

Westwood Village Homeowners Association
Minutes of the Board of Directors Meeting
September 1st, 2007

1. Don called the meeting to order at 8am with the following members present:

| | |
|------------------------|-------------------------------|
| Don Wolfe (President) | Jerry Binder (Vice President) |
| Sam Howard (Treasurer) | Rocky Seelbach (Secretary) |
| Holly Clements | Mike Paukert |
| Paul Kimmel | John Hunter |

Also present:

Bill Wise, Westwood manager

2. Don moved for approval of the last meeting's minutes. Motion carried.

3. Sam provided the treasurer's report, as of August 31st, 2007.

| | | |
|----------------------|------------------|-------------------|
| Panhandle Checking | 6,500.99 | 6,500.99 |
| DA Davidson | | |
| Capital Project Fund | 30,166.36 | |
| General Fund | 85,053.70 | |
| Insurance | <u>21,391.91</u> | |
| | 136,611.97 | <u>136,611.97</u> |
| Total | | 143,112.96 |

4. Committee Reports

Bylaws Committee: No report

Annual Planting Day: No report

Design Committee: Jerry followed up on a suggestion made by Mary Jane Shea at the Annual Meeting that involved putting something near the pool that would provide shade. Mary Jane talked about building a pergola, and Jerry found a kit for \$3200 that could be installed. He also reported that Grain Bins Incorporated (Colton, Washington) would install at 12'x 27'x 8' pergola for about \$3,200. Jerry pointed out that if the pergola should have a concrete base, which would cost extra, but we could try it with a grass base first. Sam thought the costs were acceptable from a budget perspective, and that we should try to put something in place for next spring.

Old Business:

5. Managers Report:

Irrigation box is working perfectly, in spite of the vegetation.

Work on the retaining wall at the Eagle building is about done. The wall top is done and the replacement sprinklers are installed. Top soil and grass seed are next.

Bill reported that we were not registered to pull lake water for irrigation, as we have done for years. We are now.

6. Estoppel Roundup. Mike reminded us that the important part of this is the indemnification of the Association. The Association requires an Estoppel agreement be signed when an owner makes changes or modification to their unit in order to protect the Association from liabilities that might result from the changes.

As an example, the Estoppel would protect the Association from repairing water damage from an aging or poorly installed sky light that was added by an owner. Normally, roofs are maintained by the Association. However, an owner added feature like a skylight introduces additional risks for leakage that should be handled by the owner. The Estoppel agreement is intended as a permanent record that the owner takes full responsibility and indemnifies the Association from any damage arising from the changes made.

The agreement also establishes the owner's responsibility to maintain an improvement at their own expense. So, in the case where an owner adds a bedroom to their unit, or a car port, the owner is thereafter responsible for maintenance to the roof and or siding of the improvement. The signed Estoppel is required to be filed with the property deed so that subsequent owners are made aware of their responsibility.

7. Bill will create a list of the owner modifications he knows of that would require an Estoppel. We can use the list to follow up with homeowners.

8. Bill was also tasked with providing a list of capital improvements and repairs that could be done, with a rough estimate of the amount of money required.

9. Motion was made to accept the bid for the unplanned flat roof repairs on the Tyee units and get the work started. The initial bid was for \$45K. Bill asked the vendor to try and bring the price down, and he found another product that worked out to \$38K. This will carry a 15 year warranty, backed by both the business and manufacturer. It's important to note that these repairs are an unplanned expense that will draw extensively on the reserve.

10. Sam reported that the boat slip cover repair issues have been resolved. Three of the covers were completely destroyed. The frames for all of the covers will be upgraded to improve their ability to withstand stress. The Association will require the cover owners to agree in writing to hold harmless the Association for damage to the slip covers, and

agree to repair any damage to Association property done by the covers. The responsibility for repairs must be accepted jointly and separately by all slip cover owners. The agreement will be updated as slip cover ownership changes. The agreement will also assert the Association's right to remove the covers if deemed necessary.

11. Property price for Binder's project. The most recent cost has been \$10 per square feet. Motion made to apply that price to the 9' by 13' area required for Jerry Binder's project. Jerry abstained from voting. Motion carried.

12. Paving. The estimate we received four years ago put the entire paving project at about \$100K. The Association approved the 2007 capital budget that provided \$50K to do half the project this year. Unfortunately, current estimates from both Woods (\$101K) and Interstate (\$118K) have come in much higher than the original numbers used for budgeting. With sales tax, the low bid still comes to \$110K. The special assessment approved by the Association provided \$72K, which should have meant about \$50K for paving, and the remainder going to replace the Mansard roofs on the Eastern and Coyote units. The Coyote units were finished before Memorial Day, and the contractor has already purchased the material for the Easterns, though the work was deferred until after Labor Day. We may still be able to defer the installation until spring, but that won't provide much relief. We might have been able to draw on our reserve for the remaining money, but we can't defer the Tyee flat roof repairs discussed earlier.

We do not have the capital to do what we said we wanted and thought we had budgeted. We can't do the planned and unplanned roof repairs and paving with the funds we have available. We also need to be aware that the price of paving is related to the price of oil, and we should not expect the price of oil to come down.

13. Sam explained that the board has the ability to make a cash call. We need a minimum of \$50K to finish the work voted for by the Association. Divided by 79 units, we need \$650 per owner to complete the asphalt and repairs. The cash call would be due and payable in full by Dec 31, with the first third due by October 31. Motion was made and approved to make the cash call as described.

14. John Hunter and Bill Wise brought up the idea that the amount of paving next to the Eastern units may not need to be exactly as wide as it is today. Bill agreed to get a new estimate for the smaller amount of paving. It may only be \$10K less, but it will help.

There have been intermittent discussions about moving the tennis courts away from the meadow instead of repairing them where they sit today. It seemed possible that a single tennis court, or multi-purpose court, would fit between the Eastern's parking and the adjacent property fence. Subsequent measurements revealed it probably would not fit, and there are a variety of water and sewer connections that would be affected. The idea of putting the court on the Westwood Terrace lot owned by the Association was also discussed.

15. Several comments were made about how this meeting tackled some very difficult issues that will certainly be seen as controversial. Owners are reminded that board meetings are open and participation is welcome.

New Business

16. Election of officers for this term. Mike Paukert was nominated for president. Jerry Binder was nominated for vice president. Sam Howard nominated as treasurer. Rocky Seelbach was secretary. Motion to approve was carried.

17. Next meeting is tentatively scheduled for Friday, October 5th at 2pm.

18. Meeting adjourned at 10:10am.