

MEADOWWOOD ESTATES III HOA

Annual Meeting

October 23, 2012

The meeting began at 7:07 P.M. at Liberty Lake City Hall. Twenty-four (24) homeowners were present and six (6) were represented by proxy. A quorum of 50% (38) was not present, therefore Bob Skattum, President, asked for a motion that the meeting be informational due to the fact that with no quorum present, nothing could be voted on. Any voting issues and Board member election will need to be done at a future meeting or by mail as stated in the Bylaws. Dan Schmarr moved that the meeting be informational with no votes taken. P. J. Trzeciak seconded the motion. Motion passed.

The Board introduced themselves. Bob then introduced Don Wilhelm and Bill Butler of WEB Properties.

An owner asked if there were any financial reports to look at. Bob gave a verbal report. Current income balance is \$33,956.17. The townhouses currently have \$7,100 as a pass through for landscaping services. Current year to date expenses are \$48,500. These expenses include gate maintenance, fence painting, common area landscaping, street sealing, concrete work, utilities, website, supplies, management fees, taxes and licenses. The Board expects to stay within this year's budget unless we have a large amount of snow. There remains \$24,100 in the savings account, which will undoubtedly need to be accessed to cover ordinary expenses for the remaining three months of the year as well as any snow removal costs beyond what was budgeted. We hope to end the year with \$17,000 remaining in the savings account.

An owner asked if there were any other capital expenditures in the future such as the seal coating. This maintenance is necessary every 4-5 years. The fence and the gate require maintenance as well.

An owner asked if we would have to give large trucks the right away to use our roads if the property above the seventeenth tee of Meadowwood Golf Course (Bella Lago) is developed. It was the consensus of several long-time owners that this "allowance" was given by the HOA's developers. The board will look into applying for a variance to prevent this.

Bill Maier explained that we are required by the State of Washington to have a Reserve Study done. This will be done next year. An owner questioned the cost and estimate of between \$900 and \$1000 was provided by WEB Properties.

Bob outlined the common areas that the HOA is responsible for. Bill explained the common area between the townhouses and the drainage issues that have arisen.

Bob explained the need for the Board to establish a CC&R Enforcement Procedure and Fine Structure for the HOA.

Bill Butler responded to an owner who said that it would be nice to have a friendly phone call first. Bill said that it is necessary to have a protocol in place that is distributed fairly. It is an

owner's responsibility to know what the CC&R'S are. A letter stating a violation will be sent in which an owner is given fourteen (14) days to remedy the violation. If the violation is not remedied by the prescribed date the fine structure will be implemented.

An owner complained about a heavy handed previous board and that owners should have voted on the CC&R Enforcement Procedure and Fine Structure. Bill Butler further explained that violations that are clearly against the CC & R's need a fine structure to ensure compliance.

Bob explained that the Board could raise dues 15% a year with no vote necessary by owners. Our HOA dues are currently \$350 a year. Bill gave a break down of other HOA's in our area that are similar to ours. Most of those are well above \$600.00. A dues increase is necessary to build up our reserves for the future. Marty Trzeciak stated that costs for our expenses are expected to increase as well. At this time the board is recommending an increase of \$500.00 for next year. Bill Butler explained that the Reserve Study would give a thirty (30) year estimate of future costs. This study will provide additional information as to what is needed in the future. Bill stated that HOA's need three accounts: Operational Account, Reserve for Capital and Savings for Operation expenses in excess of budgeted amounts.

Bob explained the Board structure and terms of the Directors and asked if anyone wanted to run to replace his expiring term. Greg Kautz and Cengiz Tanak said that they would.

Teri Schmarr of COC (Community Outreach Committee) introduced members of COC and reported on the committee's activities.

The Board requested that if any owners are interested in forming a committee to look at the CCR'S as to possible changes and updating that they should contact the Board or WEB Properties.

Meeting was adjourned at 8:49 PM.

Respectfully Submitted

Paulette Carter

Secretary Treasurer