

**SECTOR 2A AT SNOHOMISH CASCADE ASSOCIATION  
MINUTES OF THE BOARD OF DIRECTORS' MEETING &**

**MEMBERSHIP ANNUAL MEETING**

**Tuesday, October 4, 2022**

*This meeting was on Zoom.*

**CALL TO ORDER / ROLL CALL**

1. Board President, Matt Hale called the meeting to order at 7:04.
2. Board members present (Zoom conference) were Matt Hale, Tanya Edwards, Gary Hebert, David Divoky and John Alleman. This was a quorum for the board.
3. Additional association members present were John Patterson, Richard Tickle, Cheryl Carlson, and Chris Bartsch. This was not a quorum of the membership (11 members total present).
4. Matt and the board introduced themselves.

**REVIEW OF MINUTES FROM PREVIOUS MEETING**

1. The minutes of the September 2022 meeting were reviewed and unanimously approved.

**GENERAL BUSINESS**

1. John reported that the election ballots received are 79 thus far plus 5 additional votes from the 135 proxies awarded by the membership which are enough for quorum as required by Bylaws §3.7 and [RCW 64.38.040](#) ( $34\% \times 247 = 83.98 \approx 84$  votes). The majority of these votes have been for Matt Hale, Bill Steenis, Tanya Edwards, Gary Hebert, Chris Bartsch, and John Alleman. John will add which proxies have been used to form quorum for the election. [*Post Hoc*: John updated the tally to 80 votes received with 1 additional ballot postmarked on 9/30 arrived on 10/5, plus 61 unique proxy awards who did not submit board election ballots and were the same owner as the proxy award. This provides 141 total votes with the majority of who votes for all 7 printed candidates. There was one write-in vote for Steve Potts (Lot 3-0-035)].
2. Officers (President, Treasurer, Secretary, and Committee Chairs) will be appointed at next month's (November) board meeting.

**TREASURER'S REPORT – Presented by Steve Yandl**

1. Account status
  - a. Operations (checking): \$110,754.
  - b. Operational reserve (money market): \$5,713.
  - c. Reserve fund (long term reserve held in CD): \$16,945.
2. We owe the reserve fund about \$31,000 at the end of the year.

3. We did not engage a property manager (for financial services) for the year as budgeted, so we can contribute about \$48,744 to the reserve.
4. Looking ahead to the 2023 budgeted items, maintenance, utilities, insurance, etc. we think operational spending will increase, thus Steve recommends increasing the dues to \$600 per household per year (for comparison 2022 dues were \$540).
5. We need to finalize the budget next month (November) in order to get ready for the budget vote and 2023 assessments.
6. We are on track to get the 2023 audit items together.
7. John Patterson asked about doing a Trex style fence for the common area fences when the time comes. Steve answered that the fence materials are promulgated for the homeowners in the CC&Rs (§6.2.3) which only allow wood, and the HOA could allow non-wood for the common area fence but that would require a supermajority to amend the CC&Rs.

#### **MAINTENANCE COMMITTEE REPORT – Presented by Matt Hale**

1. Matt presented the quote prepared by Skinner Landscaping Services to remediate the boat park former boat toy play area for \$4,532. This includes removal of the perimeter timbers, roto-till the area, add topsoil and roto-till, and apply grass seed with start fertilizer. The previous bid submitted earlier in the year was \$7,000. It makes sense to get this work done before the rainy season starts. The board unanimously approved execution of the proposal.
2. Matt discussed a sinkhole which has opened in the tot park on 72<sup>nd</sup> Drive. The sinkhole is about 1 ft wide at the opening and expands to about 3 ft deep in 3 directions. Matt contacted Skinner Landscaping Services to fill in the hole with gravel and overseed it and the estimated cost is about \$250. No vote was necessary as this is an emergent repair with a safety issue.
3. We discussed that the current landscaping contract with our current provider ends at the end of the year. Skinner Landscaping Services has presented two proposed contracts for the next two years and three years. In short, Skinner is asking for a 5% increase. By comparison, Trugreen has announced a 6.5% increase. Cheryl asked if this service applies to individual homes, Matt answered this only for the common areas. John Patterson asked about the trail maintenance for the trail in back of 72<sup>nd</sup> Drive, and the trail to the boat park, could we substitute leaf blowing on the trail and apply mulch to level out the trail (post hoc: Adding mulch cover to both trails has been added to the GC2A Common Area Project List).
4. John Patterson asked about the baseball field. Steve answered that the Little Leagues have other options these days for organized games, but we could make this available for non-organized baseball and practice. John Patterson asked about liability and insurance issues which prevented baseball field use and Steve replied it was always a struggle to get a copy of the insurance certificate from the Little Leagues. Skinner Landscaping

Services has proposed adding the baseball field as part of the larger proposal for landscaping services.

5. Bill Steenis joined at 7:35.

### **ARCHITECTURAL CONTROL COMMITTEE REPORT – Presented by John Alleman**

1. John Alleman reported. Details mentioned below are tracked in Smartsheets.
2. [ACC Requests](#), approvals, and issues:
  - a. O'Reilly – Driveway extension; Approved.
  - b. Vandersanden – Fence replacement; Approved.
  - c. Flor – New front door; Approved.
  - d. Kohler – Tree removal in front yard; Approved.
  - e. Giberson – Tree removal in front yard; Approved.
3. [Rules violations](#):
  - a. None to report.
4. Cheryl indicated she's observed a lot of yards not up to standard especially with weeds which are observably tall. John provided a copy of the acc@goldcreeksec2a.com email address to make a complaint [post hoc: John amended the contact portion of the goldcreeksec2a.com contact page: "For Architectural Control Committee proposals or requests, *or to make a complaint regarding a rules violation*, email acc@goldcreeksec2a.com." with the italicized text having been added.]

### **OLD BUSINESS**

1. At the last meeting we discussed welcome letters sent to new residents to remind them they are in a neighborhood with an active HOA, and Gary suggested we might add some additional gift (e.g., flowers, candy, keepsake, etc.) into the welcome letter process to make it more memorable. Tonight, Gary presented a graphic of the Gold Creek sign logo (the same logo on monument at the corner of Puget Park and Snohomish Cascade across from The Falls sign). This logo could be applied to a gift to be provided as part of the welcome letter. Gary also presented some example gifts with the logo to include approximate costs. Cheryl asked if we could put that same logo on a sign at the entrance to the Sector 2a neighborhood (post hoc: this has been added to the GC2A Common Area Project List). There used to be a group that did this years ago for the association. The \$50 transfer fee we charge for each house sale title clearance should fund the costs necessary for this.
2. Tanya departed the meeting at 7:49.

### **NEW BUSINESS**

1. John presented the information on the request hazardous tree removal by Tim Robison from the NGPA in the southwest corner of the development. We have the ISA certified arborist (who is also tree risk assessor qualified) report which states the tree is a moderate hazard (the other higher classifications are high and extreme). Tim Robison

has also presented a quote for tree removal for \$1,395 and has requested HOA reimbursement. Tim has followed our policy recorded in the [website FAQs](#) (Item # 28). Matt proposed we reimburse 60% moderate risk, 80% high risk, 100% extreme risk. John proposed 70%, 80% and 100%. Steve proposed we reserve the right to question and, if necessary, second bid a tree removal quote. The board unanimously agreed to reimburse Tim Robison 70% of the cost to remove the tree. Matt proposed to table the broader changes to the policy to next month's meeting – there was no dissent.

2. John briefly touched on plans to add a pay portal on the website to allow residents to pay assessments online via credit card. More details to follow.
3. Richard Tickle asked about the brush on the county-owned land adjacent to the neighborhood (south of Puget Park Drive). This is supposed to be maintained by Snohomish County Public Works. The brush is excessively tall and fire hazard. Chris indicated his wife has complained to the county and has Bill's wife. Steve noted that the county parks department maintains the north side of Puget Park Drive adjacent to Will Tucker Park, while Snohomish County Public Works maintains the median and the south side adjacent to our neighborhood.

**MEETING ADJOURNED AT 8:18 PM**



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John Alleman, Secretary

**Proposed amendment to the Declaration of Covenants, Conditions, Restrictions, and Easements (CC&Rs) for Sector 2a at Snohomish Cascade Association.**

***Amendment 1: Addition of Owner Occupancy Clause***

Section 6.1 of the CC&Rs states that “Lots in Gold Creek 2A shall be used solely for Single Family residential purposes,” neighborhoods are at their best when every home is occupied by the owner who takes pride in maintaining their home and keeping up their yard and exterior maintenance. The intent of this amendment is to maintain the high standards of our community by not allowing homes to be purchased by investors for speculation who do not intend to reside in the home.

We propose the following amendment to the CC&Rs shown in redlined text below.

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Section 6.3. Leasing Restrictions. No Lot or portion thereof may be leased or rented by any party, without the prior written approval of the Board in accordance with Section 6.18, below.

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Section 6.17 Owner Occupancy. All lots and portions thereof shall be occupied a majority of each calendar year by at least one owner of the lot. This may be waived with prior written approval of the Board in accordance with Section 6.18, below.

Section 6.18 Relief from Provisions. In cases where an Owner has made a factual showing that strict application of the provisions of this Article 6 would work a severe hardship upon him, the Board by Association Action may grant the Owner relief from any of such provisions; provided, however, that such relief shall be limited by its scope or by conditions to only that necessary to relieve the hardship; and provided further, that no such relief shall be granted if the condition thereby created would in the reasonable judgment of the Board, violate the provisions of Section 6.14 of this Article or adversely affect the Association’s right or ability to enforce any provision of this Declaration in the future. The decision of the Board in granting or denying such relief shall be final and conclusive. Nothing in this Section 6.18 shall diminish the authority of the Architectural Committee to grant variances and exceptions for matters within the purview of Section 6.2, as more fully described in Subsection 3.7.5, above.

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Notes:

"Lot" is defined in Section 1.17: "Lot" shall mean and refer to any legally segmented and alienable portion of Gold Creek 2A created through subdivision or any other legal process for dividing land and subjected to this Declaration by an appropriate recording, with the exception of dedicated rights of way, Common Areas and / or Tracts.

"Owner" is defined in Section 1.21: "Owner" shall mean and refer to the recorded Owner (whether one or more persons or entities) of fee simple title to any Lot, including the Declarant, Contract sellers, and Participating Builders, but excluding Mortgagees or other persons or entities having such interest merely as security for the performance of any obligation; provided that, purchasers or assignees under Contracts shall be deemed Owners as against their respective sellers or assignors. Where the chain of title to a Lot involves a holder of fee simple title and more than one Contract purchaser, the last

Contract purchaser in such chain of title, i.e., the one who is not also a Contract seller, shall be considered the “Owner” for purpose of this Declaration.

***Amendment 2: Revise the interest rate for non-payment of assessments and charges from 2% per month to 1% per month to be consistent with Washington State law.***

Washington state law limits the interest rate to be charged which can be traced to HOA applicability per the chain of regulations listed below.

RCW [64.38.100](#) (Liens for unpaid assessments—Notice of delinquency) contains guidance to HOAs on the collection of unpaid assessments and assignment of liens and this section contains notes in RCW 64.90.485.

RCW [64.90.485](#) (Liens—Enforcement—Notice of delinquency) requires interest charged on non-payment of assessments and charges to not to exceed the maximum rate calculated under RCW [19.52.020](#).

RCW [19.52.020](#) (Highest rate permissible—Setup charges) caps interest rates to the highest of:

- (a) Twelve percent per annum; or
- (b) four percentage points above the equivalent coupon issue yield (as published by the Board of Governors of the Federal Reserve System) of the average bill rate for twenty-six week treasury bills as determined at the first bill market auction conducted during the calendar month immediately preceding the later of
  - (i) the establishment of the interest rate by written agreement of the parties to the contract, or
  - (ii) any adjustment in the interest rate in the case of a written agreement permitting an adjustment in the interest rate. No person shall directly or indirectly take or receive in money, goods, or things in action, or in any other way, any greater interest for the loan or forbearance of any money, goods, or things in action.

While the existing CC&Rs §4.11 acknowledge the priority of state law over the CC&Rs (*...or such other rate as may be set by the Board and which shall in any event be reduced so as not to exceed the highest rate then permitted by law*) for efficient governance, this should be amended.

We propose the following amendment to the CC&Rs shown in redlined text below.

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Section 4.11. Effect of Nonpayment of Assessments and Charges. If any assessment payment (including Owner Assessments), Noncompliance Charge under Article 6, or other charges to Owners provided herein is not made in full within sixty (60) days after it was first due and payable, the unpaid amounts shall constitute a lien against the Lot assessed and shall bear interest from such due date at a rate of one percent (1%) per month, or such other rate as may be set by the Board and which shall in any event be reduced so as not to exceed the highest rate then permitted by law. By acceptance of a deed to a Lot, recording of a Contract therefore, or any other means of acquisition of an Ownership interest, and whether or not it shall be so expressed in any such deed or other instrument, each Owner shall be deemed to grant thereby to the Association, its agents and employees, the right and power to bring all actions against such Owner personally for the collection of such assessment, Noncompliance Charge, or

other charge as a debt, and to enforce the liens created by this Declaration in favor of the Association by foreclosure of the continuing liens in the same form of action as is then provided for the foreclosure of a mortgage on real property. The liens provided for in this Declaration shall be for the benefit of the Association, and the Association shall have the power to bid at any lien foreclosure sale and to acquire, hold, lease, mortgage, and convey the Lot foreclosed against.