



Ridgewater Homeowners' Association
C/O Peterman Inc.
P.O. Box 8748
Bend, OR 97701

ANNUAL REPORT TO THE RIDGEWATER HOMEOWNERS ASSOCIATION FOR 2008

According to By-Law 6.2, the Board shall meet at least annually. At each annual meeting, in addition to the actions required by the Declaration, the treasurer shall present to the Board a report on the financial condition of the Association, including a report of receipts and disbursements for the preceding calendar year, the allocation thereof to each Lot, and the estimated receipts and expenses for the coming year (adopt an annual budget). The annual meeting was held on January 13, 2009. Please see the minutes in this mailing.

This narrative along with the accompanying 2008 Income and Expense Statement (page 5) and the 2009 adopted budget (page 4) comprise our annual report to the membership.

The 2008 Board was comprised of elected Directors Robert Beidermann (President), Scott Haynes (Vice-President), Carlton Yee (Secretary-Treasurer), and Joe Julian. Jeff Bailey was appointed to fulfill the vacant Directors term that was unfilled in the December 2007 election.

2008 Highlights:

- 1. Association Management:** The Board continues to use a self-management model with Peterman, Inc. providing bookkeeping services. Since 2006, this has proven to be an economical and satisfactory management model with the Board providing direction to the bookkeeping service. The Secretary-Treasurer acts as the principle liaison with the bookkeeping service
- 2. Reserve Funds Management-**The Board continues to place \$120 per paid lot into the Reserve Fund each year. Initially the Reserve Funds are kept in a Money Market (MM) Fund. When a large enough amount is gathered, the Reserve Funds are put into a series of "laddered" Certificates of Deposit (CD). These CDs provide a higher rate of interest than the MM fund and are judged, by the Board, to not be needed for short-term financial needs. The Reserve Funds are collected according to a Reserve Asset Management Plan and Needs Assessment so when repair or replacement of common assets, such as streets, is needed, sufficient funds will be available to carry out the repairs or replacement.
- 3. Street Maintenance-** Cracks were sealed so as to prolong the life of our streets. It is anticipated that in about 2010 years the streets will possibly need to have slurry and/or chip sealing that may run as high as \$18,000. An evaluation will be made each year to determine the timing of such a treatment.

4. Written Documentation- The Board continues its policy that all actions, such as CCR Violation Warnings or the adoption of interpretations and implementations of CCRs through resolution and rules, **will be in writing**. All complaints to the Board or request for actions or consideration from the Board will also be in writing before the Board considers or acts on such requests.

5. Policing of Dogs in Commons Park: The Board is aware that some HOA members are not picking up after their dogs that defecate in the Commons Park. If a neighbors dog is seen roaming loose or not on leash a HOA fine can be imposed. Any Association member may also report the loose dog to the Police/Animal Control and have it picked up.

6. Legal Actions Undertaken in 2008: There was a large increase in delinquent lot owners on July 1, 2008, the date when dues became late. This compared to two lots the year previously. By Oct. 1, 2008, the number had decreased to four owners in delinquency.

Three homes are currently in default (about to be foreclosed by the Lender) or in foreclosure/REO status. These are Lots 11 (formerly owned by Sonny Hamers), Lot 12 (owned by Daniel Thebeau, in default and due to be foreclosed on Feb. 6, 2009) and lot 25 (owned by Toby Witt, in default and due to be foreclosed on April 22, 2009). Liens have been placed on all of these properties such as when they are purchased through a short or foreclosure sale the HOA dues will be paid by the purchaser.

One other lot has had a lien placed on them for non-payment of assessments, Lot 42 (owned by Kevin Tennison).

It is the responsibility of each member of the HOA to be familiar with the Bylaws, CCRs, and adopted Resolutions. A brief recapitulation is provided here regarding the payment of assessments (dues):

- A. Annual HOA assessments (dues) are to be **received** by the Association on or before June 30 of each year. These dues are currently \$480 per year.
- B. If Annual HOA assessments (dues) are not received by the due date a **late fee** of 10% (\$48) will be assessed. A **rebilling fee** of \$15 will be charged for each month rebilling is necessary.
- C. All past due assessments will be charged an **interest rate** of 18% a year (1.5% per month).
- D. After 60 days of non-payment, the Board will file a **lien** against the property. Such lien will result in a **lien preparation charge** (currently \$100) and a **lien-filing fee** (currently \$25) being added to the amount owed. Clearing of the lien after payment in full will include a **clearance-filing fee** (currently \$20) and a **lien clearance preparation charge** (currently \$30).. An interest rate of 18% a year (1.5% per month) will continue to be assessed while the lien is in effect.

6. Election Results for 2009 Board: Only two nominations were made for the two available Board Directors' positions. Bob Beidermann and Scott Haynes. Both incumbents were declared the winners by acclamation and will serve thru Dec. 2010.

**MINUTES
2009 ANNUAL MEETING
July 13, 2009**

The minutes were called to order at 7:11 PM by Sec.-Treasurer Carl Yee in the absence of President Bob Beidermann. Board Directors present were: Scott Haynes, Jeff Bailey and Joe Julian. HOA lot owners present were John Robertson.

1. The election of Scott Haynes and Bob Beidermann to the two open Board Directors positions was validated and unanimously accepted by the Board (Julian moved, Bailey seconded). Haynes and Beidermann will serve through Dec. 2010.
2. The 2008 financial summary was reviewed. The financial status of the Association was reviewed and was found to be in excellent shape. The 2008 financial summary can be found in the 2008 annual report.
3. The 2009 Budget was reviewed. It was moved by Haynes to approve the 2009 Budget. Bailey seconded. The vote was unanimous to approve. The 2009 Budget can be found in the 2008 annual report.
4. Old Business: The Board directed Sec.-Treasurer Yee to proceed with a violation notice and fine against Lot 25 (Witt) for failure to finish his house according to the approval letter issued by the ARC and within the statutory 12-month period that expired on October 31, 2008. A letter of warning had previously been issued.
5. New Business: The Board directed Sec.-Treasurer Yee to proceed with a warning of violation to Kohlers for their rental on Lot 30. Violations will include lack of maintenance, trash allowed to accumulate in rear yard, litter and cans repeatedly thrown into front yard and side gates left open to show rubbish, tires and other debris in side yard.
6. Public Comment period: John Robertson discussed questions he had with the CCRs and Bylaws.

The meeting was adjourned at 8:30 PM.

Respectfully Submitted,

Carlton S. Yee, PhD
Sec.-Treasurer

2009 Adopted Budget		Ridgewater HOA
ACCOUNT NAME	2009 Budget	
Income		
Operating Dues(51*\$30*12)	\$16,200	est. 6 lots-REO or Liened
Reserve Dues (51*\$10*12)	\$5,400	est. 6 lots-REO or Liened
Homeowner Fines	\$50	
Interest	\$300	
Other Income	\$200	
Capital Contribution (from Reserves)	\$0	
Total Income	\$22,150	
Expenses		
Commons Grounds		
Lawn Service	\$5,500	
Commons Fence	\$500	
Catch Basins	\$2,200	
Snow Removal	\$1,000	
Irrigation Repairs(2)	\$400	
Commons Trees-Bubblers	\$0	
Irrigation Water	\$2,800	
Kiosk Electricity	\$250	
Sub-Total	\$12,650	
Office Expenses		
HOA Bookkeeping (Peterman)	\$1,500	
Legal Fees	\$300	
Insurance	\$250	
Postage	\$80	
Office Supplies	\$100	
Taxes	\$200	
Audit-Tax Return(4)	\$100	
Misc.(3)	\$100	
Sub-Total	\$2,630	
Total Expenses	\$15,280	
Deposit to Reserve Account	\$5,400	
Estimated Surplus/Deficit	\$1,470	

Ridgewater Homeowners Association
Profit & Loss
January through December 2008

	<u>Jan - Dec 08</u>
Ordinary Income/Expense	
Income	
Transfer Fees	100.00
Finance Charges	121.30
Dues	24,480.00
Fines	695.60
Total Income	<u>25,396.90</u>
Expense	
Income Taxes	69.08
Property Taxes	40.04
Corporate Taxes	50.00
Insurance	
Liability Insurance	191.00
Total Insurance	<u>191.00</u>
Legal & Accounting	
Lien Recording Fees	157.00
Bookkeeping Services	1,197.50
Total Legal & Accounting	<u>1,354.50</u>
Office Supplies	149.80
Postage and Delivery	51.22
Repairs & Maintenance	
Street Maintenance	904.00
Catch Basin Cleanout	960.00
Irrigation	496.80
Landscaping	6,899.00
Snow Removal	520.00
Total Repairs & Maintenance	<u>9,779.80</u>
Utilities	
Gas and Electric	227.54
Water	2,805.76
Total Utilities	<u>3,033.30</u>
Total Expense	<u>14,718.74</u>
Net Ordinary Income	10,678.16
Other Income/Expense	
Other Income	
Interest Income	368.85
Total Other Income	<u>368.85</u>
Net Other Income	<u>368.85</u>
Net Income	<u><u>11,047.01</u></u>