

**THE TIMBERS CONDOMINIUMS OWNERS' ASSOCIATION, INC.
BOARD OF DIRECTORS REGULAR MEETING**

The Timbers Condominiums – Conference Room

June 18, 2019 – 9:00 A.M (MDT)

MINUTES

I. CALL TO ORDER AND ESTABLISH QUORUM

Vice President Alma Ernst called the meeting to order at 9:00 a.m. (MDT) on June 18, 2019. A quorum was established with the following in attendance:

Board Members Present:

Alma Ernst	Vice President/Treasurer
Gordon Bown	Secretary
Mike TenEyck	Director
Bruce Lawrence	Advisor to the board (non-voting)

Management Company:

Douglas Wilcox	Trading Places International, LLC. Sr. Vice President of Resort Operations
Angie Illum	Resort General Manager

II. INSPECTION OF RESORT

The board and management persons named above arrived a day early and conducted an inspection of the Timbers Condominiums exterior common areas and a few unit inspections on June 17, 2019 and met following their individual site inspections to discuss their findings and make recommendations for improvements to be completed. A report of their findings is attached to these minutes as Exhibit "A".

III. APPROVAL OF AGENDA

A motion was made by Mike TenEyck and seconded by Gordon Bown to approve the June 18, 2019 agenda as modified by moving Roy Bosley of PROMAC report to the beginning of the meeting. The motion was approved by a unanimous affirmative vote.

IV. ROY BOSLEY – PROMAC UPDATE

Roy Bosley addressed the board by conference call and reported on the final tasks in the construction of the clubhouse that needed to be completed. Roy Bosley reported that he had met with the architect firm, general contractor and roofing contractor on

site together with Angie Illum to review a punch list of final tasks to be completed. Roy Bosley reported that the roofing was found to have corrected its performance when the weather heated up and shingles sealed completely. The roofer has agreed to honor the warranty associated with his installation and the roofing manufacturer, Certainteed has also acknowledged that their warranty was to be honored. This was in questions only because of the snow removal that had to be accomplished this past winter by shoveling it off by hand.

Roy Bosley also reported on the landscaping around the clubhouse that was still not completed. He reported that rather than plant bushes and other plants he recommended that in order to facilitate snow removal of the clubhouse a six to eight-foot path should be sloped away from the building and the path covered with river rock so that resort staff can access the area for snow removal without damaging the area or building. Roy Bosley recommended that the funds held for the installation of the landscaping be used to cover the expense of the river rock and any additional expense permitted by Starr for the grading and installation of the river rock and sidewalk in the amount of \$13,800.

Motion by Gordon Bown and seconded by Mike TenEyck to use the \$13,800 landscaping funds held by Starr to complete the sloped grading and installation of the river rock path around the clubhouse. Motion was approved by unanimous affirmative vote.

Roy Bosley further reported on the roof leaks and explained that part of the problem with the roofing is the space between the roof and interior ceiling that is heating the air space and causing the snow to melt and then refreeze causing ice dams. The snow covers the venting and thus the air space does not remain the same temperature as outside. The way to correct this is to install a new roof exhaust power vent system.

A motion was made by Gordon Bown and seconded by Mike TenEyck to approve the expenditure of \$5,000 for the purchase of a Hotsy Hot Water gas engine pressure washer to use in roof snow removal. Motion was approved by unanimous affirmative vote.

A motion was made by Mike TenEyck and seconded by Gordon Bown to purchase and install a power vent system at a cost of \$1,200. Motion was approved by unanimous affirmative vote.

Action: Angie was requested to investigate the value of adding a 50 RX factor insulation in the clubhouse and its cost.

Roy Bosley then reported on the well installation project the board had begun. He reported that the Point of Diversion Change had been approved without contention. He explained he had been able to speak with those parties who thought they might want to contest it and was able to properly explain it so they did not file a complaint.

His next step is to work with the Idaho Department of Water Quality Control. He will first need to hire Keller and Association to complete a hydrology study. He will also need to hire Clearwater Associates to complete a design of the wells system and pump house.

Action – Roy Bosley reported that someone on-site would have to become certified to manage the water system. He recommended that Timbers hire a firm to train and certify Timbers staff in the well management system.

Roy Bosley was asked to estimate the cost of the full well system project and he suggested it would cost between \$100,000 to \$140,000. However, it would be subject to what the board wanted to do concerning installing new piping, cutting off IPVA piping, and the number of hydrants that would be needed to meet fire protection requirements. This would also include the generator that would be needed.

The restaurant is presently receiving water supplied by IPVA through the Timbers water lines and this will be interrupted when IPVA is cut off from Timbers piping system. Timbers will be required to work out a process of providing water to the Restaurant and anyone else receiving water via Timbers piping.

V. APPROVAL OF MINUTES

March 23, 2019

A motion was made by Gordon Bown and seconded by Mike TenEyck to approve the minutes of the March 23, 2019 board meeting with the correction to page 5, Clubhouse use fees change “at” to “a”. The motion was approved by a unanimous affirmative vote.

April 15, 2019

A motion was made by Gordon Bown and Seconded by Mike TenEyck to approve the minutes of the April 15, 2019 regular meeting. Motion was approved by unanimous affirmative vote.

May 10, 2019

A motion was made by Mike TenEyck and seconded by Gordon Bown to approve the minutes of the May 10, 2019 board meeting. Motion was approved by unanimous affirmative vote.

VI. REPORTS

A. Financial Reports

1. April 30, 2019 Unaudited Financial Statement

Doug Wilcox reported on the seven months ending April 30, 2019 financial statements. Doug Wilcox reported that the Association had an unfavorable to budget variance in the amount of \$45,770. Much of this is created by excess maintenance wages paid due to extra snow removal required as well as building construction loan monthly interest payments that are being made which were not known when the budget was established. Planned revenue is also at a negative variance of \$71,069.

2. Delinquency Report

Doug Wilcox indicated the delinquency rate as of April 30, 2019 is 26.04% compared to 21.27% this time last year. There are 189 uncollectible accounts, 114 that have been suspended and 190 that are in collection. It was noted that the account of a major interval owner was listed in the delinquency report but is in fact not delinquent as they are on an approved payment plan which they have kept.

3. Reserve & Replacement

The board reviewed the Reserve and Replacement fund showing that there is \$503,262 in reserve funds on deposit as of April 30, 2019.

4 Collections Report

Doug Wilcox reviewed the Meridian Collection report with the board. Of 86 accounts turned over to them in January 2019 48 have paid in full, 8 were removed because the owners paid current. 64.93% of the accounts were successfully collected for a total of \$42,698 paid to the association.

5 Occupancy Reports

The board reviewed the occupancy for the seven previous months. Angie Illum discussed the owners using 15% with 13% of owners exchanging their weeks through RCI and TPI thus leaving 66% of the resort unoccupied. This is a report on nightly occupancy and not weekly.

6 Inventory Report

The board discussed the HOA inventory. 298 accounts are now owned by the association with 159 of them in process of being sold to Starpoint/Geo Holiday. The foreclosure that was to have been completed last year was not correctly administered and the title company refuses to provide good title to Starpoint. Ken Bitner's law firm was handling and they missed filing an important document. When this was reported to Bitner we were informed that they would have to accomplish the foreclosure all over again taking another 6 months.

Action. Doug is to contact Bitner with a description of funds lost to the association from payments by Geo for the loss of those intervals use in 2019. Demand to be made for reparation.

B. Management

1. GM Report

Angie Illum reviewed her GM report with the board and reported that there had been 2,181 total visits to the new clubhouse with 152 owners visiting who were not staying at Timbers. Rules are required to manage this type of visit so there is not an added expense to owners.

Angie Illum has completed roof repairs and encourages the board to approve two additional roof replacements this summer. Estimates a cost of \$100,000.

The grand opening for the Clubhouse plan was reviewed and the board and management all agreed that due to the expense and the lack of adequate excess funds it would be best to not hold a grand opening and thus save that expense.

2. Action Items

The Board discussed the action items from the prior meeting noting that many had been completed and well related actions were continued for action by Roy Bosley and Angie Illum.

VII. NEW BUSINESS

A. 2019/2020 Budget Review and Approval

The board and management discussed the proposed budget and the options that were recommended for higher fees in order to meet the needs of the resort. Following the inspection of the resort by the board on the 17th of June it was determined that there is a great deal of delayed repairs and maintenance that need to be addressed soon before they become an even greater source of damage.

Following the presentation and discussion of the budget it was determined that the board would adopt a budget that included an increase in maintenance fees to the members in the amount required in the Association documents. Whole owned units would pay 2.4 of that charged a one-bedroom unit and two-bedroom unit would pay the 1.05 and one-bedroom unit 1.0. An increased fee in the amount of \$144.00 for the whole owned condo, \$63.00 for the two-bedroom condo and \$60.00 for the one-bedroom condo. This increase in annual fees is necessary to

meet the added expenses of the clubhouse maintenance and staffing as well as to meet the continued plans for renovations to exterior and interior of the buildings.

Motion by Mike TenEyck and seconded by Gordon Bown to approve the proposed 2019-2020 annual budget in the total amount of \$2,780,000 which includes the increase explained above.

B. AUDIT ENGAGEMENT LETTER

A motion was made by Mike TenEyck and seconded by Gordon Bown to approve the audit engagement proposal from Fitzgerald and Associates, Inc. for the completion of the annual audit and tax returns for September 30, 2019 end of fiscal year for a fee in the amount of \$5,500.00. Motion was approved by unanimous affirmative vote.

C. ANNUAL MEETING NOTICE MAILING/BUDGET AND ASSESSMENT MAILING

The board discussed with management the timing and content of the annual meeting mailing. It is to include the notice of meeting, agenda, proxy cover letter from board, rules and regulations update, 2020/2021 season calendar for reservations, ABC Policy, and billing statement and TPI Exchange insert.

VIII. EXECUTIVE SESSION

A motion was made by Gordon Bown and seconded by Alma Ernst to recess regular session and enter executive session. Motion was approved by unanimous affirmative vote.

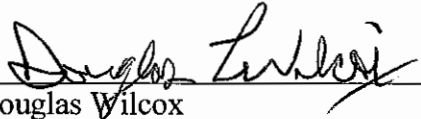
The board recessed regular session at 2:03 PM and conducted an executive session to approve executive minutes, discuss employees and third-party contracts. Regular meeting reconvened at 4:50 PM.

IX. ADJOURN MEETING

A motion was made by Gordon Bown and seconded by Mike TenEyck to adjourn the board meeting at 4:54 pm (MDT). The motion was approved by a unanimous affirmative vote.

Submitted By:

Trading Places International, Inc.



Douglas Wilcox
Sr. VP of Resort Operations
Trading Places International, Inc.

Approved By:

The Timbers Condominiums Owners'
Association, Inc.



Gordon Bown
Secretary