

**MINUTES FOR THE Holly Hills Homeowner Association
Board Meeting August 28, 2007**

Present: Lara Harker, Carmella Weis, Chris Coers, Alicia King, and Kane Thomas

Kane - \$85.00 / hr to meet with HHOA. He presented a management fee schedule to the Board. The management fee includes one annual meeting. 9-5 business meetings are not included. Management fee hasn't changed in 4 years. For newer contracts there's usually a 5% increase for renewal. TMG encourages 2 year contracts.

Alicia – How do you get out of the contract?

Kane – 60 days notice prior to renewal. If not conducive to both, would consider it if not 60 days notice.

Alicia- We're not looking at going with another company.

Kane – The new Board can change CCRS, management company, etc.

7:15 - Lara calls meeting to order.

Lara – Purpose of meeting is to allow others to meet with Kane to establish a comfort level.

I. Current Contract with TMG- Review

Kane - Change in fee schedule in office supplies.

Kane – When doing drivearounds we're looking at what Frontier is doing. We're not looking for resident infractions. Drivearounds to monitor residents is driven by customer complaints.

There is a fee schedule for inspections. Send notices, then fees to tenant. Renters are typically discovered by word of mouth. It's the owner's obligation to provide address for HHOA. A supermajority is needed to put cap on renters. Signed petition doesn't count. Mail-in ballot counts. Pick-up from homeowner in sealed envelope. Kane guesses 15-20 houses are renters, not many.

The character of the Board determines the character of the HHOA. HHOA would give management association guidance on how lenient HHOA wants to be. For example, association may adopt a "predominantly weed-free" stand in view of customer complaints.

Lara – When do you do common – area inspections?

Kane – No answer.

The board takes precedence on guidance given to the landscape company. The Board appoints who's on the committees. Suggest committee relay recommendations to the Board and the Board to the landscape company. Suggest two-way communication with the landscape company.

Alicia- I believe we need more separate communication with the landscape committee.

Kane – If the Board wants more involvement, write a request to the committee through Kane. The Board adopts policy resolution such as requiring the committee to meet with the board each quarter.

If the committee encounters a gray area, it can defer to the Board or get Board input.

Alicia- We want to help with the committee rather than dictate to them.

Kane – If someone is denied by the committee, he can appeal to the Board.

Alicia – Please send guidelines you have for other architectural committees.

Any idea of the cost of the sign we are considering?

Kane – 8 – 10K for 1 granite rock (guess).

Alicia – Can you give us info from rock engraving?

II. Budget and Financial Guidance

The excess operating account has a balance of \$11677.

The replacement fund includes capital items such as the sign. The goal is to build the replacement fund. TMG needs a signature of 2 board members to spend cash. Operating pays utility bills. TMG cuts the checks.

Tangible is cash operating, minimum excess operating. Dues receivable are not tangible, part of accrual accounting.

Lara – Monthly what are we spending?

Kane - \$4742 under total expenses. On average, \$3300 – 3500.

Operating to reserve should be done at the end of the year.

TMG questions expenses that are out of the ordinary. Should always hire licensed bonded contractors so that if someone gets hurt, costs go through their insurance company.

Only have \$13,000 in savings (reserves). Recommend maximize reserves. A reserve study would say HHOA was underfunded, but their estimate is conservative. They take all capital items and decide how much it costs to replace today.

Regarding the WA law audit requirement:

Kane – Provision that ownership can vote to waive the audit requirement. Mail ballot to vote YES to waive audit because law exists to protect homeowners.

Alicia – Can you modify dues?

Kane – Wouldn't suggest it. 2008 audit for 2007 - Should upgrade dues in anticipation of audit. On the ballot show homeowners the increase required if yes on the audit. HHOA sets the date to collect ballots that aren't returned by mail.

Alicia – Recommend save association this amount of money so you don't say you're not going to raise dues when conditions still require it.

Kane - \$56/qtr is very normal. Plat determines who's in the HHOA.

“Exterior modifications” may include some landscaping. Can protect privacy but not by blocking another's view.

III. Newsletter

Alicia – Send me articles. It's hard to write from a blank slate. There may be an empty newsletter if there is no input.

Kane – Suggest newsletter coincide with the quarterly meeting.

Alicia – Can minutes be mailed with the newsletter.

Kane – Yes, but make sure they're approved minutes.

IV. Architectural Committee – Process Review

Kane - View covenants – allows policy to be voted by the Board. A majority (2 of 3) can vote if the view issue violates...

Secretary and Treasurer are appointed officers with no term limits.

A policy resolution voted by the Board Members to enforce covenant. To **remove** a covenant, must get vote of the ownership and is **recorded**. Policies can change year to year so are not recorded.

Policy resolution covers procedural issues. Policy goes away if the Board makes a motion to revoke a policy. Examples of current policy is collection policy.

Lara – Can you send examples of policies?

Kane – Legal template, yes. But the Board must determine. We do annual director workshop open to every Board Member.

V. Annual Letters to Neighbors on Green Spaces

Lara – Need annual letter for the homeowners.

Kane – Can take a plat map and send letters to only those who border green belts. Board can have input on the consequences.

Annual letter can be a friendly reminder.

There can be a policy that annual reminder letter is sent out. TMG can send out policy but Board needs to sign off on what to say

VI. View Control Policy

Kane – Have address file for each property regardless of owner. Owner needs to disclose issues when selling. The best way to deal view control is when a tree is planted that will block the view. Suggest board says “we’ve noticed trees....need to remove...” 2 weeks to wait for approval to plant a tree is not unreasonable.

Lara – Would like skeletal for ? , view control and architectural committee.