



**MINUTES OF THE ANNUAL MEMBERS MEETING
SUNCADIA RESIDENTIAL OWNERS ASSOCIATION**

Date: Saturday, December 7, 2019
Place: Lodge at Suncadia - Rialto Ballroom

President Gary Kittleson called the meeting to order at 1:10 pm.

Proof of Quorum

A quorum was present and attested to by Secretary Kurt Fresh.

Welcome

President Gary Kittleson welcomed all homeowners to the Annual Meeting

Introduction of Directors, Officers and Key Staff

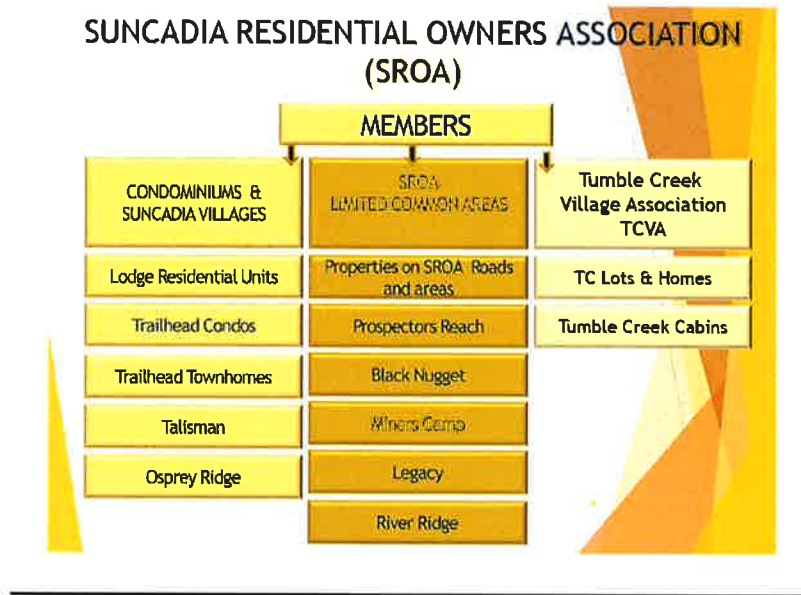
The President introduced the following Directors, Officers and Key staff

Board Members: Gary Kittleson – President; Kurt Fresh – Secretary;
Marnie Schwartz – Treasurer

Management and Key Staff: Michael Bennett- Director; Brian Horstman - Director of Finance; Jennifer Kramer-Director of Design Review and Residential Construction; Paul Kingham – Community Services Manager

Overview of SROA Structure

Michael Bennett gave an overview of the Suncadia Residential Owners Association structure.



Budget Approval

Many thanks to Finance Committee Members: Kurt Fresh, Rob Fleming and Fred Mattison.

Brian Horstman reported on the 2020 Suncadia Residential Owners' Association Budget which Owners were given an electronic link to, prior to the meeting. A question and answer period followed.

The SROA 2019 Assessment Amount (\$400) plus the LCA Assessment (\$50) currently 2019 Assessment is \$450 per quarter, per lot.

The assessment amounts for SROA will increase for 2020 beginning with the January quarterly payments per the budget ratified by the Board and membership at the annual meeting. This is the first assessment increase for SROA / LCA in five years and was necessitated by increasing costs for Snow Removal, Landscape Maintenance, staff Health Insurance and the need for at least 3 months of operating cash for SROA / LCA.

Beginning in January 2020 the new assessment amounts are as follows and will be reflected on owner statements being emailed to all owners before Christmas:

2020 Assessment Amounts, Quarterly per property:

SROA Assessment = \$425

LCA Assessment = \$100

Total Quarterly per Lot = \$525

Additional Neighborhood or Village assessment changes:

- Prospector's Reach Assessments increase by \$25 per quarter
- Osprey Ridge Assessments increase by \$50 per quarter
- Talisman Assessments increase by \$75 per quarter
- Miner's Camp Assessments increase by \$55 per quarter
- River Ridge Assessments increase by \$15 per quarter

Being that there were not 67% of the members present or by proxy to disapprove the 2019 Budget as adopted by the Board, the 2019 Budget was ratified.

Excess Income Rollover Resolution

Gary Kittleson explained the reasons for the rollover resolution. ***The members approved the motion that any excess assessment income, as determined by an Independent Audit, shall be rolled over and applied to the next fiscal year as provided by IRS Revenue Ruling 70-604***

Report on Owners Cabin by Kurt Fresh

Kathleen Horner as the chairman of the Owner Cabin Study Group was absent but provided an update, which was read by Kurt Fresh

Project Plan

2,300 sq. ft. multifunction gathering space. Use for Owner activities:

- Owner meetings
- Movie nights
- Cooking and craft demonstrations
- Wine and beer tastings
- Suncadia Wine and Dinner Club

- Book Clubs
- Lectures and forums
- Sports watching events
- Family game nights
- Kids activities

Owner's Cabin Update

- Approved project cost estimate: \$1,050K
- Firm bids Jan 2019: \$1,400 to \$1,600k
- Reasons due in equal part to:
 1. Significant building cost inflation in current Suncadia construction environment
 2. Utilities infrastructure: underground electrical, water, sewer and natural gas utilities
- Current project estimate with further contingency: \$1,800k
- Funding gap options: Owner-approved Special Assessment or Construction Loan

Owners Cabin Study Group Recommendation

- Place the Project and Funding Gap options on hold until such time as more favorable financial conditions provide an acceptable way forward for Owners
- Wait for information from the Developer about the start/timing of the Retail Village and work to bundle Phase 1 (realize economies of scale)
- Develop and manage expectations (Rules of Engagement) about joint project management between the SROA and the Developer
- Revise project bid package, seek new project bids, and jointly manage the project

Report on Tree Cutting/Timber Trespass

Michael Bennett reminded Owners of the rules and consequences of unauthorized cutting of trees.

Any cutting, pruning or clearing of trees, shrubs or vegetation within any open spaces, conservation easement open spaces, golf course buffers, commercial lands or privately-owned properties without prior explicit written permission of the DRC and the land owner will be considered trespass and civil and/or criminal penalties may apply in addition to Association imposed fines.

The Kittitas Conservation Trust (KCT) was granted the right to preserve and protect all Natural Open Spaces in perpetuity (2004 Natural Open Space Grant of Conservation Easement). The KCT suggests that Suncadia prosecute any timber trespass incidents according to civil and criminal law. Violations occurring in the Conservation Easement areas are considered particularly egregious and even higher civil/criminal penalties and fines may be assessed and adjudicated by authorities.

The removal of any tree that has a diameter greater than 4 inches, as measured 4 feet above grade, or any shrub measuring greater than 5 feet in height, and/or any pruning greater than 30% of the tree height to a maximum of 10 ft must be approved in writing by the DRC.

Failure to obtain explicit written DRC approval for tree/shrub removal/pruning may result in a fine up to **\$2,500** per tree/shrub and/or additional tree/shrub mitigation as specified by the DRC and the land owner. The DRC reserves the right to periodically adjust fines for unapproved tree/shrub removal. Any cutting, pruning or clearing of trees, shrubs or vegetation within any open spaces, conservation easement open spaces, golf course buffers, commercial lands or privately-owned properties without prior explicit written permission of the DRC and the land owner will be considered trespass and civil and/or criminal penalties may apply in addition to Association imposed fines.

Mail Boxes

Senior Vice President of Development, Forrest Huisman updated Owners on the current situation relative to mailboxes. Suncadia continues to work on alternative solutions with the post office.

- The Cle Elum Postmaster has determined that the addition of new, 13 box cluster units for Suncadia and Tumble Creek will be allowed to be added for 13 residents at a time, following USPS confirmation that the next 13 on the waiting list are verified, full time Suncadia / Tumble Creek residents.
- Otherwise, residents may rent a PO box from the Cle Elum post office or Mailboxes Unlimited on First Street in Cle Elum.
- Development is working to develop a mail facility to serve our residents in the future. Planning efforts are currently underway. The schematic site plan was shared at today's Annual Meeting.

Traffic Calming Survey

Michael Bennett discussed recent Board approval for further traffic calming studies to be performed using data collected in summer, 2019.

Initial areas of focus:

- Suncadia Trail (wildlife corridor signs being installed)
- Swiftwater Drive
- Coalmine Way
- Mitigation alternatives
- Sheriff patrols less favored
- Most popular: reflective warning signs near parks, solar-powered speed feedback devices, education
- Speeding is a safety issue to be addressed by SROA

2020 Election Overview

- A Call for Candidates explaining the process and timelines for application for candidacy placed in the weekly updates starting on October 7, 2019
- Two candidates applied prior to close of Nominations on November 8, 2019
- There are two applicants for one position on the Board:
 - Mr. Fred Mattison, and
 - Mr. Darin Wall
- Election was held through a 3rd party voting company (Vote HOA Now). The results were delivered on December 6, 2019 at 12:30 pm. Any paper ballots received at the Annual Meeting were added to the tallies

Election Ballot Results

Fred Mattison received 351 votes and Darin Wall received 191 votes (Congratulations Fred!)

Announcements

Community Associations team member and Fire District 7 firefighter Lonny Butler was recognized for his quick response on a 911 aid call involving a cardiac arrest in Suncadia. Lonny responded from the Community Associations office shortly after 7 am on Friday November 29, 2019 and began CPR until

relieved by District 7 paramedics. The victim was revived and transported to the hospital alive, thanks to fast action and the professionalism of our first responders.

Tom Miller (Chairperson for SROA Advisory Committee) spoke on behalf of Kittitas County Fire Chief John Sinclair, who was unable to attend and related the following to SROA Owners:

- In April 2019 the commissioners of Fire District 7 (Suncadia-Cle Elum) contracted for Fire Chief Services from KVFR. I was selected as the full time Fire Chief for KVFR and part time at District 7—60-70 hours per week
- District 7: Thanks to the help of Cheri Marusa and the I-90 Life Support Fund we have purchased a replacement ladder truck and other needed equipment and training for our firefighters
- Thanks to the generosity of the donors and spending cuts where we could we finished the 2019 budget in a position that we can carryover enough funds to keep our 9 career firefighters on through 2020
- In 2020 we will be bringing either a lid lift (Property Tax Levy increase) or a regional fire authority with either Fire District 3 or 6 to the voters for approval on the ballot
- The Suncadia / Cle Elum fire stations are fully staffed and have hired a volunteer coordinator to enhance the volunteer firefighter program. This is a grant-funded position

Fire District 7 is strong and getting stronger. We will need your help in the future as we build the resources the community needs.

Meeting for the Trailhead Owners follows this meeting in this room at 2:30 pm

Members/Open Forum

The floor was opened to member comments. Brian Horstman and Jennifer Kramer served as moderators.

Several questions were asked about tree and brush removal on owner lots and finished homes. Jennifer Kramer told the members that the Community Associations Forestry staff (Tony Craven and Lance Behrens) are available free of charge to conduct fire safety – Firewise inspections for owners in Suncadia and Tumble Creek.

It was announced that there was a new outdoor artwork (artist: Maria Cristalli) installed and now on view at the central turnabout. The Arts Council of Suncadia paid for the dramatic piece.

Several owners asked why funds for owner social meeting space was added to the SROA operating Budget. Michael Bennett and Kurt Fresh explained that \$5,000 was requested by the Owners Cabin Study group and recommended by the Budget Committee. The funding is intended for owners to book small meeting spaces at the Lodge or locally in Cle Elum / Roslyn for social events since resident social events have outgrown owner host homes.

An owner asked why an Owners Cabin is being considered by SROA when many owners would not use such a facility and would have to help pay for the cabin and annual operating costs.

Kurt Fresh and Michael Bennett provided further details concerning possible project cost shortfall funding to augment the land being donated by the Developer, the \$500K being offered by the Developer and the approximate \$250K now being held in excess operating funds toward the Cabin project. Shortfall funding options include: 1) Special Assessment and, 2) A Construction Loan. Both funding options would require a majority of owners to vote for approval in a special ballot initiative.

There being no further business the meeting was adjourned at 2:40 pm.

Attest:



~~Kurt Fresh~~ – Secretary
FRED MATTISON