

Timberline Rim Recreation Club 2018 Ballot

Explanation:

BYLAW CHANGE: How to change the Bylaws.

The Bylaws may be amended at the annual Timberline Rim meeting by a vote of two-third majority of the membership, present in person or by proxy, after a quorum of 15% of the membership has been established.

Replace the language of Article VIII, Section 4 as follows:

NO Current Wording:

ARTICLE VIII- Assessments

SECTION 4. The Board of Trustees, upon recommendation of the Architectural Committee, may assess a fine for any violation of the Declaration of Covenants of Timberline Rim, and in an amount not to exceed \$2,000.00. Notice of the imposition of the fine shall be mailed forthwith to the member. The fine will become final unless, within ten days after mailing, the member requests review by the Board of Trustees. The Board of Trustees may withhold approval of plans and specifications by the Architectural Committee with respect to further development, and if development has already commenced, may order that the lot be restored to its prior condition.

YES New Wording:

ARTICLE VIII- Assessments

SECTION- 4. The Board of Trustees, being charged with the duty to maintain the areas used in common and provided for the benefit of owners of lots within the plats of Timberline Rim in Clackamas County, Oregon, whose purpose includes, but is not limited to, the maintenance of clubhouse and other recreational facilities and water supplies, shall establish policies governing activities on the common areas. The Board of Trustees may assess a fine not greater than the amount set forth in a fine schedule approved by the Board of Trustees.

Explanation for above: Timberline Rim Homeowner's Association no longer has an Architectural Committee. The Board would like to change the Bylaws to reflect this change. Since there is no Architectural Committee and the Rim needs to maintain property and hold members accountable for any individually caused damage and/or clean up to any community property of significance. For example: damaged pool cues, damage to picnic tables, damage to common children's park equipment, damage to land or trees, unauthorized flagging, littering of common areas, or encroachment on common areas. The Board is proposing to include a fine schedule in order to have the authority to fine the individual person instead of making the entire membership pay for replacement or clean up. This is typical of HOA's governing documents.

(Proposed Fine Schedule follows and has been vetted by our HOA's lawyer.)

DAMAGE TO TIMBERLINE RIM RECREATION CLUB, INC. PROPERTY AND COMMON AREA INFRACTION FINE SCHEDULE

Upon first notice, a certified letter will be sent to the responsible lot owner stating a fine of up to \$50.00 and/or the cost of repairing or mitigating the damage. A lot owner will have ten (10) calendar days from the mailing date of the certified letter to pay said fine.

If payment has not been made within ten (10) calendar days from the original notice, a second certified letter will be sent to the responsible lot owner stating a fine of up to \$500.00 and/or the cost of repairing and/or mitigating the damage. A lot owner will have ten (10) calendar days from the mailing date of the second certified letter to pay said fine.

If payment has not been made within twenty (20) calendar days from the original notice, and ten (10) calendar days from the second notice, a third certified letter will be sent to the responsible lot owner

stating a fine of up to \$2,000.00 and/or the cost of repairing or mitigating the damage. A lot owner will have ten (10) calendar days from the mailing date of the third certified letter to pay said fine.

If payment is delayed beyond thirty (30) days from the original notice of infraction, legal action may be pursued with no monetary limit.

DUES INCREASE: PART ONE, A BYLAW CHANGE. This requires a 2/3 majority of a quorum in favor, to be voted in.

NO **Current Wording: ARTICLE VIII- Assessments: SECTION 1.** The members of the corporation shall pay dues as may be fixed by the Board of Trustees. Dues shall be assessed on each lot, shall be equal for each lot regardless of size or development and shall not exceed \$200.00 per year. *

* Amended by vote of more than two-thirds of the members present in person or by proxy at the September 24, 2000 Annual Meeting
A NO vote will retain current verbiage

YES A YES vote will amend **ARTICLE VIII- Assessments: SECTION 1.** The members of the corporation shall pay dues as may be fixed by the Board of Trustees. Dues shall be assessed on each lot, shall be equal for each lot regardless of size or development and no more than 2.5% per year increase based on \$264.00 HOA dues established in 2018.

Explanation: The voting issue above will concern the dues included in the current Bylaws. The \$200.00 limit of the dues of Timberline Rim Homeowner's Association does not allow for budget changes due to inflation and does not allow for needed HOA reserves. HOA reserves are required by law. This law is located at *ORS 94.595¹ Reserve account for maintaining, repairing and replacing common property*

- *reserve study*
- *maintenance plan*

The amount of needed reserves was determined by the Reserve Study according to Schwint and Co. (This is posted on the web site timrimcommunity.org) Responsible Boards need to take a proactive stance to avoid special assessments when possible. Reserve funds are to make sure that the Association has approximately the right amount of money available at approximately the right time to perform the necessary maintenance of Rim commonly owned property. According to www.usinflationcalculator.com/inflation/current-inflation-rates/ inflation was as follows: 2012 2.1%, 2013 1.5%, 2014 1.6%, 2015 .1%, 2016 1.3%, 2017 2.1%, 2018 2.4% to date average January to July. To not increase the dues, little by little, would be irresponsible. A YES vote allows the Rim to do this.

DUES INCREASE: PART TWO- NOT A BYLAW CHANGE. This requires a simple majority of quorum to be in favor.

NO A NO vote will retain the dues at \$200.00 per year.

YES A YES vote will increase our last year's dues from \$264.00 per year (or \$22.00 per month) to \$270.60 per year (or \$22.55 per month) for 2019. The 5% full payment discount will still be available if paid by January 31st. Of the \$70.60 (\$6.60 a month) above the capped dues, \$1.08 a month would go to reserves and \$5.52 a month would go to operating expenses. A copy of the Reserve Study is online at www.timrimcommunity.org.

Explanation: We had a dues increase last year voted in by the membership that allowed the Rim to raise the dues for 2018 only, since it was not a Bylaw change. In case that a YES vote on part one 1 and/or part 2 does not pass, the HOA will not be fulfilling its fiduciary responsibility to fund an operating budget and a reserve fund. Note: The board is required by Oregon law to keep a reserve fund. Note: If the HOA is not fulfilling its fiduciary responsibility, lenders will see this as a liability to fund sales of homes in this community.