



Annual Meeting of Homeowners
Fairmount Fire House
November 29, 2016

Minutes of Meeting

The Annual Meeting of Homeowners was called to order 7:00 p.m. pursuant to a proper notice of meeting.

The Secretary announced that a quorum was present to conduct the business of the Association, with 17 homes represented in person or by written proxy.

Homeowners were welcomed by Justice Keller, President, with introductions of Board members, including Justice Keller, Bill Brown, Mary Parsley, Tim Raub and Leslie Rutherford.

The Minutes of the Annual Meeting of Homeowners held December 7, 2015 were distributed to the attendees. Tom Tiffany moved to waive reading of the minutes and to approve the minutes as presented. Upon second by Greg Miller, the motion was unanimously approved.

Bill Brown presented an overview of the Association structure, governing documents, management, regulatory environment, association assets, consisting of four parcels of common real estate, the perimeter fence and cash in bank. He also made a presentation about easements, including what they are, how they are recorded and how they function.

Leslie Rutherford presented highlights of the activities of 2016, including:

1. adoption by the Board of new policies and procedures, which are posted on our Website;
2. changes made and upcoming to our website;
3. new welcome packets for new residents;
4. summer picnic held in August;
5. continuing efforts of the Reserve Study Committee to address future capital costs that are not addressed in our annual operating budgets;
6. Lou Hamm won the Halloween decorating contest;
7. recommendations from legal counsel have been received for revisions to our governing documents.
8. Bill Brown's ongoing discussions with Jefferson County and Mt. Olivet Cemetery regarding surface water drainage that originates outside the Orchard but runs through the subdivision;
9. your Board of Directors met nine times so far in 2016.

Bill Brown presented financial statements for the ten months ended October 31, 2016. He then presented the Board's budget for 2017, with explanations of principal items and changes from prior years. After discussion and a few questions, there was no motion to object to the Board's budget for 2016. Homeowner annual

assessments for 2016 will be \$350.00 per property, plus \$30.00 for optional recycling service, if elected by the homeowner. Comments were received from the floor that the summer picnic and meeting expenses should be denoted separately on the budget and financial statements, as was done a number of years ago. Also, the Board should conduct an assessment of the security of Association financial records, in recognition that accounting services are performed by an outside contractor.

Note was taken by the homeowners that certain members of the Board had personally paid for housewarming gifts for new homeowners and the prize for best Halloween decorations. A motion was made by Libby Anderson to direct the board that those types of expenses are for the benefit of the entire Association and should be paid by the Association in the future. Upon proper second and voice vote, the motion was approved.

Justice Keller explained that while none of the existing Board member terms expire this year, Mary Parsley is resigning from the Board. Justice opened the floor for nominations for additional members that could be added to the Executive Board. There being no nominations made, the remaining four directors will constitute the Board for 2017, namely Justice Keller, Bill Brown, Tim Raub and Leslie Rutherford.

Justice opened the floor to any New Business to be brought before the board.

1. Justice entertained nominations for a Nominating Committee for 2017. No nominations were made and there was no Committee designated at this time.
2. Bill explained that there are still ongoing discussions with Jefferson County, the BNSF Railroad and Mt. Olivet Cemetery regarding surface water drainage issues that cause periodic flooding of some residential lots. Progress is slow and there is not a specific identified solution at this time.
3. Justice explained that there will be a community posting board installed in the area of the mail boxes. This for official Association notices and will also be available for other information of common interest. The Board will post guidelines for use of the board on our website.
4. Justice explained that the Board intends to commission revisions to certain of our governing documents in 2017, based on review of the documents with legal counsel in 2016. To limit the legal costs in 2017, only selected documents will be revised in the next year.
5. Bill explained that our master trash and recycling contract expires and will be renegotiated in 2017.
6. Tim explained that a Reserve Funding Study is still underway to examine future funding needs for items that are not addressed by the annual operating budget. This will address primarily the perimeter fence, including the costs and timeframe for ultimate replacement of the fence. Homeowners that have an interest in this matter are invited to contact Tim to participate on the committee.

There being no other business brought before the meeting, we adjourned at 8:34 p.m.

Respectfully submitted,

William E. Brown, Secretary