

Highland Trails Homeowners Board Meeting Minutes 11/16/2013

The meeting was held at the home of Ed and Kim McNichol.

In attendance were: Ed McNichol-President, Kim McNichol-Treasurer and Sandy Jones-Member at Large.

Absent were: Tom Jones-Vice President and Charles Andersen- Architectural Control.

The meeting was opened at 4:13pm.

Board of Directors

The Board accepted the resignation of Lisa Ward, Secretary. This position is currently vacant.

Legal Issues

Our attorney went to court on two of the outstanding accounts, at our direction. To simplify matters and reduce costs, he filed in South Snohomish County District Court, instead of Superior Court. He was surprised that the Court required him to be present for a hearing on the matters. The homeowners failed to appear, and a Judgement was entered against them.

However, the Judgments were issued for the amounts owed, plus a flat \$750 in attorneys fees on each case. Our actual out-of-pocket expenses on these accounts were \$2,434.40 and \$2,403.50. This results in a loss for us of \$3,337.90. The attorney was shocked by this action and protested without success. Since this is a judicial discretionary decision, it is not a matter of law that we can appeal. The Attorney feels that the Superior Court would have granted the full amount. He has offered to have his firm absorb ½ of the loss (\$1,668.95) and we absorb the remainder.

Ed directed the firm to immediately halt all action on our behalf until he could consult with the Board.

After discussion, the Board wanted to explore three potential options;

1. On these two accounts, can we ignore the judgment and update the property liens to the full amount owed? This would require the houses to sell before we are satisfied, but it would deliver the full amount owed. Liens can only be placed for debts three years old or newer, and we need to discuss this limitation.
2. On the remaining 2 accounts not yet acted on, can we just lien and wait? The Board would like to avoid the risk of not collecting attorneys fees, which are far greater than the amount owed.
3. Can the Board enact a Fee on each account that is a factor of the number of years they are in arrears? For instance, each year houses X years in arrears

are assessed a large annual fee, about the same amount of the annual dues. This would grant us a new line item that starts the three-year term anew.

Ed has also checked with a local Collection Agency about these accounts. We can assign these to them directly, without a court judgment. They would retain 30% of all monies collected, and we would get the rest. But if they don't collect anything, neither does the association. Ed is concerned that we need to uphold our fiduciary obligation to the neighborhood while limiting risk on nonpayment. He will meet with the attorney on these issues and report back.

Landscaping / Trees

Several homeowners have contacted the HOA about trees in the common areas near their residences. It has been about 2 years since we had an Arborist survey the neighborhood. She charges \$85 per hour and thinks it will take two hours or less to conduct an inspection. The Board agreed to move ahead with this site visit. Ed will coordinate with her, and Charles, to have this done. We will also have her look at the Arborvitae in the parks to see if they need to be topped or thinned.

Storage

The Association owns a variety of bins, boxes and signs. These are currently stored in the President's garage. Many of these items are low cost, such as hula hoops and empty Easter eggs. It was discussed whether we should hold on to these items, or if we could find another location to store them. The Board thought that this would be a good item for discussion at the Annual Meeting.

Vacant Board Position

We do not currently have a Secretary, and the President has temporarily absorbed these duties. We discussed trying to fill this position immediately, but deferred until our Annual Meeting.

The meeting adjourned at 5:18 pm.