



HVPOA Newsletter

HideawayValley.org User ID: hideaway Pass Word: 84da

April 8, 2010

Annual Meeting:

April 24, 2010 10am
Location: Wilkinson Center
NW corner of
E Campus Dr & E 1060 N
on BYU Campus

From North University Ave turn east onto E 1230 N St which merges into E Campus Dr. Room 3380—Provo, UT 84601 (801) 422-INFO

Hideaway Valley Annual Meeting Elections, Budget, and By-laws

BUDGET

It's time for our annual meeting and the Budget and Elections are foremost on everyone's mind. Since November 2009 your Trustees have worked tirelessly to cut expenses and bring you a reasonable assessment of **\$168** with a 10% discount for paying by 31 May 2010. We accomplished this by shopping around for essential services and managing the resources of OUR association responsibly.

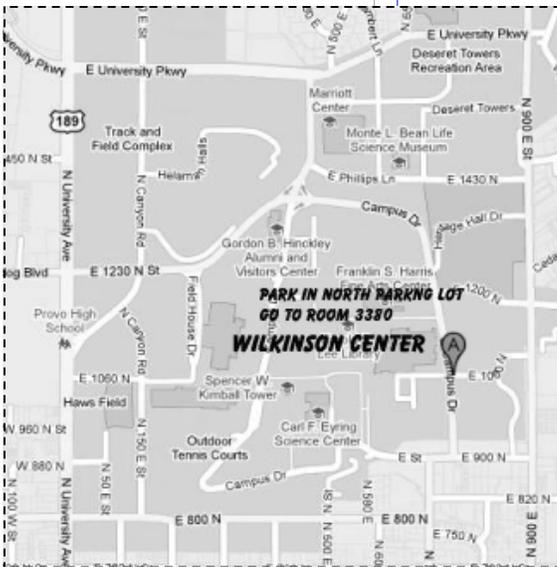
We need a book-keeper to track and maintain accurate billing statements. We need qualified contractors for the roads. We need snow/ trash services and a few other part time vendors. We have a number of attorneys on retainer, but that is where they should be, on retainer and not part of day to day operations.

ELECTIONS

Seems like a lifetime ago when five new trustees were elected, yet it was only 28 June 2008. Looking back over the past few years it is difficult to recall anyone who finished a two-year term without resigning. It makes one wonder about the stress and rigors of serving one's neighbors.

For this election, four candidates have declared themselves and submitted their platforms. Please read each one with due consideration. Although this is a volunteer job and one of service, it is not to be taken

(Continued on page 8)



Updates on Association Business

Roads. The board is planning on touching all the roads this season. Boyd Williams

meeting. The checkbook and deposit slips will be available for inspection following meetings. All other pertinent records will be on the official website.

Voting Rights: It is the policy of this administration to consult the membership when big decisions are made. We are small enough to enjoy direct Democracy so please vote and take advantage of this rare opportunity. When is the last time any form of government asked your consent for anything?!

Truck Update:The majority voted to sell the association dump/snow truck. The slow economy dictates we sell the truck at an auction with national exposure. Your trustees have set the reserve price at \$5000. As the economy improves we will sell the truck and the money will go for road Improvements.

(Continued on page 8)

Inside this issue:

- Candidate Profiles 2
 - Summary of proposed bylaws 3
 - Ballot 5
 - Contact for the Board 7
 - Campaign Letter 7
 - Agenda for Meeting 7
 - What is 'Conflict of Interest?' 7
- Checkbook and Records:** As many know, we have no corporate office. Building one is an expense and liability we simply do not need. It is the policy of this administration to approve all expenditures from the previous month at the next regularly scheduled board

Candidate Profiles

Published as submitted by the candidates.

Bryan Cook

My name is Bryan Cook I would like to declare my candidacy for Trustee for HVPOA.

I am a full time resident. I have served on the roads committee and would like to help out all I can to make Hideaway Valley a great place to live, camp and recreational.

I believe in the Governing Documents and equality for all members. I have all ways been current on my assessments.

Clifford Johnson



I would like to thank all who have voted and supported me these past two years. When I was elected in June of 2008 more people voted for me than anyone in the history of our association. Having 171 votes was a big responsibility and it took until November of

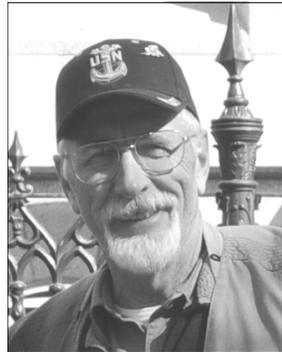
2009 to keep the promises I made when I ran.

I am running for re-election because Hideaway Members have a historic opportunity to continue progress. My plan, in harmony with the current trustees, is to spend assessment money responsibly and put the majority on our roads. Since November Mr. LeFevre, Mrs. Tallmon and myself lowered expenditures without a compromise in service. In January 2010 Hideaway Members had the wisdom to elect long-time owners Boyd Williams and Terry Holzworth. Together, we created a realistic budget based on accurate figures, and lowered the assessments by almost half. Although we have been a Board for a short time, we have been able to serve you with a unified vision and our record speaks for itself.

Re-electing me is not enough to maintain progress. We also need a member like **Jake Jacobson** on the Board. Mr. Jacobson and I have talked and his values and vision are enough like mine, and our current board, to keep expenses low while serving the needs of both the full-time and recreational land users.

Jake Jacobson

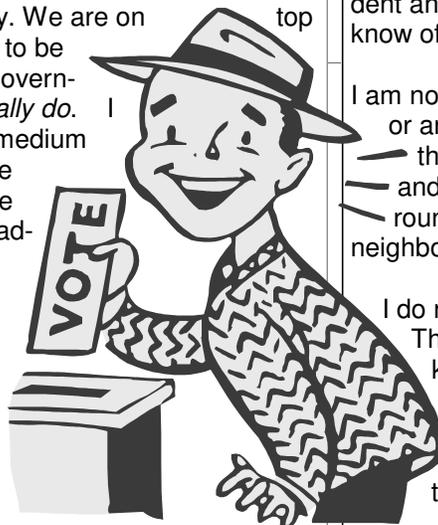
I declared myself because I would like to continue the efforts the current board is doing to maintain costs and lower assessments. I also would like to work toward equitable assessments--whether that's tiered assessments or having people pay for the services they use, I don't care as long as we consider each member and their needs.



What can we do to heal the rift that appears to be in our valley? I don't know how we do that, but I have faith it is possible. I was really impressed with how Terry ran the last board meeting. In fact I am very impressed with all our trustees. The way they are handling things is restoring some sanity to the whole operation. I want to be part of this.

My wife and I have owned lots C296 and C297 since 1981 so we know a lot about Hideaway. We are on top of the hill so I know what it is like to be an absentee owner. I want our governance to be fair for everyone--*I really do.* I'd like to work toward the happy medium between those who choose to live here and the recreational lots. We live in the County and so I am readily available to be of service.

I am retired military, 30 years in Navy and Navy Reserves which includes two tours to Iraq. I look forward to serving all of you.



Roy Walker

My name is Roy Walker and I live in Hideaway Valley. I am putting my name in as a candidate for the Board of Trustees. I served on the last Board as president and treasurer. Most of you know me or at least know of me.

I am not a member of the Members To Members Group or any other group. I am proud of being a member of the Hideaway Valley Property Owners Association and I believe in equality for all members be it year round residents or recreational. We are all neighbors and deserve to be treated equal.

I do not think the proposed budget will help anyone. There has been very little thought given to it. I keep my assessments current and all board member should. I also believe in our Governing Documents and think our Trustee should at least try to set a good example for the rest of the members.

Summary of Board Proposed Amendments to By-laws for Hideaway Valley

All in all, very few substantive changes are needed--the majority of changes have to do with punctuation, grammatical, and clerical corrections. These include but are not limited to

Using American English, not British for grammar.

Correct numerical references to other documents

Uniformly apply the references to vote counts "represented in person, by proxy, by agent, or Mail-in Ballot at any Annual, Regularly Scheduled or Special Meeting of the Members; or by Mail-in Ballot in lieu of a Special Meeting."

Capitalizations made uniform

"Voting Member" was changed to "Member" since all members can legally vote as long as only one member votes per lot. It is unduly restrictive to require all lots of common ownership to designate a "voting member" by "notarized document" for every meeting.

Note that punctuation, grammatical, and clerical corrections have been made to: Sections 1.1, 2.1, 2.4, 2.7, 2.9, 3.2, 3.7, 3.9, 3.14, 4.6, 5.2, 5.3, 6.1

A few sentences or phrases were added (or stricken) for clarity, openness, and consistency or because they were covered in other sections of the By-laws and superfluous. This includes;

Section 3.5 Removed item "7" from the list of what directors can discuss in private "Reimbursement of personal expenses" in an executive session. This will require directors to discuss personal reimbursement in an open board meeting.

Section 3.7: Added that notice is understood for regularly scheduled meetings of the board listed in the newsletters.

Section 3.10 Removed most of a. and b. This is covered almost verbatim in Section 2.3, 2.4, and 2.8.

Section 3.12: Paragraph 1 and 2. Restrictive wording removed. The Trustees should not be limited in who they choose to serve on the committees.

Section 4.2: Lifted the requirement that the Secretary sign everything and restricted trustees from signing checks made out to themselves.

Section 4.3: Paragraph 2 removed as it has no legal or practical meaning.

Section 4.6: A financial report should be made at every meeting. Removed, "when requested by the President to do so,"

Section 5.2: Budget and Assessments. Clarified why the budget goes out before Mach 1 and added, "The Association may or may not mail a quarterly statement." Paragraph 5. The sentence taken from the covenants, "apportioning the budget among all lot owners in proportion to their respective interests" was restored to the wording found in the Covenants as suggested by Lundgren.

Section 5.5 Paragraph 4: Removed superfluous, "Penalties and other legal matters are generally as described below, or are as described in the current Statutes of the State of Utah."

The following amendments bring our By-Laws into compliance with the Covenants, Utah Code and Roberts Rules of Order or addressed some issues we have already confronted. They are:

All references on notices of meetings amended from a minimum of 10 to 15 days when ballots are included. Utah Code 16-6a-709. Action by written ballot requires 15 days notice if a ballot is used.

Section 1.2:"Meeting Conduct Issues" There is no "abbreviated" version of Robert's Rules. It is suggested that organizations say "Robert's Rules of Order Newly Revised " so they always use the latest version (RONR 10th ed. pp. 470-471)-Hideaway uses the suggested less formal protocol for a board under 12 members-but it is still Robert's Rules.

The prohibition against recording meetings was removed in favor of using guidelines from the Utah Open Meetings Act-**52-4-203** . This was added directly from Utah Code **52-4-203** "All or any part of an open meeting may be independently recorded by any person in attendance if the recording does not interfere with the conduct of the meeting," as well as guidelines for their use on advice of legal council We are not required to use the Open Meetings Act but it is generally considered good practice.

Section 2.6: Presiding Officer: Changed to comply with *Robert's Rules of Order Newly Revised* ([RONR](#)); . Robert's Rules allows society meetings to elect a temporary chair for a single meeting if the President (VP or other officer) vacates the seat. (Section 58, RONR) Same with the recording Secretary.

Section 2.7 Voting Rights. Throughout this section the Definition of 'Voting Member' was simplified to "Member" as an owner as defined in the Covenants Section 2.1. Any member can vote; there is no distinction between 'members' and 'voting members' other than one vote per lot.

Paragraph 3 was expanded to say, "An owner buying on a land contract from any entity is considered to have equitable title and to be a member in their own right for the purpose of voting and serving on the board." for clarification. "Proof of ownership" was expanded to include other forms of "evidence" as per (16-6a-71-2.)

Section 2.8: Added that members can approve minutes without send in a ballot. Part b. Updated to follow code: added, "Excluding election of Trustees," and added Section "c" for clarity. Utah code disallows voting for a trustee without a meeting unless it is unanimous { 16-6a-707(5) but directors can be elected by counting ballots along with in-person votes at a meeting. 16-6a-709 (7).

Section 3.1: Paragraph 6. Added to retain unspecified rights with the members.

Paragraph 7: Reworded about retaining records to comply with Utah code: 16-6a-1601. Corporate records.

Paragraph 8: Reworded to comply with Utah code Utah code 16-6a-1603. which requires that records be sent electronically if a member requests it. Added a sentence that rights of members cannot be waived without a 51% vote of membership.

Section 3.10: Paragraph 1, replaced last sentence with, "Members may declare their candidacy for an open Trustee's seat by submitting a written declaration to the board for newsletter publication at least 30 days prior to an election." to conform to the requirement for mail-in ballots.

Paragraph 2 Consolidated some redundant sentences. Added, "However, the board of Trustees may elect a member to temporarily fill a vacancy until the next Member's Meeting. If the Trustee(s) remaining in office constitute fewer than a quorum of the board of Trustees, the remaining Trustee(s) may fill the vacancy by the affirmative vote of the majority of Trustee(s) remaining in office until the next Member's Meeting." to comply with Utah code 16-6a-810. Vacancy on board.

Paragraph 3, wording changed to comply with 16-6a-808. Removal of directors. A complaint does not have to accompany a petition for members to remove trustees.

Section 3.11: Wording added to conform to Utah code 16-6a-810. Vacancy on board. "in the event that the board lacks a quorum due to vacancies on the board, for whatever reason, the remaining Trustee(s) may elect members to fill the vacancies until the next Meeting of the Members as covered in Section 3.10: Election, Removal of Trustees, and Vacancy on the Board."

Section 4.2: Added guidelines for recording meetings.

Section 5.5: Paragraph 3. Removed, "A late fee of fifteen dollars (\$15.00), or otherwise determined by resolution of the Board of Trustees, shall be applied to any late payment" Language for late fees on assessments taken out under legal advice. Added, "subject to approval by the members. " to be consistent with remainder of section.

Thank you!

HVPOA Ballot for Annual Meeting April 24, 2010

BOARD PROPOSED BUDGET: The proposed budget for 2010 to 2011 fiscal year was mailed to each member in the beginning of March. By approving this budget, the assessment for this year will be \$168. In order to meet IRS requirements, members must vote to apply the excess monies from last year's budget to next years budget. The board recommends that you vote yes on all items. If the budget proposals are not approved, the budget will revert to last year and last year's assessment of \$300 per lot.

1. I approve the carry over of unexpended funds derived from assessments for the fiscal year May 1, 2008-April 30, 2009 to the revenues for the budget for the fiscal Year May 1, 2009-April 30, 2010.

Yes_____ No_____

2. I approve the carry over of unexpended funds derived from assessments for the fiscal year May 1, 2009-April 30, 2010 to the revenues for the budget for the fiscal year May 1, 2010-April 30, 2011.

Yes_____ No_____

Explanation: A Federal IRS ruling (**70-604**) limits the use of assessment revenue of non-profit corporations to the expenses budgeted for the current fiscal year. Any excess must be refunded unless the carry-over to the next budget year is approved by the members. Funds may be accumulated in reserves for specific capital expenses approved by a vote of the members in advance of the accumulation and the Board is required to provide detailed financial reports to the members covering the use of funds from any such reserve. The current Board does not propose to accumulate any reserves for purposes beyond the current fiscal year. The effect of the approval of the two items listed above will be to provide the flexibility to schedule expenditures when they can be most efficiently used.

3. I approve the Proposed budget as mailed March 1, 2010 which makes this year's assessments \$168. (check one)

YES_____ NO_____

AMENDED AND RESTATED BY-LAWS

4. I vote to approve the board-proposed updated, amended and restated By-laws that accompanies this ballot in order to comply with State code, make clerical and other corrections and clarify confusing or duplicated sections.

YES_____ NO_____

CANDIDATES FOR THE BOARD

5. Two trustees positions expire this year. Election of Trustees to fill the vacancies left by the expiration of office held by Terry Holzworth and Clifford Johnson. Please read the information included in this mailing to familiarize yourself with each candidate. Vote for only two candidates or none will be counted.

- Clifford Johnson (Incumbent) { _____ }
- Jake Jacobson { _____ }
- Roy Walker { _____ }
- Bryan Cook { _____ }
- Write in: _____ { _____ }

**INSTRUCTIONS AND VOTER VERIFICATION ON REVERSE SIDE
REVERSE SIDE MUST BE FILLED OUT**

Number of lots I own _____ Number of proxy/agent votes _____ Total of votes: _____

INSTRUCTIONS AND VOTER VERIFICATION

An entity (corporation or trust) is required to sign its name by an officer or designated authority. Please indicate when signing.

Print name (and title if applicable)

Signature Date

Number of lots Put letter and number of lot(s)

Valid phone number for verification: _____

If you are a proxy holder or agent (the Board must have received a copy of proxy or POA to be valid), list the proxies you hold or the lots you represent as an agent:

Print name of lot owner you are voting for Number of lots they own Letter and lot number(s)

Print name of lot owner you are voting for Number of lots they own Letter and lot number(s)

Details: The quorum for this election will be determined by counting all memberships represented in person, by proxy, by agent, and by mail-in ballot at the April 24, 2010 Annual Member Meeting. The percentage of approvals necessary to approve an action is 51% of the quorum except in the case of election of trustees. The highest totals for trustees shall fill the vacancies. If not voting in person or by proxy, ballots must be received by the nonprofit corporation and delivered by hand, mail, fax, or email with a valid signature and phone number for verification by noon on Friday April 23, 2010 and shall be counted equally with the votes of members in attendance. Ballots not filled out in person at the members meeting or not received by noon on Friday April 23, 2010 will not be counted. (Information required by Utah Code 16-6a-709)

Return this ballot by mail to: HVPOA, HC 13 Box 3001, Fairview, UT 84629
Email to: Secretary@hideawayvalley.org (must be scanned with a proper signature)
Or Fax to 801-352-7623

What is a Conflict of Interest?

Associations are run by volunteer boards. Many have skills beneficial to the membership. Often a conflict of interest is perceived. A "conflicting interest transaction" is defined in Utah non-profit code (16-6a-825) as, "a contract, transaction, or other financial relationship between a nonprofit corporation and:

- (a) a director of the nonprofit corporation;
- (b) a party related to a director; or
- (c) an entity in which a director of the nonprofit corporation:
 - (i) is a director or officer; or
 - (ii) has a financial interest."

Members who do not understand "conflict of interest" throw the term around as if it is a dirty phrase. Guidelines exist and must be followed so a board member, or their family is not improperly enriched at the expense of the Association. However, if the transaction is fair for the Association and the board member who would benefit recuses him or herself from voting on the transaction, then a conflict of interest does not exist.

For instance, one lot owner is paid by the association to tamp
(Continued on page 8)

Agenda for the Annual Meeting:

- Call to Order: Clifford Johnson, President
- Approve minutes from Jan 23
- Adopt Agenda
- Treasurer's Report:-Diana Tallmon
- Report on Budget Proposal: Terry Holzworth
- Road Report-Tom LeFevre
 - a) Present road plan
 - b) Gully report and other hazards
- President's Report– Clifford Johnson
 - a) State of the Association
 - b) Report on By-laws
- Election
 - a) Appointment of ballot counters
 - b) Fill out Ballots (no discussion of candidates to protect those who voted by mail-in ballot)
 - c) Open mail-in ballots and tally with in-person ballots
- Open Forum: Member's timed forum (sign up sheet at the door)
- Adjournment

Walker/Cook Campaign Letter Comments

Some Association members received a campaign letter from Roy Walker and Bryan Cook. The current Administration supports free speech and a voice for all owners however, many points were factually inaccurate. It would be irresponsible if we did not address these inaccuracies. At the end of the day, the financials are going very well and your business is appropriately managed.

Remember the many years prior to 2007 when assessments were \$175 per lot? The Association did not run out of money then and snow and trash were removed as needed. Hideaway is spending less on everything so more can be spent on the roads. Roads are one of the many things we all have in common.

The IRS does not allow associations to accumulate money. A non-profit must begin the year with zero and end the year with zero or they are taxed at the corporate rate on excess funds. Therefore when the association ends the year with an excess, the members must vote on where to put it so we are not penalized or taxed by the IRS.

The only exception is reserve funds, which require a specific procedure-- Hideaway has never met the requirements. Hideaway has had a savings account for many years; please do not confuse that with a "reserve" fund. You can read the explanation on the ballot under items 1 and 2 regarding IRS Ruling 70-604

Your new board has not written off any accounts or interest for anyone. The campaign letter statement that "only 33 to 50% pay," is simply not true. Your community is doing well and 2/3rds of your neighbors are current or ahead while 1/3 are behind. Many who are behind are paying--just slowly. Only 8% are chronically behind and most of those have liens. Those with liens earn the Association 10% per year and the Association will collect every dime owed to it.

It is not appropriate for candidates to attack vendor(s) providing services to Hideaway. It seems counter intuitive to undermine cost saving efforts by this Administration. More importantly, we cannot allow potentially libelous attacks against outside entities providing excellent services. The 2 million dollar bond certificate held by C&G will be on the website before the annual meeting. This particular vendor is the second oldest dumpster company in Utah County and rightfully proud of his reputation. Our most sincere apologies to C&G Containers Thanks to the vendors who work with this Administration.

Most of the points in their letter have been addressed in board meetings and are available in the minutes. Please go to the official website and read the minutes to board meetings which should clear things up for anyone who has doubts. Please write or call if you need clarification.

Board Contact Information

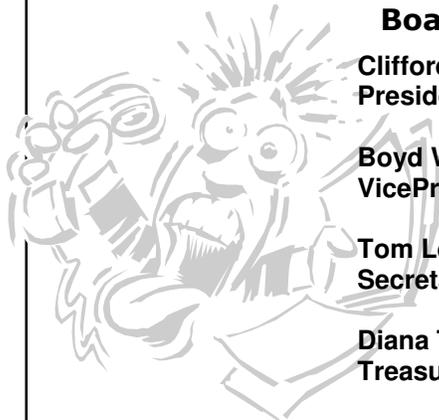
Clifford Johnson 801 602 3459
President@Hideawayvalley.org

Boyd Williams 435 427 9236
VicePresident@Hideawayvalley.org

Tom LeFevre 801 602 3101
Secretary@HideawayValley.org

Diana Tallmon 435 427 5483
Treasurer@HideawayValley.org

Terry Holzworth 801 414 4031



(Continued from page 7) Conflict of Interest

down the garbage so that it cost us less. Hideaway pays by the container, not weight. When this owner's wife was on the board, it would have been a conflict of interest if she voted on issues relating to the garbage. This service benefits the association, so as long as his wife, while a trustee, does not vote on issues related to the garbage, there is no problem. In another instance, a board member's son drove a truck for the contractor that works on the roads. As long as the trustee disclosed this to the board and did not vote when deciding what contractor would work on the roads—then this is not a problem.

Legal counsel, Adams & Kessler, specializes with Association law. They have an internet information site that answers all types of questions on how to run an Association. The following is reprinted from their site:

Conflicts of interest occur when a director, or the director's family, stands to benefit financially from a matter before the board. For example, the board votes to award a roofing contract to a company owned by the director or the director's spouse, brother, son, granddaughter, etc. Such transactions/contracts are voidable. Potential Liability. Conflicts or potential conflicts of interest, however, do not necessarily create liability if:

1. *Full Disclosure.* The interested director makes full disclosure of the conflict.
2. *No Influence on Vote.* The interested director should leave the room so remaining directors can discuss the issue fully and freely, and take vote without the affected director.
3. *Fair.* Even if the director makes full disclosure and avoids influencing the vote, the transaction must be fair and reasonable to the association at the time it is authorized, approved or ratified.

Recusal. Interested directors may be counted in determining the presence of a quorum at a meeting of the board or a committee thereof which authorizes, approves or ratifies a contract or transaction. However, the director must recuse him/herself from discussion and voting on the issue. ~www.adamskessler.com/

BY-LAWS

(Continued from page 1) Elections, budget, and by-laws

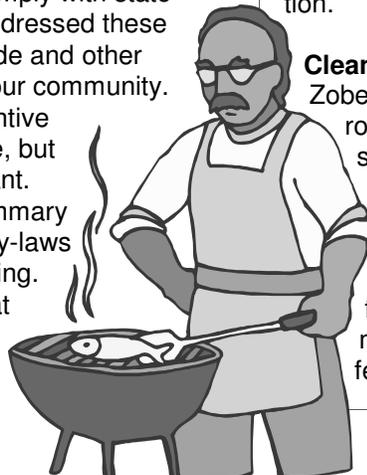
lightly. We have 453 lots and almost as many view points to consider. The more care we take in electing Trustees, the smoother our association will run.

Hideaway Valley has diversity among members and your Trustees must try to balance the needs of the full-time residents (between 10 and 15%) with the owners of undeveloped land. It is not an easy task to ensure trash and snow are removed in the winter and roads and trash are maintained so all owners have an opportunity to access their property.

November 9, 2009 three trustees (Jim Taufer, Roy Walker, and Rick Widdop) resigned, leaving Tom LeFevre and Clifford Johnson to carry on. Fortunately, Diana Tallmon was in attendance and next in line for Trustee from the previous election. Mr. LeFevre and Mr. Johnson appointed her in order re-establish a quorum and continue the meeting. Mr. LeFevre continued as Secretary, Ms. Tallmon, with a background in accounting and business, was elected as Treasurer and Clifford Johnson moved from Trustee to the office of Vice President.

We have been living with the new By-laws for almost a year. The documents committee and the former board did a great job, but as in most things, many "bugs" aren't found until you come up against real life situations. For instance, our first version did not mention what to do when a quorum of the board does not exist—we learned through much consternation what should be included in our By-laws. There were a number of mistakes with grammar and punctuation, some By-laws did not conform to Utah Code, and a few inaccurate references were included. Your Trustees, with the aid of an attorney, propose some changes. Many of the changes are necessary to comply with state statute. We have addressed these inconsistencies, Code and other issues pertinent to our community.

Not many substantive changes were made, but the they are important. Please read the summary and the proposed By-laws included in this mailing. Your board asks that you vote to approve the updating.



(Continued from page 1) Updates on Association Business

Book-keeper. The association welcomes our new book-keeper from English Enterprises. She also works for another Sanpete Association and we know she'll do a great job for Hideaway. All assessment irregularities and questions will be addressed by the board. The book-keeper will not adjust statements; if your assessment is inaccurate, please contact the board. If you have worked out a payment plan with the previous board, please provide the current board with documentation.

Clean-up: Many thanks to the Zobel and Petersons for starting a roadside clean-up campaign for spring clean up. Maybe we can cajole them into starting a Roadside Clean-up committee and combine it with a spring barbecue? A BBQ will follow the June member's meeting. Stay for the food and fellowship.