

EiI57aDhFCandlewood Ridge/Carriage Wood HOA  
Annual Homeowners' Meeting Summary  
January 26, 2010

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

7:32 Call to order/ Introduction of Board Members and guests

President George McGill, Curt Whitaker Vice President, Valerie Frazier Board Member at Large, John Newcome Board Member at Large, Jerry Woolett Treasurer, Sandra Woolett ACC, John Utz Legal and Insurance, Book Keeper Shena Kelly, Recording Secretary Elmira Utz, Deputy Sam Shirley, District 40 Fire representative Mike Warfel, Shellie McGaughey HOA Attorney, 140 homeowners

7:35 Police and Fire Reports

Mike Warfel of Fire District 40 reports that the Station 17 upgrade discussion continues. Bids are being obtained for an architect, roof and seismic retrofit. There aren't any recent fires to report.

Sam Shirley King County Deputy in Fairwood since 1988. Burglaries are up in the last two months. Last month there were several in unlocked homes. The ones that weren't unlocked reported a front door knock back door kick. Answer doors, even if you don't open the door. Always lock all doors. If someone seems suspicious please call 911. Sheriff's office is working on new program with prosecutors office to do what they did with Auto thefts-stronger sentences for repeat offenders cut auto thefts to 0-2 a month in our neighborhood.

Purse snatches have occurred in the supermarkets be sure to not leave purses unattended-purses have also been taken off of shoulders. Take a simple wallet on your person rather than a large bag. HO suggested using the child's seat belt to secure purses in cart.

HO question about presence of Gang activity. It comes and goes. A couple houses are suspected of gang association and tagging is seen in the neighborhood but hasn't happened in a few months. Office is working with security at Kentridge to track possible suspects. As far as "real" gang activity there is not much right now.

Recommendation for preventing tagging? Paint it immediately. It gets old, but if you are persistent enough the taggers will eventually move on.

7:40 Opening Remarks

Homeowner asked to stop filming meeting. as it is meant for members only and not for broadcast.

President's letter read-Main points:

Vision remains unchanged, keep our community, homes and yards looking attractive, make our community safer and maintain property values.

To do this the HOA needs: compliance with the rental r&r's, maintenance of driveways, and yards, properly stored RV's Boats and vehicles, screening of garbage cans and more. Streets and sidewalks are homeowner's responsibility.

Please submit ACC requests and get approval before starting any external project. Be aware that the names of roofing materials has changed over time.

Lowest dues of HOA in the area, averages \$11.50 a month.

There are increasing reports of burglaries and car prowls-be a presence in your neighborhood and organize block watches. Be sure to report suspicious activities in our parks.

#### 7:45 Daycare Issues/HO concerns and questions

Statement regarding legal case and home businesses by HOA board:

“Our homeowners association has covenants that restrict the operation of businesses inside the association. Receiving these documents and signing a statement that you will abide by these rules is a mandatory part of closing the purchase of a home in our association.

These covenants can be changed by a vote of a 75% of the membership and in the almost 40 years of the existence of our home owners association no one has ever attempted to get this covenant changed.

Some have claimed a statement made in the meeting minutes many years ago about 'daycare impact' was a change in the covenants. That statement has no bearing on the application of the covenants, because the covenants can not be 'wished away'.

We received a complaint from a fellow homeowner concerning the operation of a daycare. We investigated the complaint and found that it was true and commenced our standard complaint procedure.

The homeowners failed to come into compliance and instead chose to sue the HOA.

The judge found that the lawsuit had no merit because the home owners association was doing exactly what it is supposed to do. Furthermore, the judge assigned much of the cost of the suit to the plaintiffs.

In their legal documents, the plaintiff's identified many other home businesses allegedly operating in the HOA.

The association has a responsibility to continue to follow it's procedures and confirm or deny the existence of the businesses and if they do exist, we need to work to have those businesses closed.”

HO question -How to change CC&R's? Process is started with attorney to clarify process. The

information will be mailed to all homeowners and placed on the website.

HO question-How did “policy update” happen in 2004 to change how people looked at the rules regarding businesses and homes? The Board of 2004 created the enforcement policy to answer some of the same questions we are getting tonight. The contemporary policy update was upheld in court. The state case law determines that daycares are not compatible with the residential community-which is consistent with the enforcement policy update and the CC&R's. Homeowners were notified by mail and a comment period was observed with very little response.

HO question to attorney: Of the \$111,000 how much is for when “the plaintiffs filed a motion to compel”? Answer from attorney: Those fees were not part of the fees awarded, they were segregated out.

HO question to attorney: What was the rate of the HOA attorney in the recent court case? \$175 per hour was the attorney's rate. It was explained that the Insurance company for the HOA paid for the HOA's defense.

HO question to attorney: Were you offered the option of dismissing the case? Not able to reply due to sensitive legal information. Attorney reported that The Plaintiff's did not want to discuss the issue of attorney's fees when it was brought up for discussion.

HO expressed that he feels the board could solve the problem by re-defining “daycare” in enforcement policy as “daycare center”. Board answered that may be true but that the changing of the word wouldn't change the need to enforce the “no home business” policy or address the conflict with the CC&R's or the other questions of enforcement.

HO question to attorney: If the HOA ignored the CC&R's is there then a risk the Board could be sued and possibly lose? Attorney replied that she could not comment on possible future cases.

HO expressed that she enjoys the children around. HO states that ACC chairperson targets her and she feels picked on.

HO concern with the Daycare, etc. HO for 18 years is concerned about the lack of community sense. She felt the board has become exclusive and shut off. Two years ago she sat by a new neighbor and was embarrassed by the arrogance of the board and some board members targeting HO's with clipboards. HO believes that the board doesn't want to dialog.

HO with daycare being closed States that at previous meeting the HO's supporting the Lowery's were asked to leave. HOA board member answered that none were asked to leave before the meeting was adjourned.

HO neighbor of the Lowery's-spoke in support of the Lowery's as they have helped through difficult times, etc. The only appearance of children in the neighborhood is when they were entered the house according to this homeowner. HO points out that there are many people in the neighborhood that have children.

HO states she was a former HOA secretary and had an in home daycare and that it was with the

board's approval. She was deposed by the HOA attorney during the Lowery lawsuit.

HO proposed that “policy” be amended to allow daycares if they meet certain criteria. Board member explained that part of the problem with that is there is not a way to verify compliance and that the CC&R's must be changed by Homeowners first to allow this.

HO thanked board for exercising diligence in closing a daycare next door to her as it has been fairly disruptive to her home.

HO read prepared statement declaring that the HOA's closure of their daycare is not fair and harmful to the community.

HO expressed that there is a need to go forward and determine how to honor people's desire to change the rules. Board answered that the HOA attorney has been contacted to find out exactly what HO's need to do to get the CC&R's changed and will be shared as was said earlier.

HO in neighborhood-what will be done about unlicensed daycares? What to do about tree service notified? It was explained that if a home business comes to the HOA board's attention via writing then the HOA will investigate and ask that business to close down if found to be in violation. The specific tree service could not be commented on, but it was explained that a home mailing address for a business is not the same as operating the business on the home site.

HO thinks the neighborhood is “ratting each other out” and the neighborhood needs to work together and not divide us. Says “we need to stop hiring attorneys”.

HO since 1984 can't understand how things went “horribly wrong”. Instead of “fiduciary responsibility” there should have been common sense applied when turning in the complaint about the Lowery's.

Issue of Homeowner's business-explained a mailing address is not the same as operating a business out of the home.

Board will mail out instructions for how to change the CC&R's once more information is received from the HOA attorney.

## 8:15 Committee Reports/Questions

### Common Area Maintenance/Capital Improvements Report

#### 2009 Common Areas Activities

- Removed several fallen trees and branches from the parks and common areas.
- We had 3 trees fall onto Homeowners property this year. Thankfully damage was not too bad. We plan on having the trees at CW inspected for decay or disease.
- Several street drains plugged this year from leaves and debris – please note it is your duty as Homeowners to keep the drains clear on your streets – not the County's or the HOA's

- Routinely inspected and repaired playground equipment. Had to replace two infant swings one at each park. We believe these were damaged by big kids standing on the infant swings
- Please note that the wooden bridge in CR Park can be very slippery when the temperature gets near freezing
- Held an Easter Egg Hunt event in CW Park.
- Vandalism – down from last year
- One Mutt Mitt Post in CW had to be reinforced
- Three entrance signs at CW were paint balled
- One car drove into CR Park and tore up the grass under the power line
- Call 911 if see unruly activity in park – Case # 09-179682
- 13 large plum trees pruned – along retention pond on SE 183rd in CW
- Replanted and staked very large Cypress that had fallen over into HO's driveway
- Utility / Street work at CW. PSE is finally done but now Soos Creek W&S plans on doing work, we will notify all when we hear info
- Contacted King County to repair gate at CR retention pond – after 3 months finally repaired
- Four youth soccer teams were given permission to practice at CR

#### Future CAM Tasks

- Replace removed trees and grass at CR main entrance.
- Clean up area along street of CW retention pond chain link fence.

#### Capital Improvements

- Setting aside at least the minimum suggested in our Reserve Analysis Plan
- Removed RR ties at CR entrance and installed large retaining wall blocks with caps
- Replaced both signs and Plexiglass backings at CR entrance
- Wire brushed dirt and moss from both brick signs at CR entrance

#### Possible 2010 Major Common Area Improvements

- Repair additional portions of asphalt path in CR Park.
- Continue Replacement of Signage at Entrances

HO suggested looking into lights to illuminate the entrance signs-possibly solar lights.

- Approx 250 hours of service provided in 4 to 6 hr segments at random times from Jan through Dec 2009.
- Main services:  
Trespassing in our parks after dark – Majority of offenders nonresidents  
Neighborhood speeding  
Illegal parking & parking on streets with expired tabs  
Crime deterrent

- Feedback has been positive
- Approx 300 hours of service budgeted for 2010

## Architectural Control Report

Requests Processed Period: 1/1/09 through 12/31/09

### 122 ACC Requests Processed

- 13 Landscaping
- 22 Windows/doors
- 38 Paint
- 16 Roofing
- 16 Fences/Gates
- 03 Remodel/Additions
- 04 Garage Doors
- 02 Sheds
- 08 Miscellaneous

5 projects were started without an ACC request submitted or an approval given.

A nonrecurring \$100 fine can be imposed for not submitting a request or receiving approval prior to commencing work. Additional recurring fines can be imposed for not replacing unapproved materials in a timely manner.

Contact ACC via email or phone if no feedback received within 15 days of submittal. (HOA phone 425-738-8611 Ext 30 or [architecture@crcwhoa.org](mailto:architecture@crcwhoa.org)). Contact Chairman if need to do emergency repairs using phone # or email address above. Please do not use personal home phone numbers.

Notebook of paint chip samples that meet HOA guidelines is available. Contact ACC Chairman for notebook.

Our CC&Rs and Rules and Regulations clearly state that exterior projects such as roofs, painting (even if painting the same color), windows, fencing, decks, driveways, major landscaping and patios require the submission and approval of an ACC request before commencing the project. The ACC has up to 30 days to respond to an ACC request but tries to respond much sooner than that.

Please remember we do not accept ACC request forms via email. Please mail them to CR/CW HOA, PO Box 58397, Renton, WA 98058.

## Complaint Negotiation committee Report

### Complaint Process

Our established policy is to act on perceived violations of the HOA's CC&Rs and Rules and Regulations (R&Rs), submitted to the HOA by residents or homeowners. The complaint must be submitted in writing and signed by the author. Letters should be addressed to the Complaints Committee at the HOA's mailing address. Each written complaint should state the facts of the

violation clearly and identify the location of the problem (including the exact address with house number and street). The author's name, address and phone number must be included so the Complaint Committee may ask for additional information if necessary and to notify the author of complaint disposition. The HOA will keep confidential, to the full extent of the law, all personal information that is submitted, including the complainant's name. Just because a violation has not been detected or reported for a long period of time, does not mean it is no longer a violation.

Regardless, of the source of the complaint, all complaints are investigated by the Complaint Committee and a determination made as to the validity of the complaint. If the complaint is determined to be valid, the Complaint Committee typically pursues the problem following the enforcement guidelines established and approved by the Board of Directors. At this point, resolution of the complaint is the responsibility of the Complaint Committee and the Board of Directors.

Homeowner noncompliance in correcting a violation submitted to them by the Complaint Committee may result in fines being imposed and/or the matter being turned over to the Association's attorney. The Association's R&Rs provide for an Appeal Process whereby a homeowner may request a hearing to offer a defense or explanation to the imposition of a violation and/or fines.

The complaint process was put into place to identify and correct violations to the HOA's CC&Rs and R&Rs. The HOA does not have the resources to hire a service to inspect for compliance. Therefore, we rely on each resident or homeowner to report violations in a timely manner when they are observed.

#### Complaint Compliance Committee 2009 Activities

- 77 Complaints submitted in 2009
- 200 plus letters sent out
- 2nd and 3rd letters, where required, sent certified.
- 63 Complaints were closed.

#### Legal & Insurance

Chairman indicated that areas related to legal and insurance had been discussed earlier in the meeting.

#### Treasurer Report

##### Available Funds Beginning of 2010

- General Reserve Fund \$25000
- Legal Reserve Fund \$20000
- Capital Replacement Reserve \$35267

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 \$14815

## 2009 Financial Events

- Nearly completed switchover to new HOA Financial and Management S/W.
- 2007 Audit and 2008 Financial Review completed by independent CPA. HOA finances in order.
- Ended year with 35 HOs delinquent in paying dues. Liens filed against 19. Numbers down from last year (57 & 39).
- 6 super delinquent accounts turned over to attorney. 2 have subsequently paid.
- Have a least 2 homeowners who have filed for Chapter 13 bankruptcy.

HO question: How many homes are in foreclosure? Not known-HO asserts it's 28 in Carriage Wood.

HO question: Could homeowners be given the option at escrow to receive electronic notification of the meeting minutes instead of receiving the Fairwood Flyer? Can be looked into.

Motion to ratify budget, Seconded. Motion approved.

8:35 Nomination of New Board Member-one position open

Nominations:

Roger Hunter Nominated and Seconded

Curt Whitaker Nominated and Seconded

Char Peterson Nominated and Seconded-Withdrawn/rescinded

Motion for nominations to be closed-seconded.

8:45 Election of Board Member

It was verified that a quorum had been established to proceed with the election of a new Board Member to fill the one position that had expired. Curt Whitaker and Roger Hunter were nominated from the floor and given an opportunity to speak on why they desired to serve on the Board. The election was conducted by secret ballot by the members present and their proxies. The ballots were counted by an attending homeowner and the bookkeeper. The results were as follows: Curt Whitaker received 91 votes and Roger Hunter received 67 votes. Curt Whitaker was elected to the vacant Board member position.

8:50 Volunteer Opportunities-

Sign Up Sheets-Easter Event, Garage Sale, Summer Picnic

9:00 Adjourn