



Annual Meeting

Minutes

May 12, 2011

Attending: Kevin Schneidmiller, Greenstone
Gil Pierce and Katherine Funk (note taker) Rockwood Property Management
16 Homeowners.

Meeting Called to Order: 6:05 PM

Budget Review

- Income: Total Income 2010: \$102, 476.55 Total Estimated Income 2011: 95,864.52
 - Dues: This is the income from the dues assessments for 437 homes at \$17 per lot per month which comes to \$89,148. In 2010 the association collected \$81,592.37. We have a collection process that we follow for the balance.
 - Question: How much bad debt do we have to write off? Late charges/interest is what we have collected.
 - Apartment Dues: There is an apartment complex on McGuire Road. They pay a per door fee. The actuals for 2010 was different from 2011 because they were in arrears and came current all at once. The fee is comes to \$4,082.40 annually.
 - Delinquency: Based on historical data we have projected a 6% delinquency of \$5,348 for 2011. In 2010 it was 4%.
 - Builders Dues: The builders pay dues on spec homes from the time they are completed to the time they are sold. Due to the current market there are fewer spec homes than in the past.
 - Total Assessments: Total assessment collected in 2010 was \$92,563.37 and is estimated to be \$89, 564.52.
 - Late Charges & Late Interest: We have become very aggressive in collecting bad debt and late fees. In 2010 we collected \$9,108.73 and project we will collect \$6,300 for 2011
 - Fine fees: Collected \$400 in fines for violation of the CC&R's in 2010.

- Initiation fee: We stopped budgeting this in the operating budget because it goes into the reserve/capital budget.
- Landscaping Expenses:
 - Snow Removal: So far in 2011 we have paid \$2612. Some of the bills came in late form 2010 so this is not the actual cost for this year. We are keeping the estimated snow removal costs at a flat budget because some years we go over and some come in under.
 - Mowing Commons/Fall Leaf/Playground: This is a contracted fee that may increase year to year as add common area is added. In 2010 it was \$18,657 and is estimated to be \$21,500 for 2011.
 - Fertilizing Commons: Covers fertilizing of common area including all the park and common area tracks.
 - Turf spray: This is for the weeds. If additional treatment is need we have turf spray additional.
 - Master Tree Program: This is for trimming and maintenance of common area trees. Street trees are the homeowner's responsibility. As an association from time to time we have helped out for some diseases. The City of Post Falls has been a partner in this as they get grants. Gil is setting the trees on rotation since we cannot afford to trim ever street tree every year. This also covers the replacement of trees damaged by wind or accidents.
 - Flowers: This covers the planting, maintenance and fall clean-up of flowers at the monuments.
 - Sprinklers: This is for the sprinklers in the common areas to be blown out in the fall and spring start up.
 - Landscape Labor: This is for the irrigation system maintenance, broken heads and lines. If the landscapers cause damage while mowing they repair the damage.
 - Swale Maintenance: If a swale is not draining properly it may need to have holes punched to increase drainage.
 - Total Landscaping Expense: 2010 \$38,172.75 Total Estimated for 2011 \$46,350
- Other Expenses:
 - Community event: The movie is courtesy of Greenstone, but we pay for the food and games/slide.
 - Water: This covers watering for the common areas. Montrose gets a great deal. Water in Coeur d'Alene Place is \$50,000.
 - Supplies: Miscellaneous office supplies
 - Postage: This covers sending out communications to homeowners, assessments, and etc. We are trying to move to electronic communication to help reduce cost.
 - Repairs: This is mostly for repairs of hardscape like the monuments and bags for the dogi pots.

- Fence: The homeowner's association is responsible for half of the fence and the homeowner is responsible for the other half. Sections of the fence are getting black mold. We are going to try to remove it. This also covers posts in the common fence when they break. Based on experience with other associations we are starting to plan on future needs.
- Special project: Gil will discuss later
- Management fee: This covers the fee for Rockwood Property Management to manage the association including sub-contracting landscaping, snow removal, inspections.... It comes out to \$4 per door per month.
- Property tax: The association owns common tracks and pays a nominal fee of \$10 for each track. We do not get charged for aquifer assessment district.
- Income Tax: same as under accounting
- Total Other Expense: 2010 actual was \$29,262.37 & 2011 estimated is \$ 36,216.
- Total Expenses: As a developer Greenstone has a management philosophy that it is important to have a healthy association. For example: in Coeur d'Alene Place we just started an empty nester community that also has a small park. Greenstone will maintain the park until the homes are built, but it will then become the associations responsibility. It is important to have a healthy account so if any large repair work is needed the money is there. We know you would not like it if we are banking \$100,000 but that is why dues have not gone up. There are a lot of homeowner associations that are close to folding.

Questions

- What is the Reserve Account? It covers capital improvement costs and is not touchable for operating expenses. It is not actually a separate account but is part of the \$83,000 ending cash balance for 2010.
- Community fence along Pole Line is not as private as the new fence. There is no plan to change the fence on Pole Line. We used semi-private along all the common area. The only reason did the private fence was because it is along the railroad tracks. If every owner along Pole Line wanted to change out the fence we would consider it, but we would have to look at the cost.

Project Maintenance

- Fencing: There is a mold problem on some of the fences so will be looking at what it will take to get it off. Once the fence is cleaned off we will start a rotating cycle to keep them clean.
- Asphalt path: cut back grass that is creeping into path. Will have landscaper do this once a month to maintain and keep costs down. Also fix some of the sink holes in the paths
- If you see something contact Gil this includes irrigation issues. When you call 509-893-0800 you will get a recording but the message goes to Gil's email. He usually returns calls in a day or two. If you have an emergency call the emergency number that goes to Joe Frank's cell.

Willamette Park: Willamette is owned by the homeowners association. Greenstone developed the park. If there are some improvements you would like to see let us know. We have had some requests for covered picnic tables or a small spray park. Please talk with your neighbors and

get some support for what you would like. Kevin can give you some general numbers on the cost. A shelter with three picnic tables is about \$13,000 same for small spray parks. If you have any other ideas just let Gil know. These funds are yours. We will not spend all of the \$83,000 but will look at requests for amenities. The spray park in Blue Grass Park in Coeur d'Alene cost \$50,000. We went bigger with it because it is a public park. We have done some spray parks since for neighborhood parks like Willamette.

Project Update: Kootenai County only 11% of sales in 2011 have been new construction.

- As part of the next phase will include a rail crossing. Clark Fork will be completed. This has been a long drawn out project. The city of Post Falls has been helping work with the railroad and they will ultimately own the street and crossing. We have signed agreements with the city and the railroad. However, the railroad has to design the crossing and that can take up to 9 months. We are trying to push to have it completed before school starts or at least before winter comes. It will be fully actuated with arms that come down.
- Parks: Montrose is a master plan community that encompasses 500 acres. Within the design we have included multiple parks. It is planned to have a city park adjacent to school and neighborhood parks like Willamette scattered throughout the project. There will be another major park off McGuire. The neighborhood parks will not happen until development gets there. Some will be more passive for socializing and some more active with playgrounds and spray parks. We cannot give a time line for their development yet. The phase we are doing right now is the last phase we can do on this side of the railroad tracks because we cannot get the sewer capacity needed until we bring in a new line. We will start on the other side now. Greenstone is required to provide a certain amount of open space in common area tracts and small parks
 - Question: What is the date when the railroad goes away? It is based on the number of users. There are only two users left and both are lumber related. When there are no users left they can use the rail line as car storage. We would not expect anything less than 3-5 years. Ultimately we hope to change over to rails to trails type thing.

Questions:

- Is there an option to change the CC&R's for the larger lots? We have 1/3 acre and we want to put on RV on the lot. The developer currently controls the association, but we can look at suggestions. You do have the option to have an RV that is placed behind a fence. We prefer it is not more than 4' above fence. The CC&R's are there to protect you.
- When approving ARC for sheds, what are the guidelines? We look at the architectural rules and generally the shed height is limited to 8'. If someone asks for a shed 8' 3" we will look at where it is being placed and will probably approve it.
- What are you protecting us from? Some people complain about the boats and trailers in the driveways and over the sidewalk. We had someone living in trailer on street. Other problems are a boat parked on the street near a corner and people had to swing out to miss them or RV sticking into the street. We ask have you talked with your neighbor, but a lot of time people don't want to confront neighbor.

- When we moved we were promised there would be a spot for people to park their RVs. Kevin does not know of any plans for this.
- Trashcan letters: What about my neighbor that has chickens, trashcans, and miscellaneous storage. We have several people that have been fined to the point that we have a lien on the home. Enforcement is Gil's responsibility. He tries to be flexible when possible. It is in the CC&R's that trashcans must be stored in the garage or behind a fence or otherwise be screened from view. We are working on your behalf and everyone else to keep the association looking nice and keep home values up/
- Community Party: Can it be more toward the fall when it is cooler? We can look at it, but of all the communities yours is the most attended.
- Snoqualmie: There is a dead tree. It is scheduled to be replace.
- What about the shipping container? It will eventually be moved.
- Empty lots on Teanaway. Owned by two builders and have already talked to them (Greenstone & Victory)
- Palouse: There is a camper van on Palouse that has been in the same spot since fall. Homeowner that works for the City of Post Falls will take care of it.
- What about the yards that need to complete their landscaping? Yes, we will be sending out landscaping letters.
- Can you do anything about the cars that park on the street? On Willamette there are a lot of houses with three car garages and still lots of cars on the street. We don't have the ability with the CC&R's to make them park in their garage or driveway neither does the city. Post falls knows the person that does this regularly and he leaves his cars out in the street to slow drivers down. Over the last couple of years Kevin has talked with the police department and they will increase patrols. Starting June 1st Post Falls will have a motorcycle patrol on Willamette and will put up speed detector sign. Speaking of patrols, left a voicemail about car burglar in the area. We can put it on the web site. They caught a burglar in a nearby association, is he the same one? Please call us about these kinds of things so we can post on website. We can also put the speed issue on website.
- Can we get the trains to not sound the horn at the crossing at 2:00 AM? Based on experience with the railroad and how safety conscious they are and Federal law, no. The only way they will ever not sound the horn is if there is a long enough section with all actuated arms.
- Will the school buses still be picking up kids? The school buses are some of the worst offenders for speeding on Willamette. When the railroad crossing is put in there will not be a school bus along Willamette. The guidelines from the state say that elementary students within a mile of school should walk. Kids from Montrose are close enough to walk, but they did emergency busing because a railroad crossing was not in. Once it goes in the state will eliminate funding for the bussing. For more specifics contact the school district
- There are trees on Umpqua that get the white ash flies and you cannot go outside without being covered. If the trees are in the plant strip they are the homeowner's responsibility. We are

doing some spaying but that is for a disease. The developer uses a variety of trees from the list provided by city forestry. We like to do this so that if there is a problem with a disease or insect we won't lose all of the trees. Those are ash trees so Kevin will research it to find out if it is a weather condition or something else.

Closed 7:25