

**LAKELAND HILLS HOME OWNERS ASSOCIATION**  
**BOARD OF DIRECTORS**

June 25, 2019

A meeting of the Board of Directors of Lakeland Hills Homeowners was called to order by Mr. Ron Surber Vice Chair, at 7:03 p.m. on Tuesday June 25, 2019; which was held at the Haggen Northwest Fresh (Haggen's) and at which a quorum was present.

**ATTENDANCE**

The following were present:

**Board Members**

Nathan Martin (term 2020)

Dan Snyder (term 2021)

**Officers**

Ron Surber, Vice President – Vice Chair

Andreas Ellis, Secretary & Treasurer

**Absent:**

Andrew Rawls, President (term 2019)

**Others**

Ms. Robin Stewart (Homeowner)

Mr. Richard Stewart (Homeowner)

**Board Reports**

1. Minutes
  - a. The minutes of the Board of Directors of the May 21, 2019 were reviewed. The minutes were then approved by motion made, seconded, and passed unanimously.
  
2. Presidents Report: No report made
  
3. Financial
  - a. Mr. Ellis reviewed with the board both the May financial statements for the Association. He noted the income for the month of over \$600.00 which was earned by the Title Transfer fees from 3 home sales in the HOA He noted that the

accounts receivable balance was now down to 1 remaining homeowner who had yet to paid their 2019 HOA Dues. He also noted that expenses, for the period, were just the reimbursement of gift certificates purchased by the HOA's Welcome Committee.

After discussion, the financial report was approved by motion made, seconded, and passed unanimously.

- b. Mr. Ellis then reviewed with the directors the status of the bank account balance which he noted was comprised of \$13K in cash held in the checking account and \$15K in 3 seperate Certificates of Deposit ("CD"). He noted that from a cash position the HOA did not require or have plans which would require over 50% of the cash on hand in the next 6 months and after that another \$8K in annual dues would be recieved to fund the operations for the 2020 fiscal year. He then noted that the current CD's each earned an annual rate of 0.02% which translated to \$1.00 of income per year per CD. In discussion with Chase Bank Mr. Ellis noted that if the HOA would extend the maturity of these CD from the current 30,60, and 90 day terms to 9 to 12 months, the bank woud increase the rate to 1%. This would represent an annual amount of \$50.00 per CD. He recommended that the directors approve extending 1-2 of these CD's to be 9months and 12 months respectively; and thereby by increasing the income earned. The remaining 2 CDs to be held on shorter maturities should events require near term cash above the amounts in the checking account.

After discussion, the recommendation was approved by motion made, seconded, and passed unanimously.

## **I. Committee Reports**

### **1. Architectural Committee: (Ron S.)**

Mr. Surber, noted that the ACC did not have any updates to report as the annual Spring Neighborhood walk about had been delayed until June.

### **2. Welcome Committee**

Mr. Ellis reported on a 2 new homeowners who had moved into the neighborhood. He described meeting and distributing to the the following new neighbors welcome packages. Lisa Jill Mathews recently purchased and moved into the home at 906 51st street and Mark and Maryanne Daniels were the new owners of the home at 915 51st street. Both neighbors recieved from the Welcome Committee a package containing various documents related to both the City of Auburn and our HOA; in addition each package contained gift certificates worth a total of \$100.00 to various retailers at the Lakeland Town Center.

### **3. News Letter Report**

No report made

### **4. Website Report**

No report made

## **II. Old/New Business**

### **1. Delinquent Home Owner**

Mr. Ellis then reviewed and discussed with the directors the progress and effort made to collect on the 2019 HOA dues which remained unpaid for the home at 4611 Kennedy. He described the efforts he had taken todate had included monthly written letters, phone calls, text messages, and 2 personal visits to the home in questions. Todate none of these efforts had been successfull incollecting

the dues as well as the accumulated lates fees; which as of May totaled \$125.00. He noted that in multiple communications with the home owners they acknowledged both receipt of the letters and their intent to pay; yet no payment of any amount was forthcoming or received. He then recommended to the Directors the following steps be taken: July late fee letter be sent via UPS delivery, letter to note the balance owed as of July (150.00) and payment not received by July 31 a lien would be placed on the property for the current balance owed plus lien fees and processing fees( \$400.00) In addition Mr. Ellis and Mr. Surber would attempt to visit with the homeowner in mid July to attempt to collect on the balances owed.

After discussion, the steps and course of action recommended, was approved by motion made, seconded, and passed unanimously.

## 2. Short Term Rentals

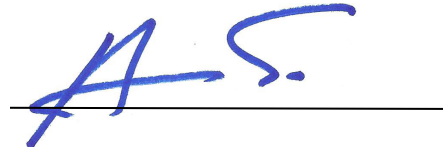
Mr. Ellis then reviewed with the directors the findings provided by Burns Law PLLC who had been engaged to review and study this matter. He noted that there were no prohibitions by Washington state laws, or King County, and Auburn municipal code for Short Term Rentals or for an HOA to prohibit or limit such rentals. Both state, county, and city ordinances deemed these as businesses and as such subjected the property owner to all applicable licenses, registrations, and taxes; all of which were not an issue or liability of the HOA. What was found as a liability to the HOA was any actions to limit such rentals without express written guidance in the HOA's existing By-Laws or Covenants and Restrictions. The review of the current By-Laws or Covenants and Restrictions of our HOA found that no such language or restrictions were contemplated or outlined. In light of this legal counsel noted that any such amendments to either the By-Laws or Covenants and Restrictions would require at a minimum a vote by the all Members (homeowners) with over 66.67% voted in favor; preferably it is counsel

advised such a vote should be 100% in favor. Legal counsel cited the Washington Supreme court case of *Wilkinson v. Chiwawa Communities Association*; where the courts had found in favor of the plaintiffs who had challenged the HOA's ability to amend its By-Laws or Covenants and Restrictions with less than a supermajority. The directors, officers, and members present discussed this matter at length and recommended to table the issue with no action being taken. It was agreed to continue this topic and potentially include it as an agenda item at the fall Annual Members meeting.

### **III. Adjournment**

With no further business, the Board of Directors meeting was adjourned at 8:25 p.m. The next meeting is scheduled for 7:00 p.m. on July 23, at Haggen Northwest Fresh (Haggen's).

Respectfully submitted,



Mr. Andreas Ellis, Secretary & Treasurer  
Lakeland Hills Homeowners Association