



**MINUTES OF TALL TIMBERS HOMEOWNERS ASSOCIATION SPECIAL
MEETING - SUNDAY, AUGUST 10, 2003**

MEETING SITE: AMERICINN, NORTH BRANCH, MN 38675 14th AVE

Attendees: Board Members; Lloyd Lehnen, Vince Schoon, Darrell McGuire, Mark Hughes,
Ken Grieger, Tonya Wilbur, Sharon Gallagher

Lot Owners: (attachment A) - 29 Lot Owners of record

Proxy votes: (attachment A) - Matt Beckman (1); Dave Schultz (5)

1) Meeting was called to order by Lloyd Lehnen, President at 6:15PM

2) Opening remarks: Lloyd Lehnen, President, began the meeting expressing the importance of having 29 Lot Owners present, which constitutes a quorum. The sign up form indicates 29 Lot Owners are present. TTHA Board has received one (1) proxy vote from Mr. Matt Beckman (TTHA Lot Owner) and five (5) proxy votes from Mr. Dave Schultz (builder and owner of five (5) lots.) TTHA Lot Owner, Mr. Brad Klepsa, called this special meeting to address the ballot on the proposed Covenant and By-Law changes sent to all TTHA Lot Owners in May 2003. The Board will address only the items on the agenda (attachment B) sent to all Lot Owners, the one which is before you now on the overhead. Other items or issues will be addressed at the TTHA annual meeting in November 2003. It is requested that all comments be limited to one minute per individual during this meeting.

3) Lloyd Lehnen then introduced the Board members (attachment C). They are: Lloyd Lehnen, President; Vince Schoon, Vice President; Ken Grieger, Mark Hughes, Darrell McGuire, Tonya Wilbur, Treasurer; Sharon Gallagher, Secretary. The Board had received a resignation from Lynne Semi, previous Secretary, and per instructions of the Covenants and By-Laws appointed Sharon Gallagher to fill this position until the annual meeting, November 2003, at which time this position will be voted on by the TTHA Lot Owners.

Two existing Board Members term of office will expire at the end of 2003. These two positions will be on the November 2003 annual meeting agenda for election to a three-year term of office. If there is a TTHA Board or Officer resignation during any year, the TTHA Board must appoint an individual to fill this position until the next annual meeting at which time this position will be voted on by the TTHA Lot Owners. The existing Board was elected January 6, 2002 when the Developers turned the Association over to the TTHA Lot Owners. There are currently five (5) voting members on the Board however this will be addressed at the next TTHA Board meeting. The TTHA Board has adopted the use of Roberts Rules of Order for their meetings.

4) Vince Schoon, Board member, presented the Roberts Rules of Order (attachment D) to the TTHA Lot Owners. The Assembly adopted the use of Roberts Rules of Order for this Special meeting as well as for all future TTHA Lot Owner meetings.

□ 5) COMPLIANCE, ENFORCEMENT, CONSEQUENCES AND VARIANCES

□ Board Member, Vince Schoon, presented proposals to effectively deal with Covenant and By-Law Compliance, Enforcement, Consequences and Variances (attachment E)

Vince stated that 77% of the TTHA Lot Owners have signed the restated TTHA Covenants and By-Laws, which is almost 100% of the Lot Owners if the builders and realtors are excluded. The TTHA Board and Lot Owners operate within these restated Covenants and By-Laws. The Board has responsibility to present proposals on Covenant and By-Law changes to the TTHA Lot Owners at which time these proposals are voted on by the TTHA Lot Owners. This attachment also includes examples on non-compliance to the Covenants and By-Laws.

Vince presented a summary of the TTHA Board's responsibilities (attachment F).

Currently the Covenants and By-Laws do not have methods to address compliance, enforcement, consequences or variances. The Board recommends the TTHA Lot Owners address, make a motion and vote accordingly on these issues. See explanation of the compliance, enforcement, consequences and variances to the restated Covenants and By-Laws (attachment G).

Discussion then centered on what properly constitutes a vote to pass or defeat a motion. For the meeting today, the existing Covenants and By-Laws will prevail.

The Board requested a motion from this Assembly on how to address the issues on compliance, enforcement, consequences and variances to the restated Covenants and By-Laws.

A motion was made by Mary Jane Allen that action is taken on these issues. The motion was seconded by Jane Larson. There were questions from the Lot Owners to the Board on what is acceptable and/or unacceptable. The Lot Owners also asked for various methods that could be adopted to enforce the Covenants and By-Laws. Various methods were then discussed. Vince suggested to the Lot Owners that the ideas need to come from this Assembly. Vince stated that one option is to elect a committee to develop a plan and present this to the Lot Owners at the next annual meeting.

A motion was made by Joe Broadway and seconded by Jim Wentland to amend Mary Jane Allen's motion to form a committee that would address these issues and bring their recommendations to the next annual meeting for discussion and a vote. After some discussion it was decided this committee should consist of four (4) Lot Owners and one (1) member of the Board. A call for the question was made. The motion passed 27 Aye and 1 Nay.

The Board asked for volunteers for this committee. The following Lot Owners volunteered and the Assembly's votes are noted. The four individuals with the most votes will serve on the committee:

Bob Welsch – 37346 Ironwood Lane	19 votes
Jane Larson – 37422 Hearthside Lane	23 votes
Joe Broadway – 37417 Hallmark Drive	withdrew
Mary Jane Allen – 7932 Iris Avenue	20 votes
Pat Farrell – 37323 Ironwood Lane	17 votes
Richard Zunker – 8182 Iris Avenue	16 votes
Vince Schoon, TTHA Board member,	nominated and accepted by Assembly

A motion was made by Joe Broadway and seconded by Tonya Wilbur to increase the committee size to seven (7). After lengthy discussion a call for the question and to keep

the committee size at five (5) was made by Bob Welsch and seconded by Tonya Wilbur. The motion passed 28 Aye and 0 Nay. This committee responsibilities will be to identify and made recommendations on how to *enforce* the Covenants and By-Laws, identify *consequences* for non-compliance and identify *variances* to the restated Covenants and By-Laws. This committee has the responsibility to present their proposals at the November annual meeting for vote by the Assembly. This Committee will also review their proposals with the TTHA Board prior to the November annual meeting.

6) Vince then continued the discussion on the proposed change on votes needed to pass or defeat a motion.

The existing Covenants and By-Laws are not consistent in determining a vote for acceptance or defeat of a motion. In some areas, it states a majority of Lot Owners are required to determine the outcome of a motion. There are a total of 48 lots within the TTHA therefore this would require a vote of 25. In other areas, it states 2/3 of a quorum (60% of Lot Owners is a quorum) is required therefore 2/3 of a quorum would be a minimum of 19 votes to pass or defeat a motion. This is confusing when making changes to the Covenants and/or By-Laws.

Assuming the proposed changes on voting (included with Darrel McGuire's presentation on proposed ballot changes) is passed later in this meeting the following will apply. The Covenants and By-Laws would be changed to read "2/3 vote of quorum" is required to pass or defeat a motion. This would mean in order to vote on a motion or proposal concerning a Covenant and/or By-Law change, the Lot Owner would either need to be present at the meeting or give their proxy vote to an attending Lot Owner.

7) ARBITRATION PROCEEDING: Lloyd Lehnen presented (attachment H)

Arbitration proceeding is the prescribed process in the Covenants to handle disputes out of court between Lot Owners and the TTHA. The Covenants recommend the use of the American Arbitration Association (AAA). TTHA currently has an open arbitration case submitted by Mr. Brad Klepsa on May 26, 2003. See (attachment H) concerning issues on the arbitration case. The claimant amount is for \$4,987.89. Mr. Klepsa submitted a plan to the TTHA ACC on May 13, 2003 with a request to build an accessory building of 748 sq. ft. The maximum allowable size in the restated Covenants is 480 sq. ft.

The Board requests this Assembly's vote on how to proceed and respond to a request for a counterclaim initiated by the AAA. Lloyd Lehnen stated that only Mr. Klepsa could change or drop the claim since it was initiated by Mr., Klepsa. If TTHA continues with the counterclaim, there would be a \$500.00 cost to the TTHA for registration, which would be paid from the TTHA annual association dues. This registration fee is non-refundable. The TTHA Board requests this Assembly discuss and vote on how they wish to proceed concerning the counterclaim. The TTHA Board does need to respond to the AAA by Monday, August 11, 2003.

A) Drop counterclaim. If Mr. Klepsa is awarded the arbitration, he would receive \$4,987.89, which would be paid from the TTHA annual association fees. If the TTHA is awarded the arbitration, the Association would receive nothing.

B) Continue the counterclaim for all incurred costs only.

●C) Continue the counterclaim for the full amount of \$4,987.89

Mr. Klepsa has made the statement to some TTHA Board members that he has other options to pursue if the arbitration ruling is against him. The TTHA Attorney stated this arbitration is legally binding. This Assembly needs to determine which of the above three options to pursue.

The facts are as follows:

- A) Mr. Klepsa filed the arbitration papers on May 26, 2003
- B) Mr. Klepsa has verbally stated he is not interested in receiving the stipulated dollar amount. He does however want to build the 748 sq. ft. accessory building. At this point the TTHA Board does not have any information from the AAA indicating Mr. Klepsa has dropped the dollar amount. TTHA Board is operating under the assumption that Mr. Klepsa is still pursuing the full dollar amount of \$4,987.89.
- C) If the arbitrator rules in favor of TTHA, Mr. Klepsa will be required to pay expenses stipulated by the arbitrator and/or counterclaim.
- D) To proceed with the counterclaim, the cost to TTHA would be \$500.00.
- E) The arbitrator will make the final determination on how much the settlement will be and in what manner the dollars will be collected.
- F) As the arbitration papers have been filed, the TTHA must proceed unless Mr. Klepsa drops the claim or if the TTHA decides to allow Mr. Klepsa to build the accessory building as submitted.
- G) If TTHA agrees to Mr. Klepsa building the 748 sq. ft. accessory building, the arbitration claim will be dropped.
- H) Only Mr. Klepsa can cancel the arbitration.
- I) The arbitration can be presented orally by both parties or it can be presented through prepared documents. If presented orally, there is a cost of \$700.00, which will be split evenly between the two parties. If the arbitration is presented with prepared documents only, the cost is pro-bono or \$0.

Mr. Klepsa's letter to the TTHA Board requested he be granted permission to build a 748 sq. ft. building vs. the 480 sq. ft. accessory building specified in the restated Covenants. Mr. Klepsa stated the Covenants and/or By-Laws he received from the builder and/or realtor stated an accessory building of 960 sq. ft. is allowable. Mr. Klepsa did sign the restated Covenants and By-Laws on November 3, 2002 which stated the allowable accessory building size to be 480 sq. ft. however they were not filed until May 2003.

A motion was made by Joe Broadway and seconded by Scott Wilbur to continue with the counterclaim for the full dollar amount of \$4,987.89. Discussion followed. A call for the question was made by Bob Welsch and seconded by Scott Wilbur. The motion passed with 26 Aye and 0 Nay.

A new Motion was made by Richard Zunker and seconded by Mike Matz to request the TTHA Assembly grant Mr. Klepsa the variance he requests to build the 748 sq. ft. accessory building. Discussion followed. A call for the question was made by Randy Larson and seconded by Tom Davis. The motion passed with 28 Aye and 0 Nay.

The TTHA Assembly was asked to vote on the motion made by Richard Zunker and seconded by Mike Matz to grant Mr. Klepsa the request for the 748 sq. ft. accessory building. The motion was defeated with 4 Aye and 24 Nay.

The TTHA Assembly was then asked to vote on the original motion made by Joe Broadway and seconded by Scott Wilbur to continue the counterclaim for the full dollar amount of \$4,987.89. The motion passed with 25 Aye and 0 Nay.

Lloyd Lehnen recapped for the Assembly that the motion made, seconded and passed was to continue with the full counterclaim of \$4,987.89 and that \$500.00 from the TTHA annual dues would be sent to the AAA on Monday, August 11, 2003.

8) RESULTS OF THE TTHA BALLOT ON PROPOSED COVENANT AND BY-LAW CHANGES

Lloyd Lehnen then introduced Darrell McGuire to present the results of the proposed changes to the Covenants and By-Laws

In May, 2003 a ballot was sent to all TTHA Lot Owners to inform them of proposed changes in the Covenants and By-Laws to: 1) correct existing errors 2) be consistent throughout and 3) make changes/additions and deletions in specific areas. (see attachment I) After the results were compiled the TTHA Board received one additional ballot with "yes" indicated in each of the items. The TTHA Lot Owners were asked to vote on each of the proposed changes. Darrell Mc Guire reviewed the ballot results from the Lot Owners.

There was discussion on the minimum roof pitch of 4/12 allowed for accessory buildings of 120 sq. ft. or less as the ballot results indicated the Lot Owners did not accept this. *A motion was made by Richard Zunker and seconded by Tom Davis to accept the proposed covenant change for the 4/12-roof pitch.* Several Lot Owners did not realize this proposed change was for the change in roof pitch only. *A call for the question was made by Bob Welsch and seconded by Mark Hughes.* The motion passed with 26 Aye and 0 Nay. A vote was then taken on the original. The motion passed with 25 Aye and 2 Nay.

A motion was made by Richard Zunker and seconded by Tom Davis to accept the results of the remainder of the ballot. There was no discussion. The motion passed with 28 Aye and 0 Nay. The one item that did not receive acceptance from the TTHA Lot Owners was that on dog kennels. It was agreed that the ACC would research this in more detail and bring a new proposal to the Annual Meeting in November, 2003 for consideration.

9) Lloyd Lehnen then introduced Mr. Brad Klepsa and opened the floor for Mr. Klepsa to discuss his request for the special meeting (attachment J). Mr. Klepsa stated "his questions had been answered during the course of the meeting and there was no need for further discussion."

10) Lloyd Lehnen notified the Assembly that the next annual meeting would be held on November 16th at 6:00pm at the AmericInn.

There was no further discussion. The meeting adjourned at 8:25pm.

Respectively submitted by Sharon Gallagher

Signature of President _____

Signature of Secretary _____

Approval Date _____

ATTACHMENT B

TTHA SPECIAL MEETING AGENDA

- 1) OPENING SUMMARY FROM PRESIDENT
- 2)
- 3) COMPLIANCE, REINFORCEMENT, CONSEQUENCES AND ENFORCEMENT OF TALL TIMBERS HOMEOWNERS ASSOCIATION COVENANTS AND BY-LAWS
- 4)
- 5) ARBITRATION PROCEEDINGS BETWEEN MR. BRAD
- 6) KLEPSA AND TALL TIMBERS LOT OWNERS
- 7)
- 8) RESULTS OF TALL TIMBERS HOMEOWNERS ASSOCIATION BALLOT ON PROPOSED COVENANT AND BY-LAW CHANGES
- 9)
- 10) MR. BRAD KLEPSA'S LETTER TO TALL TIMBERS HOMEOWNERS ASSOCIATION LOT OWNERS
- 11)
- 12) OPEN SECRETARY POSITION

ATTACHMENT C

TALL TIMBERS HOMEOWNERS ASSOCIATION

BOARD OF DIRECTORS

PRESIDENT:	LLOYD LEHNEN	674-5676
VICE-PRESIDENT:	VINCE SCHOON	674-1706
BOARD MEMBERS:	KEN GRIEGER	674-5731
	MARK HUGHES	674-7818
	DARRELL MCGUIRE	674-4742
TREASURER:	TONYA WILBUR	674-6067
SECRETARY:	SHARON GALLAGHER	674-7147

● ATTACHMENT D

● PARLIAMENTARY PROCEDURES

ROBERT'S RULES OF ORDER

MOTIONS:

- - MOTIONS ARE TOOLS USED TO INTRODUCE BUSINESS IN MEETINGS
 - NO BUSINESS MAY BE INTRODUCED WITHOUT A MOTION. A MOTION REQUIRES A SECOND PRIOR TO ANY DISCUSSION
 - THE CHAIR WILL RESTATE THE MOTION SO THE PROPOSAL IS CLARIFIED TO ALL
- - DISCUSSION OF THE PROPOSAL THEN FOLLOWS
- - MOTIONS CAN BE AMENDED AND MUST HAVE A SECOND
- - A CALL FOR THE "QUESTION" CUTS OFF DEBATE ON A SUBJECT AND IMMEDIATELY BRINGS THE ASSEMBLY TO VOTE ON THE MATTER (MOTION) BEING DISCUSSED (IE.: "I CALL FOR THE PREVIOUS QUESTION")
- - TWO TYPES OF MOTIONS
 - MAIN MOTION - A PROPOSAL THAT CERTAIN ACTION BE TAKEN
 - SECONDARY MOTION - ONE WHICH CAN BE MADE WHILE THE MAIN MOTION IS ON THE FLOOR AND BEFORE IT HAS BEEN DECIDED

● ATTACHMENT E

● COMPLIANCE, REINFORCEMENT, CONSEQUENCES AND ENFORCEMENT OF TTHA COVENANTS AND BY-LAWS

INTRODUCTION:

- 77% TTHA lot owners have signed covenants signifying acceptance
- Enforcement of covenants and by-laws have not occurred
- TTHA Board's role
- TTHA Board members responsibility concerning covenants and by-laws
- Make recommendations to TTHA lot owners
- Make recommendations to TTHA lot owners due to request from existing lot owner
- Change covenants or by-laws with appropriate vote and approval of the TTHA lot owners
- Reinforce covenants or by-laws with appropriate vote and approval of the TTHA lot owners
- Establish or reinforce consequences for non compliance of covenants and by-laws with appropriate vote and approval of the TTHA lot owners
- **Examples of covenant non compliance**
 - Non completion of lawns
 - Lawn maintenance
 - Vehicles/recreational equipment etc. in driveways for extended periods of time
 - Obtaining ACC approval prior to structure improvements

ATTACHMENT I

RESULTS OF TTHA LOT OWNERS BALLOT ON PROPOSED COVENANT AND BY-LAW CHANGES

<u>COVENANTS</u>	<u>YES</u>	<u>NO</u>	<u>BALLOTS NOT RECD</u>
<input type="checkbox"/> Numbering of lots	30	0	18
2/3 vote of quorum			
Article IV Section 3	26	4	18
<input type="checkbox"/> Article IV Section 4	26	4	18
Article VIII Section 3	26	4	18
● <u>BY-LAWS</u>			
Numbering of lots and blocks	29	1	18
2/3 vote of quorum	28	2	18
● <u>COVENANTS</u>			
<input type="checkbox"/> Number of ACC members; 3 or more	25	5	18
<input type="checkbox"/> Determination of the ACC as to <input type="checkbox"/> acceptability of proposed improvements shall be deemed final	25	5	18
<input type="checkbox"/> Minimum roof pitch of 4/12 allowed for out buildings of 120 sq ft or less	23	7	18
<input type="checkbox"/> Position of any accessory building	26	4	18
<input type="checkbox"/> All accessory buildings are limited <input type="checkbox"/> to one story	26	4	18
<input type="checkbox"/> All improved lots shall have one hard surfaced driveway	26	4	18
<input type="checkbox"/> Dog kennels	23	7	18

ATTACHMENT J

MR. BRAD KLEPSA'S REQUEST FOR SPECIAL MEETING

The Board would like to change four places to read "2/3 of a quorum" to "make the covenants uniform throughout". Why not "majority of a quorum"? What are the ramifications of this change?

What is the current membership of the ACC? Why has this been changed from three without input or a vote from the association members?

Why wasn't the ACC able to deal effectively with the builders without this statement? What legal ramifications may result with this change?

Past Board minutes and my accessory building denial contained statements that the Board will not allow any variances to accessory buildings. Why now?

Is the wording "have one" to prohibit multiple driveways? What about horseshoe shaped driveways?

Why are roofs not allowed on kennels? What is quality fencing? Will it depend on who is addressed? What is substandard construction? Will the ACC provide information on substandard construction or does the City of North Branch ensure this? How is the "scale, attractiveness and harmony of our residential neighborhood" maintained? Was the house built between 37328 Ironwood Lane and 37323 Ironwood Lane built to "maintain the scale, attractiveness and harmony of our residential neighborhood"? Does this house meet the original intent of the covenants?