstruction. More information is needed before a decision is made.

The Narrows Project Final Environmental Impact Statement has been issued. A photo slide was shown of the proposed road changes for UT 264 from the summit to Benches Pond. The Narrows project, although approved, is likely five to nine years away from the time construction will begin.

Terry Johnson, financial committee member, explained the Reserve Study as required by the State of Utah. Terry prepared and filed the necessary information prior to the due date of July 1, 2012. The Reserve Study was made available for members at the meeting. Terry explained the requirements and reminded members that reserve funds are not to be used for operating expenses; but are to be held for major repairs and replacements of essential assets. The conclusion of the reserve study determined that the Association need not set up and fund a specific reserve for this purpose, since the liquidity of the Association is sufficient to meet these needs now and in the future. The study will be reviewed in the future.

Neil thanked the Association's hosts, Bob and Roene Olson for their dedication to the Association. They plan to return as Association hosts in 2013.

The Year in Pictures Slide Show was presented.

Richard Brenchley, architectural committee chairman, summarized, by member name and lot number, the building, remodels, additions and excavation projects that were undertaken during 2012. He reminded members that it is necessary to acquire prior approval from the Fairview Lakes Association Architectural Committee for construction projects, including excavation.

Steve Schoonover, engineering committee chairman, reported that Association road maintenance was higher this year than in past years. 2011 proved to be a short summer and no road maintenance was performed that year, thus the higher than normal cost for 2012. Road maintenance costs came in under budget by roughly \$2,000.

Steve Mower, environmental committee chairman, reported that the water quality was tested throughout the year and found to be without problems.

Troy Worthington, financial committee chairman, read aloud several pertinent passages from Section 5, Governing Board, of the By-laws of Fairview Lakes Association, to inform members of the duties and decisions of their elected Board of Directors. He reinforced the fact that decisions are made by the Board with the financial well-being of the members in mind and stated that the volunteer Board and Officers continue to provide many services for no cost to the Association, most often including no expense reimbursement for many out of pocket costs, such as travel to and from the property. Troy reminded those present that this practice saves the Association countless dollars. He also stated that the Board will decide how to spend dollars, within reason, for such events they deem necessary.

Ted Peck, safety committee chairman, reported that the summer chipper services were successful, although a few wood stacks were missed. He promised those members who were missed, that the chipper crew will be back next summer. Ted will schedule the chipper with the State of Utah and they have indicated they will visit the property as many as three times during the summer months. Anyone requesting chipping should contact Ted. No ATV accidents were reported. Members were reminded to use care when driving ATVs within Association property and to abide by the safety rules in place. Jim Bench, lot 50, stated that there are several large, dead pine trees near his cabin. He was told that the chipper crew would be able to cut the trees while onsite during the 2012 summer. Ted stated that the crew was not authorized, after all, to cut trees. Jim expressed his concern regarding the fire danger potential. If grant money becomes available, such trees could, possibly, be taken out by the Department of the Federal Forest Service Land for no monetary cost to the Association.

Terry Johnson, financial committee member, reported that the financial condition of the Association is solid. . Terry also discussed the state of the Association's investments with Merrill Lynch which remain well diversified and within the investment policy of adopted by the Board. 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. A short slide show covering the financial position and results of operations of the Association for the past fiscal year ended September 30, 2012 was shown, detailing Association income and what categories comprise expenditures.

The Board asked that the membership of the Association approve a resolution to indemnify the Board for their actions while serving the Association for the fiscal year ended September 30, 2012. A motion was offered by Marion Bench, lot 50, and seconded by Lisa Murdock, lot 119. The membership voted to approve the indemnification of the Board.

Directors Steve Mower and Neil Armitstead agreed to be considered for another three year term. Member, Truman Child, lot 96, volunteered to serve the Association. There being no further nominations for the Board, the membership voted and elected Steve Mower, Neil Armitstead and Truman Child to serve a three year term.

Having no further business to come before the membership, the meeting was adjourned at 8:45pm. Refreshments followed the meeting.

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Neil Armitstead, President

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DeeDee Johnson, Secretary/Treasurer