

Minutes for August 8, 2011 Nisqually Estates Homeowners Association [HOA] Board Meeting

Present: Alison Brackett, Erik Dilg, Rebekah Cade-Jordan, Rob Mendel

Meeting Opened at 7:00 PM, 10425 Brighton St SE

Previous Month's Minutes: July 2011 Minutes notes have not yet been provided by Keri May

Board Member Position Updates

Rebekah Cade-Jordan – President

Rob Mendel - Vice President

Alison Brackett – Treasurer/Secretary

Erik Dilg – ACC Chairperson

Position Assignment Change Approved – 4-0

Treasurer Report

1. February financial report – Checking - \$9,581.03, Savings - \$7,657.06, Total: \$17,238.09 as of 7/31/2011. Approved – 4-0
2. Alison will reconcile 2011 accounting records before the next meeting to be current.
3. Dues Status- 6 outstanding
4. Lien Status - 12 active liens on 8 properties
 - a. 1 lot with 3 liens
 - b. 2 lots with 2 liens
 - c. 5 lots with 1 lien

Architectural Control Committee [ACC] Report

1. ACC Committee Members: Erik Dilg (Chairperson), John Newcomb, Rob Mendel
2. 3 ACC plans submitted and approved
3. Lot observations done 8/6/2011 – 27 homes (courtesy/violation letters to be mailed)
4. Violation letter written up for mailing – 1 home

Old Business

1. Minutes: July HOA Board Meeting Minutes notes have not been provided by Keri May, final request to be made by Rebekah Cade-Jordan to submit.
2. Twin Star Credit Union
 - a. Will remove Randy from the bank account once the July 2011 minutes are complete and signed (required by the bank).
 - b. A motion was made and seconded to add Robert Mendel and Rebekah Cade-Jordan to the HOA's TwinStar Credit Union accounts as authorized signers. Erik, Rob, Rebekah and Alison **voted 4-0 to approve.**

- c. Inquire about obtaining a debit card and using online bill pay on the HOA accounts.
3. Keri provided the HOA Post Office Box key to Rebekah.
4. Erik contacted Lawn Pros and requested the water be turned on at the entrance to the Development – Brighton St SE and 105th Ave.
5. Retention Pond (105th – Lot 29) – Rebekah will check for an email, Board will respond in kind to concern raised at the 2010 Annual meeting to close out the issue.

New Business

1. Keri May resigned from the Board effective 7/25/2011
2. **Approved by 4-0 vote. All in favor.** In light of the resignations of Randy Betts, Larry Wheat and Keri May between June 14 and July 25, 2011, board positions were reassigned. Until after the next Annual HOA meeting when all positions will be considered open and voted on, the following board positions are assigned and agreed upon as follows in the best interest of the HOA:
Rebekah Cade-Jordan – President
Rob Mendel – Vice President
Alison Brackett – Treasurer/Secretary
Erik Dilg – ACC Chairperson
3. Neighborhood Watch needs to be reinstated, will reach out to have someone lead the Neighborhood Watch program and recruit block captains.
4. The board members will submit board member duty descriptions to be drafted and submitted for consistency going forward. HOAleader.com as a reference for description which can be adapted for our association.
5. Lawn maintenance contract is up for renewal - Erik will obtain lawn maintenance bids from Lawn Pros, Champion Landscaping, VO, etc.
6. Erik will research placement of garbage cans in common areas and flyer bins for mailboxes (broken, missing).
7. Insurance policy for 8/2011- 8/2012 renewed – expect policy books by month end – if not, Alison will contact Insurance Company. The Board will review and plan to meet with Insurance Company to address HOA Board questions. HOA Board should bid out HOA Insurance Policy for next year.
8. July-October newsletter to be drafted/approved, printed and distributed by mid-September.
9. HOA filing cabinet – Alison and Rob Mendel spent approximately 30 hours organizing the cabinet after the HOA records were obtained at the end of June. Significantly more time was spent researching HOA incorporation with the Secretary of State, accounting records for 2009-2011, to include filing 2009 and 2010 taxes.
10. Secretary of State – Letter and affidavit filed on 7/25/2011 to reinstate – if no response by 8/15/11, Rob will call regarding status.
11. Taxes for 2009 and 2010 – completed and being sent the IRS by USPS Certified Mail, with copies retained for HOA files.
12. Attorney meetings held on July 22 and July 25, 2011 to address outstanding issues regarding the status of the file cabinet, Secretary of State dissolution, outstanding tax

- filings for 2009-2010. **Approved 4-0** to use **new** law firm and attorney at the least billable hourly rate possible, with a cap of \$1000.00 for services before continuing work.
13. **Approved 4-0** purchase of membership to HOAleader.com – cost: approx. \$99/year and valid for all board members, providing a valuable resource for the Board to research and assess current issues.
 14. **Approved 4-0** to raise yearly dues by 5% rounded down to the nearest quarter dollar. From \$138.50 to \$145.25
 15. Website – The HOA will be transitioning to a new website with a different host to provide a more user friendly, up to date site. **Approved 4-0.**
 16. Yearly HOA meeting
 - a. Tentative date: 10/15/2011 – Location TBD (Possible locations are Rosemont, Emanuel Lutheran Church, or Masonic Building next to Gordon's Garden Center).
 - b. Notification to homeowners 30 days before meeting or by 09/15/2011
 17. Rob Mendel submitted a formal report to the Board at the recommendation of the law firm representing the Nisqually Estates Homeowner Association regarding the condition of the Homeowner's Association as it was turned over in July 2011. The Board **approved it by 4-0 vote** and is hereby incorporating the report into these minutes. A copy is attached and will be provided upon request to any record homeowner at the next annual meeting.

September HOA Board meeting date: **Wednesday, September 7, 2011 @ 6 pm** – Alison Brackett's house, 10425 Brighton St SE.

October HOA Board meeting date: **Monday, October 3, 2011 meeting @ 6 PM** - Alison Brackett's house, 10425 Brighton St SE.

Meeting adjourned at 10:21 PM.

Minutes approved via email August 12, 2011.





Report on the Condition of the Nisqually Estates Homeowners Association [HOA] in July 2011

Submitted by Rob Mendel to the Nisqually Estates HOA Board on
August 8th, 2011 for acceptance and incorporation into Meeting Minutes

Purpose: The purpose of this report is to make public and a matter of record for homeowners of the association the neglected condition of the HOA as of July 2011.

Background: In June of 2011, two board members (the Vice President and Treasurer/Secretary) resigned leaving their positions vacant and turning over records of the HOA to the remaining board members. The board members who resigned had exclusive control over the physical records of the HOA and the website. Two new board members (Rob Mendel and Rebekah Cade-Jordan) were elected on July 6, 2011 to fill the vacancies of the departing board members. Upon review of the HOA records, email account and website, the Board determined that there were serious problems with the past operation and current condition of the HOA. The President of the HOA Board resigned on July 25, 2011 due to a lack of available time to commit to the HOA.

Findings: Shortly after the HOA Board meeting on July 6, 2011 it became clear that there were serious problems with the records and operation of the HOA. The following was discovered:

1. The physical records of the HOA were in disarray and incomplete. The records turned over consisted of a two-drawer filing cabinet, two boxes of unfiled and unopened correspondence and several disorganized loose-leaf binders. These records were unorganized and needed to be sorted, organized and filed. It took roughly 30 hours of work between two people (Rob Mendel and Alison Brackett) to sort through correspondence, bills, emails, ACC submissions, computer disks, CD-ROMS and miscellaneous material and file them in proper folders. We discovered that minutes from board meetings and annual meetings were missing. We did our best to file the records according to Homeowner Lot Number and by folder in appropriate categories. We also sorted out duplicate records and irrelevant or dated material. All duplicate or irrelevant material with any personal information was gathered for shredding and submitted to a secure site for professional destruction.

2. We discovered most significantly that the non-profit incorporation of the HOA was dissolved by the Secretary of State in March 2008 for failing to file annual reports and pay renewal fees. Rob Mendel confirmed with the Secretary of State Office on July 11, 2011 that the HOA was administratively dissolved due to inactivity and failure to renew the incorporation. Normally, non-profit corporations can be re-instated within 3 years after expiration but our HOA Corporation was well beyond the 3 year period. The Secretary of State's office said that notices were sent to the Registered Agent of the HOA prior to the expiration of the incorporation. The Board immediately sought legal advice on what to do and took action to get the non-profit corporation "Nisqually Estates Homeowners Association" reinstated. We hired a law firm experienced with these matters and filed documents with the Secretary of State's office to reinstate our HOA as a non-profit and are awaiting a decision. If this is not successful, the HOA will have to reincorporate at great expense, filing new Articles of Incorporation and Bylaws.

3. We discovered that the last year the HOA filed tax documents was tax year 2008. Form 1120-H is required to be filed every year by a non-profit HOA. We consulted a professional accountant after auditing and reconciling bank statements with check stubs and have since filed for the tax years 2009 and 2010.

4. We discovered that the commercial liability insurance policy had lapsed in years past and the current policy was to expire in less than 3 weeks. We took immediate action to get the insurance policy renewed. We are awaiting word from the current insurance agent and underwriter on the status of the renewed policy.

5. ACC submissions were missing and incomplete for numerous homes. The ACC records in general were sparse and what records we did find were largely unfiled and in no order.

6. There are at least 6 liens that have not been duly filed with the County Clerk for the non-payment of 2011 dues. We are waiting for a decision from the Secretary of State on reinstatement of the HOA Corporation before we file the 2011 liens.

7. The database for mailing addresses of record homeowners of the association was out of date and inaccurate as well as the email contact address book. This statement is based on the number of returned letters that we receive and known changes to homeowners in the neighborhood. We have updated the address database from tax records and records with the County Assessor's office.

8. There is no record that the alleged 2003 amendments were duly passed at a legitimate annual meeting of the HOA. There are no detailed meeting minutes or a record of the required number of homeowners for either a meeting quorum or a sufficient number of "yes" votes to amend Bylaws. There are also several other years of missing annual meeting minutes and a number of missing monthly board meeting minutes.

9. The HOA website at (www.nisquallymeadows.info) contained several dead links to meeting minutes, corrupt files and misinformation. The traffic at the website is extremely low for the number of homeowners and it is clear that people are not using it because it is cumbersome and did not contain current information. We have taken down the website which is antiquated by today's standards and we're working on developing a more user friendly experience for homeowners.

Recommendations: Recommend that the HOA Board formally accept this report and incorporate it as a part of the August 8, 2011 HOA Board meeting minutes. Also, recommend that this report be made available to homeowners at the next annual meeting of the HOA if requested.

Submitted by: Rob Mendel

Rob Mendel

Approved by: 4-0

Vote of the HOA Board

Rebekah Cade-Jordan, President

Rob Mendel, Vice President

Alison Brackett, Treasurer/Secretary

Erik Dilg, ACC Chairperson