

Loomis Trail Homeowner's Association Board of Director's Meeting Minutes

2:00 pm Friday January 21, 2011

Hugh Lewis's Office

Attendees: Victoria Wilhelmsen Susan Thorpe
Larry Dutton Hugh Lewis, Attorney

Absent: Ryan Barnes

Executive Meeting with the purpose of seeking legal counsel from Attorney Hugh Lewis. Meeting was tape-recorded.

Meeting for 45 minutes to hear Hugh's interpretation of documents and how they relate to the Halsey Fence issue. BOD agreed to have Hugh write up an Opinion document for us to give to Halsey's.

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Loomis Trail Home Owners Association
Annual General Meeting
January 22, 2011

MINUTES
(unapproved)

DATE & TIME Pursuant to Article 4, Section 7.2 of the Bylaws of the Loomis Trail Home Owners Association, the Annual General Meeting was held on Saturday, January 22, 2011 at the Blaine Fire Station, 9408 Odell Street, Blaine, WA 98230. Association Manager, Brent Hamner of Best Real Estate Management called the meeting to order at 10:05 A.M.

OFFICERS Officers present were Victoria Wilhelmsen, President; Ken Halsey, Vice President; Ryan Barnes, Treasurer; and Susan Thorpe and Larry Dutton, Co-Secretaries. Also present were Association Managers, Brent and Judy Hamner of Best Real Estate Management, LLC.

ROLL CALL The following units were represented:

Dennis and Barbara Anderson	Div. 1, Lot 2
William and Marlene Bawn	Div. 1, Lot 3
MLB Enterprises (Mike Berman)	Div. 1, Lot 5
Fredrick and Laura Howell	Div. 1, Lot 11
Pamela Dunn	Div. 1, Lot 14
Robert and Brenda Graves	Div. 1, Lot 20
Spiro and Gail Pappacostas	Div. 1, Lot 21
Aaron and Hillary Rockwell	Div. 1, Lot 22
Mark and Jody Jappert	Div. 1, Lot 31
MLB Enterprises (Mike Berman)	Div. 1, Lot 32
Kenneth and Jeanne Halsey	Div. 1, Lot 33
Janet Rudnick	Div. 1, Lot 34
Ralph McIntosh	Div. 1, Lot 35
Larry and Sandra Dutton	Div. 1, Lot 37
Samuel and Norma Jean Crozier	Div. 1, Lot 39
Ryan and Kathy Barnes	Div. 1, Lot 43
Ronald and Sally Bendschneider	Div. 1, Lot 45
Preben and Victoria Wilhelmsen	Div. 1, Lot 46
Hermon and Annie Dew	Div. 1, Lot 49
Wolfgang and Deborah Sellinger	Div. 1, Lot 50
Kevin and Cynthia Cavanaugh	Div. 1, Lot 54
Stan and Nancy Thompson	Div. 1, Lot 55
Steven and Susan Thorpe	Div. 1, Lot 56
Allan and Cheryl Ludington	Div. 1, Lot 58
Earl and Susan Sellie	Div. 1, Lot 59
Kazumi and Trim Creech	Div. 2, Lot 3
Ian and Jennifer Corbell	Div. 2, Lot 24
Surinder Bal and Kashmir Kaur	Div. 2, Lot 25
Bal Construction, Inc.	Div. 2, Lot 26
Bal Construction, Inc.	Div. 2, Lot 30

Units represented by proxy and/or ballot were:

Jay Singh	Div. 1, Lot 4
Rainy Day Homes, Inc. (Richard and Peggy Kraft)	Div. 1, Lot 12
Kari Miller	Div. 1, Lot 16

Joginder Singh and Amir Kaur	Div. 1, Lot 18
James Fullerton and Norma Suarez-Jordan	Div. 1, Lot 24
Stephen and Leslie Sawyer	Div. 1, Lot 25
Robert Zinngabe, New Life Trust	Div. 1, Lot 38
Xiaohui Hao and Lin Zhang	Div. 1, Lot 42
Jasbir Kaur	Div. 1, Lot 44
Judith Book-Erlichman and Mark Erlichman	Div. 1, Lot 51
Jeffrey and Susan Walters	Div. 1, Lot 53
Woo Hark and Jamie Jeon	Div. 1, Lot 57
Greens at Loomis II, Lot 6 LLC (David Zedrick)	Div. 2, Lot 6
Greens at Loomis II, Lot 7 LLC (David Zedrick)	Div. 2, Lot 7
Greens at Loomis II, Lot 8 LLC (David Zedrick)	Div. 2, Lot 8
Greens at Loomis II, Lot 9 LLC (David Zedrick)	Div. 2, Lot 9

QUORUM 46 units, or 70% of the membership, were represented, thereby constituting a quorum of the authorized number of unit owners.

MINUTES Minutes of the January 23, 2010 Annual General Meeting were distributed to all directors and owners prior to the meeting. With no corrections or additions, the Minutes were approved as published.

INSPECTOR OF ELECTIONS Brent Hamner asked for a member to volunteer to certify the election results, and Spiro and Gail Pappacostas volunteered.

PRESIDENT'S REPORT Association President Victoria Wilhelmsen began by thanking members for giving her the opportunity to serve as Board President. She said with a relatively new home owners association, there is an ongoing need to invigorate the community and revise the CC&Rs and Bylaws. She encouraged members to lend their voice.

She then reported on the highlights of 2010:

- Hiring a new management company, Best Real Estate Management. Best Management was able to collect a significant amount of the past due assessments, obtain information on foreclosures in the community, and establish a better lines of communication with banks and the home owners.
- The Loomis Trail HOA website has been updated and is more user friendly thanks to Aaron Rockwell and Jen Corbell. The URL is <http://sites.google.com/site/greensatloomistrail/>.
- Trees were planted along Castlerock Drive by the east gate. Wilhelmsen asked for homeowners living nearby to help water the new trees.
- Monthly Board Meetings were held during the year.
- The Association's application for annexation into the Birch Bay Water & Sewer District was filed on December 1, 2010 along with the required deposit of \$13,000.
- Work was done to clean the wetlands, and flooding had been avoided. A professional wetland inspection is necessary every 3 years.
- Jen Corbell and Gail Pappacostas formed a welcoming committee to greet new residents in the community.
- The Board approved a 2011 budget that has no increase in monthly assessments.

In closing, Wilhelmsen thanked all Board members for their support during the past year.

TREASURER'S REPORT

Treasurer Ryan Barnes reported a major item during 2010 was an audit of the books for 2009. He said the draft auditor's report was just received and the results were positive. The final audit report will be posted on the website.

Copies of the December 31, 2010 financial report were distributed to members at the meeting. Barnes said at year end, the Association had total cash assets of \$43,294.83 with \$34,059.57 in the operating checking account and \$9,235.26 in a CD. Net income for the year was \$21,539.22. During the first half of 2010, the Association experienced a cash flow shortage and borrowed about \$13,000 from a CD. It was noted the cash flow situation has improved.

Barnes also noted that during 2010:

- Legal fees were much less than expected.
- Judy Hamner followed up on liens and past due assessments and was able to collect about \$10,000 of unexpected income.
- The landscaping contract was renegotiated.
- The audit expense was much less than the budgeted amount — \$1,500 as opposed to \$6,000.
- Jen Corbell and Gail Pappacostas formed a welcoming committee to greet new residents in the community.
- The Board approved a 2011 budget that has no increase in monthly assessments.

During a period of discussion, a member asked about the -\$985.14 bond deposit shown as an asset on the balance sheet. Barnes said this item has been on the books for years and it is the Association's money. He said the auditor will provide instructions on how to remove it from the books. Another member asked about the money spent on legal fees and was informed that the attorney reviewed a Board revision of the CC&Rs and also provided consulting on an issue with a fence.

ISSUES AND RESOLUTIONS

Issues and proposed resolutions were distributed to all owners 30 days ago with the annual general meeting packet. Voting was conducted by ballot.

#1 – Resolution to Waive the 2010 Audit Requirement. Brent Hamner reported that home owner associations with an annual budget in excess of \$50,000 are required by State law to have an annual audit; however, the audit requirement can be waived by a vote of 67% of the membership. He said the cost of an audit is about \$1,300 and includes preparation of the Association's income tax return. It was noted that Best Management sends the Treasurer complete monthly financial reports with reconciled bank statements and copies of paid bills, and the President receives basic monthly financial reports. The Association's records are available at the Best Management office for members to review. Following a brief discussion, members voted by ballot. 29 members (31%) voted to waive the audit, which was insufficient to waive the audit requirement for 2010. Therefore, an audit will be performed.

#2 - The 2011 Annual Budget Resolution. Brent Hamner informed members that the Board approved budget will automatically be ratified unless 51% of the members vote against it. The total budget for 2011 is \$62,700, with \$52,734 for operating expenses and a \$7,336 reserve contribution. The proposed monthly assessments will remain at \$55 per lot per month.

During a period of discussion:

- Tim Creech asked about the reserve funding. Ryan Barnes said the 2010 operating expense surplus will be transferred to reserves. He said once the Association reaches \$60,000 in reserves, the Board will review the annual contribution amount.
- Jody Jappert asked about the pond and bio swale maintenance/wetlands maintenance and if the Association is liable for times if too much vegetation is cut. Victoria Wilhelmsen noted that professional hydrological and vegetation inspections will be performed in 2011. And Ryan Barnes said the wetland is a drainage and retention pond — not a natural wetland. The inspections will make sure the area doesn't overflow and cause damage
- A member asked about the treed area between the main road and houses on Castlerock where a sign says "Protected native growth". Larry Dutton told her this area is not under Association control. He said the area was required by the County, the County's jurisdiction will expire and the area will be turned over to the Association/development.
- Wolfgang Sellinger asked about landscape tract mowing. Victoria Wilhelmsen told him that the buffer zones will not be mowed during 2010 and will be left to grow wild.
- Jen Corbell noted the \$1,800 budgeted for legal fees in 2011 and asked if more money will be spent on the carryover fence issue. Victoria Wilhelmsen said it potentially will.

Members voted by ballot and approved the 2011 Budget Resolution by a vote of 42 to 3. Payment coupon books will be prepared and mailed to members next week.

ELECTION

The one-year terms of Board members Victoria Wilhelmsen, Susan Thorpe, Ryan Barnes, Larry Dutton and Ken Halsey are expiring. Wilhelmsen, Thorpe, Barnes and Dutton have agreed to run again for office. Jeanne Halsey, Barbara Anderson and Mike Berman have also agreed to run for a position on the Board. The candidates spoke briefly about their qualifications and reasons for wanting to serve on the Board. Members voted by ballot and elected Susan Thorpe, Larry Dutton, Jeanne Halsey, Barbara Anderson and Mike Berman to the Board of Directors for 2011.

COMMITTEE REPORTS

Jen Corbell said that a Welcoming Committee was formed during 2010. She and Gail Pappacostas created a folder containing a Board member biography, an owner information request form, utilities information, and a summary of the day-to-day Rules and Regulations. The Committee presents a folder, a phone book and a house plant to new residents at Loomis Trail. Corbell mentioned the cost to prepare a packet is about 53¢ and a house plant costs about \$7.50, so about \$8 is spent to welcome each new family.

GENERAL BUSINESS

The following items were discussed:

- Barbara Anderson shared with members the current rumors about the Loomis Trail/Semiahmoo sale. She said the golf courses, the resort and phase 3 of Loomis Trail are being acquired along with a significant portion of property owned by Trillium Corporation. She said the buyer's name is being kept very secret.
- Deborah Sellinger asked Jen Corbell if existing members can be informed of new residents. Corbell said this information will be posted on the website, and she encouraged members to use and refer others to use the website.

- A member asked if the website is intended to replace newsletters, and if owners can be notified when significant updates are made to the website. It was noted the website is intended to replace newsletters. Tim Creech expressed caution over privacy issues and suggested permission will be needed to publish names of residents on the website.
- Victoria Wilhelmsen said the 2011 Board will pursue the idea of a neighborhood directory. Brent Hamner mentioned that names can be shared with Association members, but phone numbers cannot.
- Regarding the annexation into the Birch Bay Water & Sewer District, Victoria Wilhelmsen said the Association has to recirculate a petition to get members signatures on a special, revised form. Herman Dew reported the application for annexation was submitted December 1, 2010 along with the required \$13,000 fee. He anticipates the application process will be completed by the middle of May.
- Victoria Wilhelmsen said the next Ladies Night In will be held on February 3, 2010, and she will send an e-mail to inform members.
- A member asked if the Board has given thought to increasing the reserve contribution. Victoria Wilhelmsen told him the Association doesn't have a lot of capital expenses; it has mostly common area and grounds maintenance expenses.
- Wolfgang Sellinger mentioned prior problems collecting assessments and asked how much money is due and if there is a list of delinquencies. Ryan Barnes said the Bylaws don't specify that an aging summary of past due assessments has to be shown to members. Brent Hamner told him that information on delinquencies is given to the Board. It was noted that Best Management has focused on collecting the principal amounts due (rather than late fees and fines), and has worked out payment plan with delinquent members.
- Wolfgang Sellinger said he assumes not all 2011 monthly assessments will be paid. Ryan Barnes said the Board anticipates \$5,280 in uncollected assessments for the year.
- Brent Hamner told members that liens are filed when pertinent. He also mentioned that banking laws have changed, and if a properties go into foreclosure, banks only want to pay for 6 months of past due assessments. Hamner also said that if bankruptcy is declared, past due assessments are wiped out and the Association cannot collect.
- Preben Wilhelmsen asked about banks tightening lending requirements and checking delinquency rates for properties in a home owners association. Brent Hamner said lenders are changing their rules and making it tougher to finance. Hamner said Best Management gets financing request forms from lenders and returns them with completed information.
- Tim Creech mentioned he was very happy to see trees planted, and said he will help to water them.

ADJOURN

There being no further business, the meeting was adjourned at 11:55 A.M.

Respectfully submitted by:

Shanne Halsey
Secretary

23 March 2011
Date

APPROVED Larry Hutton
President,

3-23-2011
Date

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THE GREENS AT LOOMIS TRAIL HOMEOWNERS ASSOCIATION

BOARD OF DIRECTORS MEETING

Tuesday 1 February 2011 ~ The Board Room, Loomis Trail Golf Club

PRESENT: Barbara Anderson ... Michael Berman ... Larry Dutton ...

Jeanne Halsey ... Susan Thorpe.

ADVISORY: Judy Hamner (*Best Property Management*).

VISITING: Ryan Barnes ... Herman Dew.

The Meeting was called to order at 3:10pm. General introductions of former and new Board Members; and Judy Hamner.

ELECTION OF OFFICERS

PRESIDENT

- MOTION: Mike nominated Larry.
- SECOND: Barbara.
- VOTE: Unanimous.
- OUTCOME: **Larry Dutton elected President.**

VICE PRESIDENT

- MOTION: Larry nominated Susan.
- SECOND: Barbara.
- VOTE: Unanimous vote.
- OUTCOME: **Susan Thorpe elected Vice President.**

TREASURER

- MOTION: Larry nominated Barbara.
- SECOND: Mike.
- VOTE: Unanimous.
- OUTCOME: **Barbara Anderson elected Treasurer.**

SECRETARY

- MOTION: Larry nominated Jeanne.
- SECOND: Mike.
- VOTE: Unanimous.
- OUTCOME: **Jeanne Halsey elected Secretary.**

MEMBER-AT-LARGE

- MOTION: Barbara nominated Mike.
- SECOND: Susan.

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- VOTE: Unanimous.
- OUTCOME: **Mike Berman elected Board Member-At-Large.**

GENERAL HOUSEKEEPING (Old Business)

HOA FILES: Wolfgang and Debi Sellinger have graciously stored many of our HOA files (including architectural packages, etc.) at their home for several years. Larry has asked Judy if they will centralize the storage of all our files at *Best Property Management*; Judy agrees to do so, for a nominal fee.

- MOTION: Larry moved to transfer all remaining HOA files to *Best Property Management*, with Judy making arrangements with the Sellingers.
- SECOND: Mike.
- VOTE: Unanimous.
- OUTCOME: **The Sellingers will transfer the HOA files to *Best Property Management* as soon as possible.**

RECORDING OF MEETINGS: Larry suggests we purchase a small voice recording device to help with transcribing and producing the Minutes of our Meetings. Barbara says she will donate such a device.

COMMUNICATIONS: Judy says it is difficult to keep up with changing contact information for all HOA members.

Dates, times and places of all Board Meetings will be posted for all scheduled Meeting, and will subsequently be published along with the Minutes.

FINANCIALS

AUDIT: Barbara's referenced the Auditor's Report (attached; portion cited below), stating the Auditor has concerns we do not have either a capital replacement fund or past audits. We must estimate what potential breakdowns (gates, road repair, etc.) to anticipate, and decide how to fund it.

"The Loomis Trail Homeowners Association has not estimated the remaining lives and replacement costs of the common property and,

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therefore, has not presented information about the estimates of future costs of major repairs and replacements that will be required in the future that accounting principles generally accepted in the U.S.A. has determined is required to supplement, although not required to be a part of, the basic financial statements."

Larry says he has measured that we have about one mile of paved roads in our community. He contacted a local construction company for an informal quotation on repaving costs, and answers to how long do repaved roads normally last; Wilder Construction said it would cost about \$210,000 to repave our streets, which would last for about 25 years.

Judy stated we should have a professional reserve study done of our community, and will investigate state requirements.

Further to the Auditor's Report, Barbara said we also need to establish a bad debts/doubtful accounts reserve. Also referencing the Auditor's Report, Barbara queried the general income statement in the Budget that includes uncollected revenue on outstanding HOA dues, and suggests we should segregate those revenues from the general income statement. This also pertains to the Birch Bay Water District assessment, since we have paid \$13,000 to BBWD, which was an estimated payment but does not reflect participation by all 95 lot owners. Was the \$16,375 an under-collection or an over-collection?

Judy said they will let us know what funds have been collected, both for outstanding HOA dues and toward the BBWD assessment. Again she reiterated the difficulty in obtaining current contact information for many HOA members. She will inform us of the liens established on various past-due HOA members' accounts; and confirmed that by state law, we can only collect 6 months of past dues.

Barbara said the Auditor's Report for 2009 also mentioned the 2010 water assessment because it is considered a significant future budget item. (She later said she will examine our accounts and budget, and give a report at our next meeting.)

NEW BUSINESS

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**THE GREENS AT LOOMIS TRAIL HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING**

Wednesday 2 March 2011 ~ The Board Room, Loomis Trail Golf Club

PRESENT: Barbara Anderson ... Michael Berman ... Larry Dutton ...
Jeanne Halsey ... Susan Thorpe.

ADVISORY: Judy Hamner (*Best Property Management*).

VISITORS: Ryan Barnes ... Herman Dew ... Victoria Wilhelmsen.

The Meeting was called to order at 3:00pm.

MINUTES

The Minutes of the Meeting held on February 1, 2011, had been previously emailed to all Board Members for review and discussion. The Minutes were discussed, then tabled at this Meeting; they were later amended and reviewed by email.

- MOTION: Larry moved to approve the Minutes.
- SECOND: Jeanne.
- VOTE: All in favor.
- OUTCOME: **The Minutes of the February 1, 2011, Board Meeting were approved via email on March 9. They will now be posted to the HOA website.**

OLD BUSINESS

Streamlining

Larry initiated a discussion whereby we can streamline approving the Minutes, reviewing Financials, viewing the Agenda in advance, get information to the HOA via the website, and generally improving communications.

- MOTION: Barb moved we take proactive steps to streamline communications via email, reviewing Minutes, Financials, Agendas, and other business prior to Meetings.
- SECOND: Larry.
- VOTE: All in favor.
- OUTCOME: **We will endeavor to streamline communications on all Board issues.**

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★ Jeanne was recused from the Meeting.

Violation 0017 - Division 1, Lot 33

(1) Regarding Violation #0017, Larry read CCR&R 9.2.4 and said it does not apply to this violation, only CCR&R 9.2.3. The Halseys have submitted a letter acknowledging they did not receive written approval to build their fence before beginning to build it, citing an urgent safety issue.

- MOTION: Larry moved to strike CCR&R 9.2.4 from violation #0017.
- SECOND: Barb.
- VOTE: All in favor.
- OUTCOME: **CCR&R 9.2.4 was removed from violation #0017.**

Judy will write a letter to the Halseys stating this violation has been amended.

(2) Larry polled the Board regarding what sanction is appropriate to violation #0017. Mike suggested \$125 and resubmitting the request to build the fence. Susan queried the validity of this sanction: "By not submitting a plan but constructing anyway, a fine just satisfies the violation and not the matter of the lattice?" Mike said he had read the history of the fence issue and it seemed to him that the only issue was the Halsey's failure to complete the approval process." Larry clarified that CCR&R 9.2.3 speaks only to "building without prior written approval," not to whether the optional lattice should be mandatory.

- MOTION: Mike suggested the Halseys pay \$125 and be required to resubmit their application to build their fence.
- SECOND: Barb.
- VOTE: Mike, Barb and Larry in favor; Susan opposed.
- OUTCOME: **To satisfy this violation, the Halseys will pay \$125 and be required to resubmit their fence application, and receive approval; and the violation will be permanently removed.**

Judy will write a letter to the Halseys requesting they pay \$125 and resubmit their fence application, to satisfy this violation, thus permanently removing it.

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Reconciling Governing Documents

We reviewed the CAI power-point presentation from February 16, 2010 regarding order of authority. One slide clarified that in making decisions – such as Rules and Regulations, or Architectural Guidelines – decisions should be made within the scope of authority, and be not inconsistent with governing documents.

Other slides clarified the ranking order of authority:

- (1) federal laws
- (2) state laws
- (3) the HOA Act
- (4) corporate law
- (5) common law
- (6) Articles of Incorporation
- (7) Declarations and CCR&Rs
- (8) Bylaws
- (9) Rules & Regulations
- (10) Board Resolutions
- (11) prior actions.

There followed a lengthy discussion regarding how to settle conflicting differences regarding the CCR&Rs versus the Architectural Guidelines, pertaining specifically to fences. Larry said we must reconcile the Architectural Guidelines with the CCR&Rs because the Architectural Guidelines make lattice mandatory, in conflict with the CCR&Rs allowing lattice to be optional.

MOTION: Larry moved to change the language in the Architectural Guidelines to read “lattice is optional,” making the Architectural Guidelines consistent with the CCR&Rs.

SECOND: Barb.

VOTE: Larry, Barb and Mike in favor; Susan opposed.

OUTCOME: **Consistent with the CCR&Rs, the Architectural Guidelines will now read “lattice is optional.”**

Other language in the Architectural Guidelines will be reviewed to ensure they are consistent with the CCR&Rs.

★ Jeanne returned to the Meeting.

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NEW BUSINESS

Applications

(1) We have received an application from Bob and Pat Miller at Division 2, Lot 16 (8568 Siena Court) to build a sunroom on their current patio; extensive architectural plans were submitted. They cited their purpose is because Mrs. Miller sustained back injuries and has a permanent disability; her doctor has recommended she gets more sunlight for her health.

Susan stated: We need to have an Architectural Control Committee. Mike said if the County approves their plans and issues a building permit, then it makes sense that we can approve them also.

- MOTION: Barb moved that we approve the sunroom plans for Lot 16, Division 2
- SECOND: Jeanne.
- VOTE: Barb, Mike, Larry, and Jeanne in favor; Susan abstained.
- OUTCOME: **Approval was granted to build a sunroom at Division 2, Lot 16.**

(2) We have received an application from the Crozier family (Lot 39, Division 1) to build a fence; the fence was identified as a 5-foot vertical panel fence with a 1-foot horizontal lattice, constructed of cedar. The application was carefully reviewed.

- MOTION: Larry moved that we approve the fence for Lot 39, Division 1.
- SECOND: Barb.
- VOTE: All in favor.
- OUTCOME: **The fence plan as submitted was approved.**

(3) Surinder Bal has applied to change the colors of the trim on the house he is building at Lot 44, Division 1; he submitted both the previously approved color scheme and the newly proposed color scheme.

- MOTION: Larry moved that we approve the color changes to Surinder Bal's house at Lot 44, Division 1.
- SECOND: Barb.
- VOTE: Larry, Barb, Jeanne, and Mike in favor; Susan abstained.

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- **OUTCOME: The design changes to Lot 44, Division 1 were approved.**

(4) The house under construction at Lot 8, Division 2 is being finished with shingles rather than cultured rock, as specified and approved in the original plan. Neither Bob Lupul (Builder) nor Dave Zedrick (Owner) have not applied for this design change.

After discussion, it was decided Judy will send letters to Mssrs. Lupul and Zedrick, asking why they have made design changes without prior written approval. She will inform the Board by email of their responses.

(5) The Halseys resubmitted their request to build their fence, without the optional lattice. Their application was reviewed and found to be consistent with CCR&R 9.2.8 and standards established in the community.

Larry polled the Board for approval of the Halseys' fence application, as indicated in their letter.

- **MOTION:** Barb moved to accept the re-submission of the Halseys' fence application.
- **SECOND:** Larry.
- **VOTE:** Larry, Mike and Barb in favor; Jeanne recused herself (conflict of interest); Susan opposed.
- **OUTCOME: The Halsey's fence is approved with no further stipulations.**

Larry will write a letter to the Halseys, acknowledging their payment of \$125 satisfying the fine, accepting their application to build their fence, and giving approval for their fence with no further stipulations, indicating this issue is fully satisfied and permanently closed.

Delinquencies

Judy explained that many of the delinquent accounts have had exorbitant (and possibly illegal) fines assessed against them. She has had success with contacting some of these accounts, canceling the excessive fines and is now collecting overdue HOA dues.

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She cited the owners of Division 1, Lot 48, who had accrued \$5,592.70 in outstanding HOA dues, interest, late fees, and legal fees; we offered to erase all late fees and interest charges if they will pay all their outstanding dues (for 2007, 2008, 2009, 2010; for January, February and March 2011; and the Water Annexation fee) totaling \$2,921.40, by March 15th. The owners accepted our proposal, and expressed pleasure at the way this proposal was handled.

FINANCIALS

Due to time constraints, we did not undertake extensive Financial discussions.

(1) Barb said we need to amend the December 31, 2011, audit to establish an allowance for "doubtful accounts." She also suggested we write off the non-existent liability on a bond amount which we evidently don't owe to anyone.

(2) Larry reiterated the need to establish a reserve account for future capital expenditures. He explained again about our need to repair and maintain our roadways, and quoted proposals from Granite (formerly Wilders) that it will cost \$170,000 to repair our roadways; these repairs should last about 20 years, therefore cost approximately \$8,500 per year.

(3) Mike asked about the increase in our insurance umbrella, which was initiated and approved by Barb. She said it was less than \$100 to secure our insurance liability to \$2,000,000; she explained the difference in a general liability "per occurrence" policy (covered when an event happens) and a "defenses outside the limit" policy ("per claims made").

(4) Larry stated we have received a proposal from J&J Landscaping for 2011 and 2012 services. Because we have already exceeded our timing, this item was tabled to the next Meeting.

OTHER BUSINESS

All other Agenda items, including forming Committees, have been tabled to the next Meeting.

ADJOURNMENT

THE GREENS AT LOOMIS TRAIL HOMEOWNERS ASSOCIATION

- MOTION: Larry moved to adjourn the Meeting.
- SECOND: Barb.
- VOTE: All in favor.
- OUTCOME: **The meeting was adjourned at 4:40pm.**

The next Board of Directors Meeting will be at 3:00pm on Wednesday 13 April 2011 (deferred one week because of School Spring Break), at the **Loomis Trail Golf Club Conference Room.**

THE GREENS AT LOOMIS TRAIL HOMEOWNERS ASSOCIATION

LOT 33: A letter of violation and sanction issued on January 31, 2011, was the product of an improperly constituted Board of Directors, who were acting on misinformation as stated in the packet for the 2011 Annual General Meeting, sent by Best Real Estate Management; Judy Hamner subsequently apologized for the error. Bylaw 5.2.3 (page 8) states: **“A Director shall serve for a term of one year, and until his or her successor is elected.”** (The term of office for the 2010 Board of Directors ceased on January 23rd; the term of office for the 2011 Board of Directors began on January 23rd.)

Larry proposed a letter is sent to the Halseys, owners of Lot 33, nullifying the letter and sanction. This violation will be revisited at a later time.

- **MOTION:** Larry moved that *Best Property Management* will send a letter to the Halseys rescinding the erroneously issued letter and sanction.
- **SECOND:** Barbara.
- **VOTE:** Larry, Barbara and Mike voted in favor; Jeanne abstained (conflict of interest); Susan voted to oppose.
- **OUTCOME:** ***Best Property Management* will send the explanatory letter, rescinding the sanction, to the Halseys as soon as possible.**

MEETINGS: It was decided the HOA Board of Directors will meet on the first Wednesday of every month; and proposed these meetings will be at the same time (3:00pm) and same place (the Board Room of the Loomis Trail Golf Course). This information will be uploaded to our website and eventually published in our quarterly newsletter.

ADJOURNMENT

- **MOTION:** Larry moved to adjourn the Meeting.
- **SECOND:** Mike.
- **VOTE:** Unanimous.
- **OUTCOME:** The meeting was adjourned at 3:57pm.

The next Board of Directors Meeting will be at 3:00pm on Wednesday 2 March 2011, at the Loomis Trail Golf Club Conference Room.

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**THE GREENS AT LOOMIS TRAIL HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING**

Wednesday 13 April 2011 ~ The Board Room, Loomis Trail Golf Club

PRESENT: Barbara Anderson ... Michael Berman ... Larry Dutton ...
Jeanne Halsey ... Susan Thorpe
VISITOR: Victoria Wilhelmsen.

The Meeting was called to order at 3:07pm. A Quorum was established.

MINUTES

The Minutes of the Meeting held on March 4, 2011, had been previously emailed to all Board Members for review and discussion. The Minutes were reviewed, discussed and approved without changes.

- MOTION: Barbara moved to approve the Minutes.
- SECOND: Larry seconded.
- VOTE: All in favor.
- OUTCOME: **The Minutes of the March 4, 2011, Board Meeting were approved. They will now be posted to the HOA website.**

OLD BUSINESS

Applications

(1) Cultured Stone Façade Changes Division 1 Lot 44 (Surinder):

A slight change to the façade of his original application. This was reviewed by the Board via email.

- MOTION: Larry moved to change the façade of the original application for Division 1 Lot 44, as reviewed.
- SECOND: Susan seconded.
- VOTE: All in favor.
- OUTCOME: **The change to the cultured stone on the façade on the house under construction at Division 1 Lot 44 has been approved.**

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COMMITTEES

Architectural Review and Landscaping Committees

* General Discussion

GENERAL DISCUSSION: Do we want or need an ARC? An email exchange had also been conducted. Some folks thought there was not enough activity to warrant an ARC. The board could deal with new request. Some felt keeping it as is was better because it gets more people involved. It was suggested we might have a separate Landscaping committee to deal with the landscaping in our roundabouts. Maybe via an ad hoc committee.

- MOTION: Larry moved to have further email discussions about Committees about how new Committees might look like, and to solicit communication from HOA members.
- SECOND: Barb seconded.
- VOTE: All in favor.
- OUTCOME: **Continue this discussion about Committees via email and solicit input from members of the HOA.**

CC&R Committee

* General Discussion

GENERAL DISCUSSION: Is there a need to rewrite the CC&R's and Bylaws? There was some discussion with no final decision. Susan volunteered to get some input from some of the original authors of the proposed CC&R's and Bylaws. Susan will put the reason for rewriting the Governing Docs in an e-mail and send them to the BOD before the next Mtg.

Larry asked Susan if she had an electronic copy of the Design Guidelines, Construction Rules and Design Control Standards Application. Susan will check and see if she has it in an e-mail.

NEW BUSINESS

Mowing Boulevards

(1) Mowing Boulevards: Larry forwarded to the Board a copy of *J&J Landscaping's* proposal detailing the costs of mowing; approximately \$10,000 (of the \$16,000) includes mowing the common areas. Approximately 25% is common; 75% is homeowners' responsibility.

Generally it was decided to look into having those homes with boulevards mow them. There was some concern regarding what this might look like with people mowing on different days or not at all. It was decided to write a letter to the community to get their input. And if we decided to go forward with this new approach it would be done on a trial basis.

Jeanne suggested calling it an 'Adopt a boulevard save a buck' everyone liked it.

Barb volunteered to write a draft letter and get it out to everyone for approval.

(2) Moss Treatment and Fertilization: We will investigate moss treatment with *J&J*, and authorize him to treat everything.

(3) Increased use of the Website: Aaron says we have moved from 11 to 18 subscribers.

Judy should send a letter to the entire HOA reminding people of the informative website we have available.

BARB: We can save \$ by not sending this to non-dues-paying members, or houses about to go into foreclosure.

JEANNE: This can be a second page included with the lawn-mowing letter.

(4) Welcome Committee: An update regarding the Welcome Committee was sent to the Board.

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SUSAN: Last year, there were 13 Welcome packets given out; no changes have been made since last year. There has 1 Welcome Package sent out this year.

Are we going to list the names of new neighbors on the website?

BARB: When new people are presented with the Welcome Package, we should ask them at the time if they object.

(5) Division 2 Lot 8: Proposed Landscaping plan. They proposed putting in 65 plants but they have only put in less than half.

LARRY: Send a letter asking if they have finished with their landscaping.

Judy will write the letter; send for everyone's approval before sending.

(6) Minor Maintenance: Need to repair the netting on Division 2 entrance.

(7) Greenhouses: Jeanne presented an array of possible "hobby" greenhouses available from Costco or Lowes. There was some discussion about what Green Houses might look like in our community. The general consensus was negative.

(8) Information: Barb will be having a motor home on her property briefly.

FINANCIALS

The Board reviewed this month's financial statement via email.

BARB: The income appears to repeat the same every month. I suggest we submit financials on an actual cash-basis -- what did we have going out the door every month, what did we have coming in every month?

We need to remove unretrievable delinquencies from the books.

We need to see "cash received" rather than only expenses.

*** Exit Executive Session (no further resolutions passed).**

ADJOURNMENT

- MOTION: Larry moved to adjourn the Meeting.
- SECOND: Barb.
- VOTE: All in favor.
- OUTCOME: **The meeting was adjourned at 5:15pm.**

The next Board of Directors Meeting will be at 3:00pm on Wednesday 4 May 2011, at the Loomis Trail Golf Club Conference Room.

SOME REASONS WHY WE NEED A NEW GOVERNING DOCUMENT FOR THE LOOMIS TRAIL HOMEOWNERS ASSOCIATION

Written April 28, 2011

1. The current CC&R document does not reference Division 2.

By legal declaration recorded with the State of Washington on April 5, 2007, the Division 2 CC&Rs were amended by Hugh Lewis, Attorney at Law by majority vote to be governed by Division 1 CC&Rs. The problem is our current Division 1 CC&Rs as written make NO REFERENCE to Division 2. A new Division 2 HOA member reading their CC&Rs will be confused to read only about Division 1. This confusion can lead to misunderstanding, and misunderstanding can lead to litigation costs.

2. Current Boards need to Exercise Due Diligence.

It is the Board's responsibility to keep the Governing Documents current. With all the legal changes surrounding Division 2, it would be negligent to leave things as is. It is not appropriate to be using this same document fifteen years down the road when all of the original members have left. The time is now for the Board to update the governing document. There has been considerable expense (approx. \$7000.00) and members time and effort in re-writing this document thus far which should be taken into account.

3. There are no specifics regarding Division 2 Back Yard Fences.

Original Division 2 fencing restrictions for properties bordering the golf course do not exist in the Division 1 CC&Rs (paragraph 4.3.2 Setback Requirements). So, as written and amended, a Division 2 Homeowner could build a fence bordering the golf course and there would be no legal position to prevent them from building a fence. How do you think a Division 1 Homeowner bordering the golf course will react when they can't build a fence but a Division 2 Homeowner can? This does not promote harmony within the community.

4. We have no Construction Deposit for this Community.

A refundable construction deposit is customary for new construction to protect associations from contractors and their accidents to common areas. The current CC&Rs do not have any provision for requiring a reasonable deposit. With much more building to take place in our community, the Board could be faced with litigation costs trying to retrieve costs due to contractor negligence.

5. The Current Document has Invalid Language and Terminology.

When reading the first two pages of the existing CC&Rs it is nearly impossible to comprehend many of the invalid terms and references to Declarant, Grantor, Grantee, JAPEG, Area B, Area C, and the Subsequent Phase Certificate. A new document removes these terms and clears up the language.

6. There are Setback Conflicts between Legacy Division 2 CC&R's and Division 1 CC&R's.

Original Division 2 CC&Rs specified back yard setbacks for lots 11, 12, 13, and 14 as 20 feet (for example). Division 1 CC&Rs makes only general reference to backyard setbacks as being only 5 feet. Therefore, a new Division 2 homeowner could build his home only 5 feet from the golf course yet a legacy Division 2 neighbor could have a 20 foot setback and may be upset at his neighbor interfering with his backyard view, thus creating resentment and possible litigation costs. In addition, the Division 2 setbacks of 20 feet recorded in the County Master Development plans (drawings) could create a conflict with the current Division 1 CC&Rs which stipulates only a 5 feet setback requirement. Here again there could be resulting legal fees.