

**FAIRVIEW LAKES ASSOCIATION
MINUTES OF ANNUAL MEMBERSHIP MEETING
NOVEMBER 7, 2013**

The annual meeting of the membership of Fairview Lakes Association (the "Association") was held on November 7, 2013 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, Troy Worthington and Ted Peck. Mike Barclay was absent due to meeting conflict, Steve Mower was absent due to a work emergency and Truman Child was absent due to a medical emergency. DeeDee Johnson attended as Secretary/Treasurer. Joyce Lewallen attended as Ombudsman. 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, Terry Johnson, lot 110, Financial Committee member and Joyce Lewallen, Ombudsman.

As a modification from prior meetings, Mr. Armitstead indicated that the meeting was to be conducted as an open format with questions, comments and interaction from the members encouraged.

Neil stated the dam construction has been concluded. Special thanks was offered to all members who were respectful of the construction crew and the temporary rules set in place in order to control traffic during working hours of WW Clyde.

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

The Year in Pictures Slide Show was presented.

The chipper was onsite twice during the summer months. The Association expressed its 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.

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 services, such as cutting and removing dead and potentially dangerous trees.

Neil discussed the concerns regarding the safety of the new road, which is north of the old road that passed over the dam. The road is owned by the Cottonwood Gooseberry Water User's Association. It was hoped the road would be more elevated and wider; however the efforts put forth by Fairview Lakes Association to bring attention to safety concerns were unanswered. Due to Wetlands rules and regulations, the road could not be made any wider. Neil reminded all members to be very cautious when driving this new road, especially with the dangers of the ravine on the north side of the road. Larry Veenker, lots 46 and 47, offered several feet of guard rail that could possibly be installed on the north

side, with the permission of the Cottonwood Gooseberry Water User's Association and provided there is room enough on the already narrow road.

Members were cautioned to be aware of the ten to twelve telemeters that protrude up from the old road across the dam. Neil stressed the need for caution when riding snowmobiles in the area since these telemeters are not readily visible. Vehicles, including snowmobiles and snowcats, are not allowed to drive on the old road at any time.

Summer road maintenance will resume in 2014 on the new road, the primary access road and the interior Association roads. Because of the dam and road construction, the roads were not maintained during 2013.

Neil introduced the idea of a security gate and asked those in attendance to offer their comments and suggestions. Neil asked, by show of hands, the overall membership's opinions of installing a gate versus hiring a host. The show of hands in favor of installing a gate outweighed the showing against installing a gate. Comments included concerns that some members or family members would fail to close a manual gate. The possibilities of mechanical failure of a gate powered by solar electricity were also mentioned. Members shared their concerns of overall security and several members conveyed their feeling that the Association is wide open much of the time, due to two days off each week by the host and evening hours during which time a host is not on duty and the property is not secured.

A Google Earth map was shared on the video screen so that members could understand the location options of a proposed gate. In order to allow the Fish and Game to plant trout in the lake, the gate must be beyond the boat ramp entrance. Aspen would likely need to be closed and a new access road be constructed through the meadow north of Fairview Lakes Drive. This road would adjoin Aspen. After much discussion regarding the security gate, Neil stated that the Board of Directors would consider the possibility further, keeping the comments of members in mind.

Hosts, Bob and Roene Olson are not returning in 2014.

Neil stated a new property lease has been drafted and is in the hands of the Cottonwood Gooseberry Water User's Association. This action resulted from a meeting in the early spring of 2013, when the Fairview Lakes Association Board met with the Cottonwood Gooseberry Water User's Board. The purpose of the meeting was to discuss the concerns of our members as they relate to the current property lease which expires in December, 2051. After the lengthy meeting, it was determined that Fairview Lakes Association should engage a real estate attorney to draft a new lease proposal that would offer a 50 year lease term and automatically extend every 5 years. The target date that the water user's requested was early May so that they would have the lease proposal in their hands in order to explain the lease to their members at a meeting they were planning to hold on May 5, 2013. The lease was drafted and sent to them within their timeline, but no reply was received by the Fairview Lakes Association Board. Additional inquires have since been made only to hear that they have been busy with the dam construction and have not had time to address the lease proposal. They have promised to address the lease in the early part of 2014.

Terry explained the new proposed lease between the Cottonwood Gooseberry Water User's Association and Fairview Lakes Association. The proposed lease carries an initial term of 50 years and will be

automatically extended every 5 years for an additional 5 years. The annual lease payment adjustment is based upon the current Consumer Price Index (CPI) as is the case in the current lease. The proposed lease provides limitations on the amount of rental adjustments by limiting the upper adjustment to 6% and the lower adjustment to -0-%. These limitations protect both the lessee and lessor from large rent adjustments due to changes in the CPI.

The Narrows Dam Project continues to be studied by regulatory officials, with the most current activities being the evaluation of the impact to the wetlands in the area. Representative Jim Matheson paid an onsite visit to the area during the summer. The Final Environmental Impact Statement was issued last year.

Private property surrounds Fairview Lakes Association. Neil stated that all members and guests should drive only on the improved roads within the Association property. No off-roading is allowed. He asked that all members and guests be respectful of the private property. Do not trespass. George Collard and his family members own property that surrounds Fairview Lakes Association property. A portion of their property is identifiable by the white cabin in the meadow near Bench's Pond.

Troy mentioned the importance of the water lines that feed Association lots. He reminded the audience that under no circumstance should any member disrupt the water lines by digging without first contacting the Architectural Committee for assistance. Fines will be assessed to any member who does not follow this rule.

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 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, 2013 was shown, detailing Association income and what categories comprise expenditures. No annual road maintenance was performed during the year, due to the dam construction project, which resulted in a slight operating surplus for the Association. Property taxes and lease payments were the largest expenditures of the Association.

Mike Schlappi, lot 49, and Janet Jibson, lots 56 and 57, addressed the members with the idea of adding an additional expenditure to the Association budget; that being compensation of the Officers and Directors for services rendered. Janet stated that this benefit would show a level of appreciation by the members and suggested that the annual dues of Officers and Directors could be waived as a form of compensation. Board members stated that the general consensus within the Board is that services are donated by those involved because they want to serve and are aware of keeping costs to a minimum. The thought was discussed that, if compensated, it may be easier to attract and keep top level talent, whereas, some people may not be willing to commit to serve without compensation. Board members mentioned that, in past years, a Christmas dinner has been provided to the Officers and Directors and their spouses as thanks for services rendered. Members were asked their opinion in regards to this expenditure. A show of hands indicated that those in attendance were in favor of this benefit. Marion Bench, lots 50 and 51, suggested the annual Christmas dinner, plus a gift certificate of \$100 per Officer and Director should be awarded. Members answered with applause.

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, 2013. A motion was offered by Terry Johnson, lot 110, and seconded by Carol Clark, lots 7 and 8. The membership voted to approve the indemnification of the Board.

After the conclusion of the above discussions, the membership elected Directors to serve for the upcoming term. Director Mike Barclay agreed to be considered as a Board Member for another three year term. Members, Gary Griffiths, lot 109, and Dale Robinson, lot 36, volunteered to serve the Association. There being no further nominations for the Board, the membership voted and elected Gary Griffiths and Dale Robinson to each serve a three year term.

Ron Dean, lot 9, addressed the members with his concern for safety of ATVs within Association property. A rollover accident occurred that involved his family members, which resulted in a young driver being forced off the road by a speeding ATV that was without a safety flag or an identifying license plate. Thankfully, there were only minor injuries to the two children onboard; however Dean's ATV sustained damages amounting to over \$1,000. All ATVs must drive within the speed limit, fly safety flags and be identified by lot number with license plates. License plates are available at the host cabin for no charge.

Kim Lund, lot 89, addressed the members with an objection to the Declaration of Protective Covenants for Fairview Lakes Association, specifically Section 5.5.2. Section 5.5.2 which limits the number of permanent trailers allowed on each lot. Neil explained that at the 2009 annual meeting, member Duane Goodyear addressed the audience with a request to expand the number of trailers allowed. The membership voted to retain the 2 trailer maximum. Additional trailers are allowed for a 16 day period.

Director Steve Schoonover tendered his resignation effective immediately. Steve has been a long time director and was presented a gift of appreciation by the membership. The Board will appoint a director to fill Steve's vacancy for the remainder of his term.

The drawing for door prizes was held and several members in attendance won treasures.

Having no further business to come before the membership, the meeting was adjourned at 9:15pm. Refreshments followed the meeting.

Neil Armitstead, President

DeeDee Johnson, Secretary/Treasurer