

June 16, 2010

TO: Members of the Southfork Homeowners Association

FROM: The Board of Southfork Homeowners Association

RE: Annual Meeting Review

The annual meeting was held on for Saturday, May 22 from 10:00am to 11:00am at the Commons Room at Orting High School. The agenda items included board member positions to fill, financial update, community garage sale, septic update, landscaping and voting on CC&R changes.

Updates:

- **Community Drainfield: PLEASE READ THIS SECTION, IT IS VERY IMPORTANT!!!!!!**

The HOA board cannot stress enough how important it is that we get our community drainfields back on track. Currently the majority of them are receiving sludge from homeowners personal tanks. The way the system is designed there should be zero sludge coming from homeowners tanks. If we continue to allow this to happen it is only a matter of time before we will plug up the pipes and the drainfields will fail. Some are already showing signs of plugging.

The cost to replace 1 drainfield has been estimated at around \$40,000.

We have 12 drainfields so we are looking at the potential to put out around \$480,000 if and when they all fail.

Our annual dues collected this year at \$284 per homeowner will put \$21,584 into our account. You can see in our financial report the things that money is spent on throughout the year and obviously that number decrease until the next round of annual dues are collected. So even at our peak of the financial year we do not have enough to even replace 1 drainfield.

If 1 drainfield fails we will not have the funds on hand to fix the situation and will be forced to send each homeowner a special assessment that will be due within 30 days, (Article 7 – Assessments & Article 8 – Collection of Assessments).

Each homeowner shares the responsibility for each of the individual drainfields. So regardless of whether you are on a drainfield that fails, you will still be responsible for paying for your portion of the cost via the special assessment. That special assessment could be a minimum of \$400 per homeowner if 1 drainfield fails or up to \$6,300 per homeowner if all 12 fail. Not to mention the possibility that a homeowner on a failed drainfield would not be able to utilize their own tanks until the drainfield is replaced, which could take weeks to a month to complete by the time engineering, permitting and the actual work are completed.

14 homeowners volunteered at the annual meeting to take advantage of the reduced inspection and pumping rates that the HOA board had negotiated with Flohawks. The HOA board is willing to organize another round of group participation. We would like to strongly encourage the rest of the neighborhood to sign up to either have their personal tanks inspected or pumped. The cost of an inspection is \$110 and will determine if you need pumping or not. The cost to pump is a flat rate of \$325 no matter the volume pumped. If you opt for an inspection and it is determined that you need

pumping, you will only pay the pumping fee. There is also an additional \$20 filing fee paid to Pierce County by Flohawks for every pumping.

The board would like to think that every homeowner sees the wiser choice in this situation is to pay the \$110 or \$325 right now for an inspection or pumping of their personal tanks in order to avoid the above situation. The board needs to start tracking this information in order to do the best possible job maintaining these community systems.

These drainfields belong to all of us and it is each and every homeowners responsibility to assist the board in maintaining these systems. The board would like to encourage a homeowner from each group of homes on a drainfield to volunteer to represent the homeowners on that drainfield to help the board with communication and collection of homeowners tank status. If you would like to volunteer to help please email the board.

If you would like to sign up for the group rate of inspection or pumping please email the board at southforkestates@hotmail.com and provide your contact information.

- **Board Member nominations and voting for two expiring positions/terms:** The terms for Pat Eppright and JD Watson have expired and we received two volunteers to fill their positions, Kendall Lysene and Mike Eyles. Positions have been determined.

President- Kevin Lewis
Vice President- Kendall Lysene
Treasurer- Jackie Suchan
Secretary- Wendy Morse
Member-at-Large- Mike Eyles

- **Changes to the CCR's:** Voting was conducted for the proposed amendments to the CC&R's. Unfortunately due to the number of homeowners that failed to turn in their proxy votes all measures were not approved since non-votes count as a "no" vote. Additionally the board is required to get approval from the lender of any homeowner with a FHA/HUD/VA type of loan. Since the board has no record of which homeowners have these types of loans this cannot be completed at this time. In regards specifically to the amendment proposed to require homeowners to provide information on the last date of service to their personal tanks; our lawyer informed us that there was no need for an amendment of this type. Instead this request for information would fall under the general responsibility of the board to promote the safety, welfare and success of the neighborhood. As a result of the above the board has decided to table the amendments pertaining to "approval percentage" and "half-price dues for board members" due to the hurdles present at this time. Future effort will be made.

Voting results:

Amendment #1- Reducing the percentage needed for approval of amendments from 67% to 51%.
Yes-36 No-38 Non-votes-20
Amendment #2- Requiring homeowners to provide proof of last service to personal septic tanks.
Yes-35 No-39 Non-votes-20
Amendment #3- Reduced HOA dues for actively participating HOA board members by 50%.
Yes-45 No-28 Non-votes-20

- **Annual Dues:** 53 out of 76 homeowners have paid their dues to date, they were due on June 1st for the amount of \$284.00

- **Garage Sale:** Kevin & Jessica Lewis are organizing it. The date for this years garage sale has been set for June 25 – 27. We are currently making new and more permanent sandwich board style signs to put out during the garage sale weekend.