



**Ridgewater Homeowners' Association**  
**P.O. Box 716**  
**Bend, OR 97708**

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## **ANNUAL REPORT TO THE RIDGEWATER HOMEOWNERS ASSOCIATION FOR 2010**

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 11, 2011**. Please see the minutes in this report (Page 4).

This narrative along with the accompanying 2010 Income and Expense Statement (page 5) and the 2011 adopted budget (page 6) comprise our annual report to the membership.

The 2010 Board was comprised of elected Directors Robert Beidermann (President), Scott Haynes (Vice-President), Carlton Yee (Secretary-Treasurer), and Joe Julian and Jeff Bailey. Two Directorships were open for nomination and election at the end of 2010. However, only two candidates came forth and an election by acclamation was declared. The two newly elected Directors are Jeff Bailey, currently a Director, and Jeff Ferrell is our new member. Their terms are through December 2012. Director Scott Haynes stepped down after four years of service to the HOA.

### **2010 Highlights:**

**1. Association Management:** The Board continues to use a self-management model with Directors performing all administrative functions. Unfortunately due to the local economic conditions and downturn our bookkeeper, Peterman Inc., closed her business. The board decided to assume the bookkeeping functions also. To insure adequate financial checks and balances, the Board scrupulously follows our by-laws in requiring two Directors to sign each check. Since this change, management and financial accounting has progressed smoothly. A few important highlights for the last year are:

**A.** Income was about 108% of budgeted, even though five lots owners were delinquent in their 2010 dues at the end of the year. (We had based the 2010 budget on 4 lots being unpaid) Fines for violations, interest on Reserve Funds and miscellaneous fees helped to reach and slightly exceed our budgeted income forecast. In almost all cases, the fines and other income were paid by the banks or new owners of the five foreclosed or short-sale homes that changed hands in the Association. In two cases, our HOA was required to write-off past year's delinquent dues from bankrupt owners.

**B.** Expenses remain under good control (see 2010 Income and Expense Summary (page 6) even though we were required to spend considerably over-budget to bring our dry wells up to Oregon DEQ standards. The past vendor did not advise us of

shortcomings in our systems, but the new vendor has corrected these past over signs. Even with these overages, our expenses came in under-budget at 93%.

C. Our cash position increased from \$62,966 at the end of 2009 to \$66,516 at the end of 2010, an increase of \$3,549. Currently, the number of delinquent Association owners had increased to five owners in delinquency.

D. The five lots/homes are:

<b>Lot No.</b>	<b>Owner</b>	<b>Status</b>
12	Thebeau	Foreclosed, owned by Lender
6	Marken	Default, Short-Sale
39	Baltazar	Default
41	Aller	Liened
7	Matejsek	Default, Loan Modification, filed for bankruptcy

Liens have been placed on all of these properties.

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 \$50) being added to the amount owed. Clearing of the lien after payment in full will include a **clearance-filing fee** (currently \$50) and a **lien clearance preparation charge** (currently \$50).. An interest rate of 18% a year (1.5% per month) will continue to be assessed while the lien is in effect.

C. 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.

2. **Street Maintenance-** Cracks were sealed for the third time in 2010 so as to prolong the life of our streets. It is anticipated that in 2011, the streets will need to have slurry and/or chip sealing that may run as high as \$15,000. The Board is proposing in the 2011 Budget to do this major project. No special assessment will be required, as the Reserve Funds have been accumulated for this project.

3. **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.

4. **Future Issues that Members Should be Aware of:**

- A. Most of the homes in Ridgewater were built 4 to 5 years ago. In this environment, repainting is quite possibly needed on a number of homes in the subdivision. In 2009, written complaints were received on two homes in our neighborhood. The Board found the complaints were justified and violation warnings were issued under CCR 9,12B. Both homes were repainted and no fines were issued. The Board recommends that each resident inspect their house to see if repainting is going to be necessary. Excessive fading and chipping of paint are clues to the need to repaint. Because of the lead-time to get bids, contracts and perform the painting, thinking about this now is advised. Painting cannot be reasonably assured after the end of September in Central Oregon.
- B. The Board would also like the members to be aware that repainting will require pre-approval by the **Architectural Review Committee (ARC)** IF the paint color scheme is to be changed. If the paint color scheme will remain the same, NO approval is required.
- C. Landscaping changes may be in the minds of some residences in 2010. The Board would also like the members to be aware that **MAJOR** landscaping changes will require pre-approval by the ARC. Minor changes will not require approval. However, the removal of trees over four inches in DBH requires ARC approval. If in doubt, please ask before beginning work.

The Board thanks the HOA membership for their support and cooperation this last year.



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**C/O POB 716**  
**Bend, OR 97709**  
[www.ridgewaterhoa.org](http://www.ridgewaterhoa.org)

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### MINUTES-ANNUAL MEETING FOR 2011

The 2011 Annual Meeting was held on January 11, 2011 at 7 PM, Bend Community Center.

A quorum of Directors was present: Bob Beidermann-President, Jeff Bailey and Joe Julian, Directors at Large.

Directors absent were Carlton Yee-Secretary Treasurer and Scott Haynes-Vice President.

HOA Members Present: Sandra Coleman.

The first order of Business was the certification of the election of Jeff Bailey and Jeff Ferrell as Directors whose terms run through December of 2011. Scott Haynes stepped down from the Board after 4 years of service. The Board for his service expressed much thanks.

The Board accepted the pro-forma draft of the 2010 annual income and expense financial report. The final report will be posted on the HOA website before the end of January 2011.

The Board accepted the proposed 2011 Budget. After discussion and review, the 2011 Budget was approved. It will also be available on the website before the end of January 2011.

New business-none discussed

Meeting adjourned at 8 PM.

Respectfully submitted,

Robert Beidermann  
President



**2011 Ridgewater HOA Adopted Budget**

**ADOPTED**

ACCOUNT NAME	2010 BUDGET	COMMENTS
<b>Income</b>		
Operating Dues(47*\$30*12)	\$16,920	est. 4 lots delinquent/liened
Reserve Dues (47*\$10*12)	\$5,640	est. 4 lots delinquent/liened
Homeowner Fines	\$100	
Interest	\$500	includes CDs and MM
Other Income	\$200	Misc fees recovered
Capital Contribution (from Reserves)	<b>\$10,000</b>	For surface sealing
<b>Total Income</b>	<b>\$33,360</b>	
<b>Expenses</b>		
<b>Commons Grounds</b>		
Lawn Service	\$5,100	
Commons Fence	\$200	Possible minor repairs
Catch Basin Servicing	\$2,500	Clean outs, possible 2X
Snow Removal	\$500	
Commons Tree Replacement	\$1,000	
Commons Park Mainteneace	\$300	Swing, benches, etc.
Irrigation Repairs	\$250	
Annual Road Maintenance	\$300	Signs, etc
<b>Surface Sealing</b>	<b>\$13,860</b>	<b>Estimate PAS (Note 1)</b>
Irrigation Water	\$1,500	
Kiosk Electricity	\$250	
<b>Sub-Total</b>	<b>\$25,760</b>	
<b>Office Expenses</b>		
Legal Fees	\$300	lien prep, etc.
Insurance	\$250	
Postage	\$180	
Office Supplies	\$100	
Taxes	\$100	
Misc.	\$100	
<b>Sub-Total</b>	<b>\$1,030</b>	
<b>Total Expenses</b>	<b>\$26,790</b>	
<b>Deposit to Reserve Account</b>	<b>\$5,640</b>	
<b>Estimated Surplus/Deficit</b>	<b>\$930</b>	

Note 1: Pacific Asphalt Sealing did last crack sealing and test patch of sealing near Park.