

Somerset Creek Condominium Residents Association

Annual General Meeting

January 3rd, 2011

Lake Hills Library

15590 Lake Hills Blvd.

Bellevue, WA 98007

1. Call to Order 7:00 pm
2. Proof of Notice or Waiver of Notice, Establishment of Quorum
3. Approval of the Minutes of the annual general meeting held on 01/07/2010
 - a. Unit 12 Nancy Stewart proposed to accept the minutes
 - b. Unit 01 Warren Miller seconded the motion, which was passed unanimously
4. Reports of the Officers
 - a. President
 - i. Resident Information Updates. Please provide any changes of vehicle information either to Morris Management through Luiza Limona or via the Somerset Creek web site, www.somersetcreek.net.
 - ii. Association ACC Request Documentation. Thank you to home owners who have submitted applications with full project details, drawings and necessary permits. It is important to comply with the bylaws due to the amount of common property on the Somerset Creek complex. All documentation and bylaws are in place to help protect the interests of all home owners.
 - iii. Parking. A reminder to all homeowners to review the rules and regulations regarding parking in visitor spots. Please inform the board of violators and include license plate numbers with your submission.
 - iv. Website. A reminder that the website contains information such as a community calendar, notice of events around the community, board meeting minutes, etc. Please visit www.somersetcreek.net to view the community website.
 - v. Window Replacement. Since the 2010 AGM, the board contacted Puget Sound Energy and requested an inspection on the condition of the windows at Somerset Creek. The inspector stated that he was impressed with the condition of the windows in the community and in his opinion, they do not need replacing at this time. It has been noted that some units could use window caulking. This is an easy home repair. Andreas will perform this at a cost of \$25 per window.
Currently, window replacement is scheduled for 2021 in the reserve study. The board will not request a special assessment for the replacement of the windows in our community. Home owners are allowed to replace windows at their own expense, pending board approval. If a home owner is interested in replacing their windows at their own expense, please contact Luiza.
 - b. Rental Cap Amendment
 - i. The board recognizes the need for the association to adopt a leasing and enforcement amendment to the association's declaration. This is a result of concerns regarding maintaining the "sale-ability" of units in Somerset Creek. If an association has too many renters, lenders will not lend for our complex, which will in turn decrease the property values in the complex. The association has hired Leahy McLean Fjelstad (LeahyPS) to provide legal counsel during this process. LeahyPS is a law firm based in Kirkland that specializes in providing legal counsel to community associations throughout Washington State. Currently, Somerset Creek has 7 confirmed rental units with a proposed rental cap of 10 units. 32 owners have approved the rental

cap amendment, and 5 have disapproved. This is an issue that will affect every home owner. The board would be happy to meet with any home owners and answer any questions you may have.

- c. Treasurer
 - i. 2010 Budget: A recap of the 2010 budget was presented. There are no major budget run over's to report.
 - ii. 2011 Budget: The budget for 2011 presented by Clay Copeland. The 2011 budget included 2% increase in HOD to cover increased cost for utilities.
 - iii. Reserve Study Update: The "Reserve Fund" funds major maintenance, repair, and replacement of common elements, including limited common elements that will require major maintenance, repair, or replacement within thirty years. Per the 2010 reserve study performed by Reserve Consultants Limited, a fully funded reserve balance for Somerset Creek is \$923,860. As of 12/31/2010, Somerset Creek had a total of \$190,227 in reserves. Somerset Creek is currently 20% funded. Somerset Creek will reach "Adequately Funded" status in 2011. For 2011, "Siding Repair" is the only budgeted reserve expenditure which will provide for siding cleaning in the complex.
5. Election of Directors
 - a. Open positions
 - i. The terms of Calley Copeland, Clay Copeland, and Angela Mashlan expired at this AGM. They all have agreed to serve for the 2011/2012 term. It was moved, seconded, and passed to re-elect Calley, Clay, and Angela.
6. Unfinished Business.
 - a. None to report.
7. New Business and Questions
 - a. Several home owners requested that Andreas's contact information be placed on the Somerset Creek web page for future reference.
 - b. All remaining questions and discussions were in regards to the rental cap amendment.

There being no further business, the meeting was adjourned at 8:00PM.

Calley Copeland, Secretary.