

**2020 Annual Meeting**  
**Crown Estates Homeowners Association**  
**January 4, 2020**

The 2020 annual (general) meeting of the CEHOA convened at 2 pm in the meeting room of the Cascade Park Library. A total of 18 persons (12 households) were in attendance, presided over by Sam Bateman, President. A quorum was present, at 40%.

Members Present:

*Phase I:* Tina Del Dotto, Willie DeLong, Joseph & Thavy Hing, Lanny Hubbard, James & Carol Newton, Scott Johnson & Nicole Surovic, Don Tsou.

*Phase II:* Sam & Judy Bateman, Amy Campbell, Roy & Beth Gravley, Bob Marsh, Jack & Noreen Williams

Changes in Membership:

There was one change in membership during the past year. Jeff and Linda Gray sold their house (at 12512 NE 14<sup>th</sup> Circle) to Ray and Patricia Noel.

Old Business:

*Secretary's Report:* Jack Williams reported on the minutes for last year's annual meeting (Jan. 5, 2019). There were no questions or corrections from the attendees, so the minutes were passed unanimously.

*Treasurer's Report:* Amy Campbell presented the balances carried forward by Phase I and Phase II as of Dec. 31, 2019, and the report was accepted as read. A complete breakdown and accounting of all receipts and expenses for 2019 was provided, along with discussion and explanations. Since specific financial information is not posted on our website, our HOA members may obtain specific information about the budget and finances by contacting Sam Bateman directly.

*Reserve Account:* Sam explained why we do not have a formal "reserve account". It is because our HOA is not legally required to have a "reserve account" since the cost to obtain such would exceed 10% of our annual budget. However, we do include funds into our budget for projected future costly expenditures, including legal fees in both Phases, and for Phase II perimeter fencing, sidewalks, street surface maintenance, and maintenance of drainage catch basins.

Annual Report for 2019:

*New Liability Insurance:* Sam explained that we chose to switch insurers this year because Farmers wanted to increase our cost by 65%. He went through a lengthy and time-consuming process to check on rates with 24 other insurers, and we ended up choosing a local office of State Farm, whose rate was actually \$84 cheaper than prior cost, but \$706 cheaper than Farmers' increased rate would have been.

*Washington Unified Common Interest Act (WUCIOA) SB#6175:* Sam attended a seminar held by the Hohenstein Law Firm, to brief interested parties about the new state law governing condo associations and new HOAs. The new law is complex, still not fully understood even by experts in the field, and likely to be tested in future court cases. In any event, this new law does not affect our HOA because exemptions were granted to those HOA's formed before July, 2018.

*Referral List:* Our HOA recently started a referral list, providing names and contact info for contractors and service providers who have been favorably hired by our members. Beth Gravely has volunteered to be the contact person for such information, and can provide details at 360-828-5955. Details about contractors can also be found on the website of the Washington State Dept. of Labor and Industries ([lni.wa.gov](http://lni.wa.gov).)

*Complaints and CC&R Compliance:* Throughout 2019 there were numerous complaints from various homeowners and several notices of non-compliance that had to be dealt with. So that we can have a record of such, anyone wishing to file a complaint must use the "Covenant Enforcement Request Form", which can be found on our website under the tab "General Info Tips & Phone #". Sam thanked all those who are in compliance daily with our CC&Rs and those who have cooperated when a complaint has been raised. The well-being of our HOA depends on the goodwill and cooperativeness of our members.

#### New Business:

*Budget for 2020:* Sam handed out a sheet summarizing the budget for 2020, showing the detailed breakdown for Phase I and Phase II, and pointed out that there could be a small surplus at the end of the year, and no deficit (barring some unforeseen development). Sam apologized for a clerical error he made in the annual dues bill sent to members in Phase I. Instead of the \$78 approved by the Board, he accidentally typed in \$75. Since some members had already paid the \$75, he asked homeowners for their opinions on how to solve the issue. There was some discussion, and the Board voted to keep the fee at \$78 and to ask those who had already paid \$75, to send in an additional \$3 to Amy, our Treasurer.

*Vote on Changes to CC&Rs:* The Board had hoped to have a vote at this meeting on some further changes to the wording of some of the CC&Rs, designed to clarify the meaning of those rules. Information on all of this had been sent to all members of the HOA well ahead of the meeting. Unfortunately, we did not have the required number for voting today (75%, or 21 households, are required for voting on changes to the CC&Rs). Only 12 voting households were present, and Sam had proxy votes from an additional 4 households, for a total of just 16, five short of the required number. Hence, the vote had to be postponed to a later time. **This is a reminder to all members of the importance of each household's obligation to participate in the affairs and management of the HOA. It is easy to overlook this responsibility, but the consequences of non-participation can be costly, starting with the wasted time and efforts of Sam and other officers of the HOA.** A clean, attractive community within our HOA does not occur without any effort (just as a properly functioning democracy does not occur without the full participation and voting by citizens).

A question was posed by one member as to who can attend our HOA's Board meetings. According to Washington State RCW 64.38.035 (4) "All meetings of the Board of Directors shall be open for observation by all owners of record and their authorized agents". It is appreciated if we know who and how many are coming so seating and any materials to be presented can be sufficient.

The meeting adjourned shortly before 3 p.m. The next general meeting will be held in early January, 2021. The next regular Board meeting will occur on April 22, 2020. Members will be notified of both.

Minutes compiled by Jack Williams, Secretary.

## Board Meeting

Crown Estates Home Owners Association

October 28, 2020

Because of the pandemic lockdown for the past six months, the Board missed the spring and summer time slots and was unable to meet until October, and then we had to hold it as a virtual meeting using Zoom. A quorum was present with 7 Board members attending. These were, from Phase I: Lanny Hubbard and Willy DeLong; from Phase II: Sam Bateman, Amy Campbell, Beth Gravley, Larry Jones, and Jack Williams. Also present were three non-Board members: Sherrie Derrick, Roy Gravley, and Bob Marsh.

**Secretary's Report:** Jack Williams presented the minutes from the last regular Board meeting (October 23, 2019) and an emergency Board meeting (November 21, 2019) and they were accepted. Those minutes, as posted last fall on the HOA website and were approved with one dissenting vote. They are now formally adopted, with the addition of one correction in the emergency meeting, as follows:

“Because of new rules from WUCIOA SSB #6175, for budget adoption the Board can only propose the annual budget and dues and then must present that budget to homeowners (at our annual general meeting in January) for ratification by them, and if rejected then the budget reverts to the last approved budget.”

**Treasurer's Report:** Amy Campbell presented the Treasurer's report with the net balances for Phase I and Phase II. The report was unanimously approved by those showing hands “on screen”. Details of the specific amounts in each account are available to all members by contacting either Amy or Sam and, as always, are kept private and not posted on our website.

### Old Business:

- 1) Infractions: Infraction notices regarding exposed garbage cans and replacement of the color of a garage door, both in Phase I, have been satisfied.
- 2) Fence renovation on NE 126<sup>th</sup> in Phase II: Jack reported on the project this past summer to renovate the fence along NE 126<sup>th</sup> Place in Phase II, which was carried out by Sam Bateman, Bob Marsh, and Jack Williams. The Board had approved the project enthusiastically and agreed to cover the cost of materials (lumber and stain) estimated at about \$500; the labor was donated by Sam, Bob, and Jack. Because of discount coupons, the use of less stain than originally anticipated, and a contribution of \$79.93 from two neighbors on the west side of the fence for replacement wood and screws used, the HOA's final cost of the project came to \$287.52, which was 54% less than projected. The final result received widespread approval from HOA members.
- 3) Exemptions: Sam presented a suggested revised ruling about exemptions in our HOA, such as for trucks parked in driveways and blocking the sidewalk, or arborvitae bushes taller than our prescribed limit, which would state that “Exemption for animate items is for current size or condition at time of granted exemption. Exemption for inanimate items terminates when ownership or usage of item expires.” Beth made a motion that any exemption previously granted would not have an expiration date for that property owner and motion carried with two dissenting votes.
- 4) CCRs changes: A number of changes to our CCRs, involving mostly minor wording changes, had been approved at the Nov. 2019 Board meeting for voting on at the Annual meeting in January, 2020. However, because of a lack of quorum at that meeting, the vote could not be held. Hence, it is planned for the changes in the CCRs to be presented again for a vote by Homeowners at the forthcoming Jan. 2021 Annual meeting.

## New Business:

- 1) Sale of Homes: Sam reported the sale of three homes in our HOA: in Phase I, the Anderson's @12502 NE 14<sup>th</sup> Circle and the Newton's @12500 NE 14<sup>th</sup> Circle; and in Phase II, Gary Alm's rental property @12604 NE 12<sup>th</sup> Way.
- 2) Root Barriers in Phase II: Jack provided an update about ongoing discussions regarding the installation of root barriers along the sidewalk on NE 127<sup>th</sup> in Phase II. The concern was that the six American Hornbeam trees planted along that street, now over 12 years old, might have roots that could uplift or crack the concrete sidewalk, resulting in expensive repairs. At various times, starting with Bob in Dec. 2019 gathering root pruning information. Then in Mar. 2020 with Sam and Jack, meetings with three arborists were held, to get expert opinion and quotes about the advisability and potential cost of installing root barriers along that sidewalk to prevent tree roots from growing under the sidewalk. The collective conclusion was that such barriers could be installed, but would be costly and are probably not necessary, because that variety of tree does not normally produce spreading roots and does not grow extremely large. Hence, it was agreed that the HOA does not need to worry about this potential problem on 127<sup>th</sup>. Individual homeowners on NE 12<sup>th</sup> Way and NE 13<sup>th</sup> Way who also have other species of trees planted close to the sidewalk should monitor their trees carefully and if root barriers are called for, to be careful of damaging any underground gas, water, or power lines. Any sidewalk repairs and monies accrued for same, are awaiting legal advice and further discussion.
- 3) Repair of fence posts: The last step in the renovation of the fence along NE 126<sup>th</sup> Place in Phase II (see item # 2 under "Old Business above) involves the installation of steel braces and additional concrete on two posts. The Board approved the cost, estimated at about \$100-125 and it was noted that we would invite neighbors on west side of fence to share in cost. Sam and Jack will carry out the work.
- 4) Website and domain name: The Board approved the renewal of the HOA website and domain name. It was noted that last year's prices were \$129 and \$16, respectively. The motion carried.
- 5) Budget for 2021: Sam presented a lengthy introduction to the budget for 2021, starting with a correction of erroneous understanding by some members about the actual financial obligations of the HOA, in regard to perimeter fences, private streets, and catch basins in Phase II. Sam developed detailed analyses of the projected budget for the first 30 years of our HOA's existence, using different estimates of costs, projected inflation, and revenue from dues. These figures show the HOA has adequate funds budgeted for all contingencies for the next 25 years and will still have a surplus at that time. This budget forecast was to be presented at the January, 2020 Annual meeting, but because of lack of a quorum at that time the budget could not be voted on so was not presented. Board members who want to see that budget forecast may obtain a copy by email now from Sam. The controversy and confusion about the long-range budget forecast stems from differing interpretations of the legal obligations of the HOA in regard to maintenance of perimeter fences in Phase II. The Board approved, by a majority, the budget with dues as proposed for 2021 which will keep them at the same level as for 2020, i.e. \$78 for Phase I and \$360 for Phase II. As previously referenced in these minutes this budget will be presented to Homeowners for ratification at the Annual meeting.
- 6) Legal opinion to be sought: Because of ongoing disagreement among members as to the legal obligations of the HOA, as well as other issues concerning the CCRs, organization of the HOA, and related matters, the Board approved the hiring of the Vial-Fotheringham Law Offices, a highly respected firm renowned for their work with HOAs, to do a study of our HOA and provide legal clarification of issues troubling the HOA. The hope is that such a study will finally put to rest various controversies, especially in Phase II. The motion carried with two members abstaining. Board members were invited to submit inquiries for clarification but cautioned that minimal requests would influence any attorney fees.
- 7) Proposed change to CCRs, Article V, Section 5.06: To allow solid color stain in addition to the current restriction for semi-transparent stain only. This proposed change would read "All fences that are treated may be treated with either a semi-transparent or solid color stain". The changes are underlined in the previous sentence. This required a vote by the Board for presentation to all Homeowners for voter

approval before adoption. The measure was passed unanimously by a show of hands and will be voted on at our 2021 Annual meeting by Homeowners.

- 8) Change in Bylaws: In order to be in compliance with the new state law (WUCIOA SSB#6175) changes to the first three sentences of Bylaws, Article VI, Section 6.1 were approved by the Board. The change will now read **“The Board of Directors shall propose a Budget for the annual assessment amount, or dues, as provided for in Article VI, Section 6.1 of the Bylaws for Crown Estates at the last Board meeting of the year. This budget will then be presented at the Annual meeting and will be considered ratified unless rejected by a majority of all Homeowners, whether or not a quorum is present. If rejected, then the last annual assessment, or dues, then in effect will continue until a subsequent budget proposed by the Board is approved. Thereafter, the Board of Directors shall send a statement of dues to each member at the member’s last registered address with the Association. Assessments, or dues, shall be due and payable on February 1.”** This also changes the “due date” from January 1 to February 1 to give sufficient time to get an invoice for dues to all Homeowners after the Annual meeting and budget approval. The measure was unanimously passed by a show of hands and the change will take effect immediately.
  
- 9) Additional Comment by the President: “There have been comments from various individuals about becoming an *un-incorporated* HOA and/or promoting a *Maintenance Agreement* instead of having a fully functional HOA as we have now. I’m certainly open to those discussions but because of time constraints and since it was not on the agenda for today’s meeting, I’m not going into those arguments as they are also long and detailed. Let me just say that if you want to see any of that information listing the pros and cons, just email me and I will send those attachments.”

The virtual meeting ended at 9pm.