

**Candlewood Ridge – Carriage Wood Homeowners' Association
Annual Homeowner's Meeting
January 25, 2011**

The following is a summary of the meeting minutes and is not yet approved by the board.

Board Members Present: Curt Whitaker, Jerry Woolett, Sondra Woolett, George McGill, John Utz, Valerie Frazier and John Newcome

Others Present: 35 Homeowners, Elmira Utz, Recording Secretary

This Annual meeting was called to order at 7:00 pm. at the Fairwood Community United Methodist Church.

7:03 Introduction of the Board Members and Guests

7:05 Police and Fire Reports-Not present

7:20 Opening Remarks by Chairman Curt Whitaker

The board met just prior to the commencement of this annual meeting to handle an urgent issue involving duplicate proxies. In short, under the advice of counsel, we have thrown out 13 proxies that are legally Board proxies. In each case, a proxy was received for the Board (President), and later one came in for Alan Ludwig from the same Homeowner. However, Mr. Ludwig's proxy does not contain the verbiage to revoke prior proxies. While legally the Board proxy prevails, we as a board agree to throw out both proxies to avoid any sign that the Board was trying to take advantage of the situation.

Our complaint process has been categorized as overly punitive. I disagree. I believe our complaint process is very fair. Homeowner's have at least 90 days to resolve issues, and are often given more time if they engage us and explain how they plan to resolve the issue and any mitigating factors. The root cause of most negative issues homeowners have with the board comes down to a lack of engagement by the homeowner to contact the Board. I would also note that letters we use were written by our attorney to close loopholes and meet our obligations.

Moving forward

I would really like to see a rise in personal accountability. We should all know the rules- and we should be considerate enough to our fellow homeowners to follow them.

We need to continue our focus on compliant-specific major issues are yards, cars, cans/bins. Through compliance we keep our dues the lowest in the area, and keep our values the highest possible. A possible walk of the entire neighborhood with a 5 or 10 point checklist would be helpful. We need a few volunteers to complete this endeavor.

We need a committee to brainstorm ways to increase HO education of the rules. A FAQ is a good idea, but we still have to find a way to get it out there and to get people to read it.

One major highlight of our neighborhoods that has been lost over the years is the consistent look of our mailbox stands. I'd like to see what our options are.

Outsourcing our complaints/compliance has been suggested in the past. Again, I'd like to see what our options are in this area. The benefit would be making compliance proactive and independent of the Board.

While our web site is nice, there is more that can be done. We may need to look at hiring a professional webmaster.

Special Thank You

Last but certainly not least...Jerry and Sondra Woolett will be leaving the Board after this meeting. We all owe Jerry and Sondra a very special thank you for serving a combined 13 years on the Board. In the last couple of years, they have taken on multiple hats-well beyond the expectation anyone has of a Board Member. They have taken on the two most challenging positions in the Complaints and ACC-these get the vast majority of flack from Homeowners. They have been willing to go above and beyond to help homeowners. When a HO called or submitted an ACC form and noted it was an emergency, I know of many times, too many to count, that Sondra went over to that homeowner's house the same day to give them approval so there was no delay in getting work done. They have both stepped up when no one else would to make sure summer picnics were held. Jerry has been an invaluable asset in learning our own CC&R's, and memorizing them, to make sure we operate properly. To say the two of you have gone above and beyond the call of duty would be an understatement. To quote Sherry Anderson, "Volunteers don't get paid because they are worthless, but because they are priceless." Jerry, Sondra-your contributions to the HOA board have indeed been priceless. It has been an honor to work with you on this Board and on behalf of the entire HOA, I thank you both for your 13 years of service to all of us.

7:11 Common Area Maintenance Report

1. CR Center Island Entrance: the new blocks have been hit and had to be reset three times now. At the North end of the island, a car hit the light pole and destroyed 2 trees and a large bush. The driver contacted us and we were reimbursed for the damage. PSE inspected the pole and replaced the bulb.
2. Graffiti on the CW Basketball court and on two fences at CR Park. Painted over with gray concrete paint.
3. Three Mutt Mitt posts were pushed over at CR Park. One post was broken and two of our private property signs were destroyed. All had to be replaced.
4. A homeowner who's house backs up to CW Park has had several boards ripped off their fence, and they have asked for help from the HOA to solve this. We are investigating options.
5. We had two large sofas dumped at CR Park and we had to pay to have them hauled to the dump.

CAM Reminders:

Please call 911 if you see any unruly or illegal activity at our Parks.

We continue to have street drains plug and back up due to leaves and tree needles. Please Note – it is each homeowners responsibility to keep the drains clear, not the County's or the HOA's.

Please let us know of any tree in our common areas that you feel is a possible danger and we will have it inspected.

Possible Capital Improvements for the future

Repair additional portions of asphalt path in CR Park.

Continue Replacement of Signage at Entrances

Study options for replacing grass and plantings at CR Entrance

7:20 ACC Activities Report

Requests Processed Period: 1/1/10 through 12/31/10

- 121 ACC Requests Processed (Some with multiple projects)
- 20 Landscaping
- 07 Windows/doors
- 47 Paint
- 11 Roofing
- 17 Fences/Gates
- 08 Decks
- 02 Sheds
- 17 Miscellaneous
- 2 projects were started without an ACC request submitted prior to commencing the projects. Down from previous years.
- Many hours spent in responding to email & phone inquires & questions, picking up time critical requests, sending out approval and disapproval letters and maintaining documentation.

ACC Notes

- ACC is mandated by CC&Rs & Bylaws
- Majority of AC requirements originate from CC&Rs & committee guidelines established in 1980s.
- AC R&R enacted in 2005.
- In an effort to add more objectivity in determining what colors will be approved when repainting a home, a notebook of paint chip samples approved by the Board that meet established HOA guidelines is available upon request. Contact ACC Chairman for notebook.

- Requests & approval required even if painting same color. Requirement has been in effect since 1980s & same as most HOAs in area.
- Fiduciary obligation to inform of AC violations immediately if proceeding could increase cost of homeowner's project.

ACC reminders

1. ACC Chairman can be contacted via email at architecture@crcwhoa.org or via phone at 425-738-8611 ext 30. Email is preferred but we respond to both.
2. Our CC&Rs and R&Rs clearly state that exterior projects such as roofs, painting, windows, fencing, decks, driveways, major landscaping and patios require the submission and approval of an ACC request. ACC has up to 30 days to respond but tries to respond within 14 days.
3. Contact ACC if no feedback received within 15 days of a request submittal or immediately if need to do emergency project, using phone # or email address above, stating the type of emergency. Make effort to expedite the handling of the request.
4. Please remember we do not accept ACC request forms via email.
5. Website (www.crcwhoa.org) provides access to additional ACC related information & downloadable copies of the ACC request form and the AC R&Rs.

7:25 Complaints Activity

- 38 Complaints submitted in 2010 (about half of amount submitted last year)
- 53 Complaints were closed.
- Ended year with 11 Open Active Complaints
- Two active complaints have been turned over to attorney.
- Countless non-compliance inspections, email exchanges, phone calls, personal visits, letters and document maintenance performed.

Complaints Notes

- We are an Association with Restrictive Covenants. Therefore need the means to maintain compliance.
- Informal guidelines established by the Board & ACC committees from the beginning and updated periodically. Earliest copy available is dated Sept 13, 1988. Basis for existing documentation.
- 2004 Board retained an HOA attorney who advised us of need to formalize guidelines and establish formal method to enforce with a series of policies and R&Rs. Documents/templates provided. Over the following 4 yrs most of recommended policies & R&Rs put out for review, subsequently adopted and mailed to all homeowners.
- Now have documented complaint management process which requires minimum of 3 non-compliance/reminder letters & inspections, and provides for both informal and formal methods for homeowners to contact the committee/Board before any adverse action is taken.

- Our website at www.crcwhoa.org provides additional information .
- Managing complaints is a tough and generally thankless job requiring a large investment in time and effort .

7:35 Legal and Insurance

Very brief comments only because some misinformation has come to the Board's attention. The Lawsuit is settled and is no longer at issue. The HOA was sued by a Homeowner. The HOA board did not instigate the lawsuit. The case was found in the HOA's favor "with prejudice" meaning it cannot be filed again.

7:37 Treasury Report

Available Funds Beginning of 2011

General Reserve Fund	\$25000
Legal Reserve Fund	\$20000
Capital Replacement Reserve	\$47267
• We have approx. \$300,000 in capital equipment	
• Need to set aside minimum \$13,005/yr.	
• Near term replacement needs are small	
• Slightly ahead of reserve analysis plan	
Operating Fund	\$38489

2010 Financial Events

- 2009 Financial Review completed by independent CPA. HOA finances in order.
- 2010 Financial Audit being conducted.
- Ended year with 42 HOs delinquent in paying dues. Liens filed against 25.
- 4 super delinquent accounts turned over to attorney.
- 1 homeowner filed for Chapter 13 bankruptcy and 1 for Chapter 7 Bankruptcy.
- Aware of approx 12 Foreclosures in progress.

Financial Events. Cont.

Category	2010 Ratified Budget	2010 Actual	2011 Adopted Budget- 3% Increase	Notes On 2011 Budget	
Revenues					
Dues\Assessments	\$117,980.00	\$138,023.20	\$121,380.00	\$4/lot/yr. increase	
Delinquent Dues Interest	\$350.00	\$399.87	\$275.00		
Bank Interest		\$90.03	\$75.00		
Other	\$1,000.00	\$13,252.64	\$1,000.00	Fines, fees, Insurance, etc	
Total Revenues	\$119,330.00	\$151,765.74	\$122,730.00		
Operating Expenditures					
Common Areas Maintenance	\$34,000.00	\$32,969.91	\$35,000.00	Canber Contract increased 5%	
Insurance	\$9,100.00	\$7,416.00	\$9,100.00	Premiums went down last year	
Sheriff Patrol	\$12,000.00	\$9,330.16	\$11,000.00	Provides approx. 240 hrs patrol	
Storage Rental	\$1,000.00	\$715.00	\$1,000.00		
News Letters (Flyer)	\$5,500.00	\$5,013.47	\$5,500.00		
Bookkeeper Salary	\$12,600.00	\$12,600.00	\$12,600.00		
Website	\$100.00	\$95.40	\$100.00		
Legal Expenses	\$8,000.00	\$25,349.59	\$12,000.00		
Acct. Fees	\$1,800.00	\$2,150.00	\$3,900.00	Audit costs vs financial review costs	

Office Supplies	\$2,500.00	\$5,395.68	\$4,000.00		
Utilities	\$5,000.00	\$2,379.52	\$5,000.00		
Postage	\$3,000.00	\$4,542.40	\$3,500.00		
HOA Functions	\$1,500.00	\$410.04	\$1,500.00	Easter & Picnic functions	
Income Taxes	\$150.00	\$0.00	\$150.00		
Secretary Fees	\$1,560.00	\$1,690.00	\$1,560.00		
Meeting Rm Fees	\$100.00	\$575.00	\$300.00	Assumes Storefront available	
Rentals (Pipeline)	\$1,040.00	\$1,078.72	\$1,150.00	Increases yearly	
Contingencies	\$1,380.00	\$1,865.46	\$365.00		
Capital Expenditure	\$0.00	\$1,407.08	\$0.00		
Total Expenses	\$100,330.00	\$114,983.43	\$107,725.00		
Transfers In (Out)					
Capital Replace Reserve	\$19,000.00	\$12,000.00	\$13,005.00	Reserve Analysis requires \$13005	
Legal Reserve	\$0.00	\$0.00	\$2,000.00		
Total Expenditures	\$119,330.00	\$126,983.43	\$122,730.00		

7:40 Motion to Ratify 2011 Budget. Motion Passed

7:42 HOA election of Board Membership

3 board positions are open for elections. 7 people have identified as running for these positions.

Resigning/not present Candidates

Danielle Acay withdraws her nomination from the floor citing enough other qualified candidates.

Carrie Dash-Not Present (must be present to run)

Richard Follette-Not Present (must be present to run)

Remaining Candidates

Catherine George

Susanne Salcido

Donald Nelson

Valeri Frazier

Brief statements were made by each candidate as to their desire to run and qualifications.

8:00 Brief break while votes and proxies are counted.

HO questions were taken during the break. A call out for a volunteers coordinator was made by the Board Chairman. A HO reported new graffiti in CR's park, carved into the bridge. HO question-is an ACC form needed to repair a fence. Answer-an ACC form is needed only if it is a replacement project.

8:20 Election Results returned

Candidate	Total	Actual	Proxy
Catherine George	77	18	59
Susanne Salcido	203	34	169
Donald Nelson	204	35	169
Valerie Frazier	131	21	110

Note-Not all ballots contained votes for three candidates. Votes were counted by 1 board member and 2 Homeowners and further verified by 1 homeowner. Valerie Frazier excused herself from participation in vote counting as the only board member seeking re-election.

8:30 Motion to Adjourn