

HIGHLAND TRAILS HOMEOWNERS ASSOCIATION

16212 BOTHELL EVERETT HWY. #F188, MILL CREEK, WA 98012

NOTICE TO HOMEOWNERS

This is a very important notice that may affect the state of our neighborhood, your annual dues and the value of your property. Please read this document fully. It also serves as notice of the Annual Meeting and includes meeting details.

Board of Directors Status

Current Board

The current Board of Directors is comprised of four original owners representing 2 of the 126 households in Highland Trails. These 4 individuals have served a total of 42 one-year terms. **All four Board Members may not serve an additional term, and their positions may become vacant.** This leaves three possible solutions moving forward;

Option #1: New Board Members

Our governing documents require an active board of between 3 and 7 members. If at least 3 homeowners step forward and are elected, the HOA can continue to be self-managed. The current Board President is willing to serve an additional year in an advisory role to the new board to ensure a smooth transition.

Option #2: Property Management Firm

If we do not have volunteers to run the organization, the current board **MAY** be willing to stay on in a reduced role and use a property management firm to oversee day-to-day operations of the HOA. There would be a cost to this service, and the maximum possible dues increase of 25% would likely be necessary to pay for this service. We are currently researching this option.

Option #3: HOA Activities Cease

If we do not have an active Board, our attorney has advised us that the activities of the HOA must stop. We would secure existing cash-on-hand in a trust fund and cancel existing insurance and landscaping contracts. **This means the common areas would not be maintained. And every household would be individually liable in any legal action related to the common areas.**

Your Options

#1 Volunteer to Serve

Contact the Board at board@highlandtrails.org or call 425-609-0381 if you want more information about the commitment required. The Board of Directors is limited to acting within the constraints of the governing documents, found at highlandtrails.org. Please read these documents and understand the limitations contained within them.

#2 Prepare to Pay More

Our current dues are \$383. Per our governing documents, these may be increased up to \$478.75. These funds would be used to pay a professional management firm to handle our day-to-day operations, including financial affairs, legal, landscaping and issue response. We are gathering data from candidate firms, and those costs would drive any potential dues increase.

#3 Brace for Ugly

If the current Board is not replaced, and they elect not to continue serving, the state of the neighborhood would change drastically. None of the common areas would be maintained, including the planter strips in front of your house. If any legal action were initiated against the uninsured HOA, you would be a party to this lawsuit without insurance coverage.

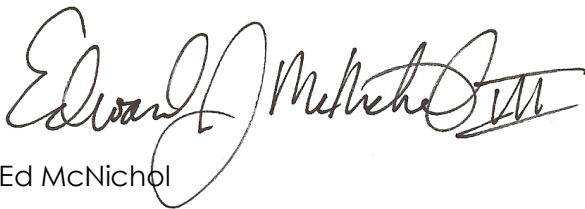
Annual Meeting

The Annual Meeting of the Highland Trails Homeowners Association will take place on Thursday, April 12, 2018, at 6:30 pm in the Mill Creek Elementary School Library at 3400 148th St SE, Mill Creek, WA, 98012. Items anticipated to be on the agenda include;

- Board Changes / Property Management Firm options
- 2019 Preliminary Budget and Dues
- Nearby Road Construction Update
- Mill Creek Elementary Potential Boundary Change
- Landscaping
- Reserves

We hope to have a better idea of the direction of the HOA by the Annual Meeting. We look forward to seeing you there.

Regards,



Ed McNichol
President
Board of Directors