

2019

***INFORMATIONAL MEETING
SUMMARY OF ELECTION ISSUES:***

CANDIDATES

AND

RESOLUTIONS

2019 Informational Meeting

BOARD CANDIDATES

LONNY BAYS
SOOZE FITSIK

TITLES OF RESOLUTIONS TO BE VOTED UPON

A RESOLUTION ...

2019-03-01 A Resolution to Comply with RCW 64.38.045 Regarding the Annual Audit

2019-03-02 A Resolution to Approve the 2018 Annual Membership Meeting Minutes

2019-03-03 A Resolution to Ratify the 2020 Budget

2019-03-04 A Resolution to Remove the Loop Lane Restroom and Return this Area to its Natural State

2019-03-05 A Resolution Concerning Volunteer Background Checks

2019-03-06 A Resolution to Amend the Rules and Regulations Concerning Certificates of Water Availability "COWA"

2019-03-07 A Resolution to Implement Full Service Professions Property Management

2019-03-08 A Resolution Concerning Criteria to be on the Board of Directors

2019-03-09 A Resolution to amend Section V. Board of Directors, amending subsections 1. And 5. and adding subsection 8. To Clarify Resignations and Appointment of Directors to Open Seats

2019-03-10 A Resolution to Clarify the Use of Assessment Portion of Operations that is designated for Sheriff Patrols

2019-03-11 A Resolution to Amend the ByLaws Defining Mandatory Criminal Background Checks, Conflicts of Interest, Contract Requirements, Insurance, and Certification requirements for Contractors contracting with the Clearwood Community Association

RESOLUTION NO. 2019-03-01

A Resolution to Comply with RCW 64.38.045 Regarding the Annual Audit

WHEREAS, RCW 64.38.045, (3) states that: *At least annually, the association shall prepare, or cause to be prepared, a financial statement of the association. The financial statements of associations with annual assessments of fifty thousand dollars or more shall be audited at least annually by an independent certified public accountant, but the audit may be waived if sixty-seven percent of the votes cast by owners, in person or by proxy, at a meeting of the association at which a quorum is present, vote each year to waive the audit;* and,

WHEREAS, according to the Amended Protective Covenants of the Clearwood Community Association, the Board of Directors is responsible for the enforcement of same; and,

WHEREAS, the Board of Directors consider it to be prudent practice to have an annual audit for fiscal year 2020;

THEREFORE, BE IT RESOLVED that the financial audit for fiscal year 2020, by an independent certified public accountant, shall not be waived.

RESOLUTION NO. 2019-03-02
A Resolution to Approve the 2018 Annual Membership Meeting Minutes

WHEREAS, according to the Amended Protective Covenants of the Clearwood Community Association, the Board of Directors is responsible for the enforcement of same; and,

WHEREAS, the Minutes of the 2018 Annual Membership Meeting were published on Clearwood's Web Site and available in the office; and,

WHEREAS, RCW 64.38.035 states as follows;

Association meetings — Notice — Board of directors.

(1) A meeting of the association must be held at least once each year. Special meetings of the association may be called by the president, a majority of the board of directors, or by owners having ten percent of the votes in the association. The association must make available to each owner of record for examination and copying minutes from the previous association meeting not more than sixty days after the meeting. Minutes of the previous association meeting must be approved at the next association meeting in accordance with the association's governing documents.

THEREFORE, BE IT RESOLVED THAT the 2018 Annual Membership Meeting Minutes be approved.

RESOLUTION NO. 2019-03-03
A Resolution to Ratify the 2020 Budget

WHEREAS, according to the Amended Protective Covenants of the Clearwood Community Association, the Board of Directors is responsible for the enforcement of same; and,

WHEREAS, the Board of Directors has designated August 17th, 2019 as the date of the owners meeting (regular Annual membership Meeting) to consider ratification of the 2020 budget and 2020 major reserve projects; and,

WHEREAS, we are voting on the budget in accordance with the Revised Code of Washington (RCW) 64.38.025 paragraph 3; and,

THEREFORE, BE IT RESOLVED that the board approved 2020 budget be ratified by the membership.

****PENDING ACCOUNTING SERVICES FINALIZING REPORTS**

BOARD RESOLUTION NO. 2019-03-04

A Resolution to Remove the Loop Lane Restroom and Return this Area to its Natural State.

WHEREAS, according to the Governing Documents of the Clearwood Community Association, the Board of Directors is responsible for maintaining amenities in the common areas of Clearwood; and,

WHEREAS, the Governing Documents do not directly reference the removal of amenities from, or the changing of the use of, common areas, and

WHEREAS, the Board of Directors interprets this Covenant to mean that membership approval is required to permit removal of existing amenities and changing of the use of common areas, and requests the membership to approve, and

THEREFORE, BE IT RESOLVED, that the Loop Lane Restroom be removed and the area returned to its natural state due to the cost of repairing the restroom and maintaining such outweighing the benefits being provided to the community.

BOARD RESOLUTION NO. 2019-03-05
A Resolution Concerning Volunteer Background Checks

WHEREAS, according to the Amended Protective Covenants of the Clearwood Community Association, the Board of Directors is responsible for the enforcement of same; and,

WHEREAS, the Board has adopted this member resolution for the 2019 Annual election ballot; and,

WHEREAS, the safety and welfare of the Clearwood Community Association members, their families, guests and property must be a top priority for the Board of Directors; and

WHEREAS, nothing in our bylaws prevents a felon or person convicted of a misdemeanor from volunteering within the community or be on the Board of Directors; and

WHEREAS, the law of the state of Washington specifically prohibits the Board of Directors from determining their own responsibilities (RCW 64.38.25 (2)), instead relying on membership to determine what they require from their Board.

THEREFORE, BE IT RESOLVED THAT, it is a responsibility of the Board of Directors to ensure that all volunteers must pass a Clearwood Community Association criminal background check prior to being seated, elected or otherwise volunteering.

And that passing a Clearwood Community Association criminal background check is as follows; No Felony convictions and no misdemeanor convictions within the last 10 years.

And it is further the responsibility of the Board to ensure that those candidates for vacant seats on the Board of Directors must pass a Clearwood Community Association criminal background check prior to having their name being presented to the membership for election.

AND THEREFORE, BE IT FURTHER RESOLVED THAT this resolution goes into effect immediately upon the affirmative vote of the membership at the 2019 annual membership meeting.

RESOLUTION NO. 2019-03-06
A Resolution to Amend the Rules and Regulations
Concerning Certificates Of Water Availability “COWA”

WHEREAS, according to the Amended Protective Covenants of the Clearwood Community Association, the Board of Directors is responsible for the enforcement of same; and,

WHEREAS, per our Rules & Regulations E(5) the collection of construction impact fees and a Certificate Of Water Availability “COWA” is required to install a septic system and/or build a house in Clearwood.

WHEREAS, clarification regarding the transfer of COWAs is needed.

THEREFORE BE IT RESOLVED that the Rules and regulations, H.(7a.2) be amended as follows:
New language in BOLD and language to be deleted is struck through.

2. “COWAs fees are not refundable but are transferable with the lot. COWAs may not be transferred to a different lot.
3. COWAs will be issued with an expiration date not to exceed one year. If the County permit is not obtained within that time limit the COWA will be voided and fees are non- refundable.

RESOLUTION NO. 2019-03-07
A Resolution to Implement Full Service Professional Property Management

WHEREAS, the powers of the Association shall be vested in a Board of Directors. It is the responsibility of the Board of Directors to enforce the protective covenants and restrictions of the Association, and
Whereas, the Clearwood Community Association (CCA) has struggled for several years to maintain a consistent fully seated volunteer Board of Directors resulting in a lack of continuity and wasted effort; and

WHEREAS, the CCA has suffered significant criminal financial loss to accounting fraud in excess of \$300,000 over the last 4 years due in part to the inexperience and trust of an unpaid, part-time volunteer Board of Directors, many of whom have full-time jobs outside the community; and

WHEREAS; the CCA has difficulty maintaining technology standards leaving the community vulnerable to continued fraud, cybercrime, and risk to records retention involving residential information and governance records; and

WHEREAS; the CCA continues to see the biased and inconsistent application of property standards and violations of the governing documents to include lack of control in the effective administration of building permits and the selective enforcement of said governing documents, and;

WHEREAS; the CCA has struggled with the management of the Reserves funding and largescale projects such as the Well Project, Gates project, and Road and Water upkeep due to lack of experience of Maintenance staff in project and infrastructure maintenance and control; and

WHEREAS; the CCA Office staff lacks the necessary skills and experience to handle financial matters related to property transfers, demands, accounts in arrears, timely payment of debts, record retention, personnel matters; and other administrative duties; resulting in negligent loss; and

WHEREAS; the above-mentioned issues could be resolved with the assistance of a Professional Management Company working with and under the supervision of the Board of Directors to professionally manage operational and administrative responsibilities to include but not limited to:

- Accounting services: including but not limited to sending late notices, delinquency letters, recording liens, assisting with annual budget development and prepare the Association's federal tax return for filing
- Communication: newsletters, a secure portal where owners can view their accounts, download documents and other important information, as well as an outside opinion for complaints, and contact through emails
- CC&R Enforcement: To preserve our community relationships by serving in the role of a neutral third party by working with the Board and individual homeowners to bring their properties back into compliance.

WHEREAS, if left to continue in the manner that has prevailed over the last several years, puts the community at risk of large-scale assessment increases, diminishing property values, and civil liability for failure to maintain fiduciary responsibilities to the owners in the CCA,

THEREFORE BE IT RESOLVED, that the passing of this resolution by the Membership at the August 2019 Annual Election serve as notice to the Board of Directors that it is the Community's desire to implement full-service professional property management from a firm or company that can administer in total the Operational and Administrative Functions of the CCA keeping within the Operational Budget pending for fiscal year.

2019 Informational Meeting

RESOLUTION NO. 2019-03-08
A Resolution Concerning Criteria to be on the Board of Directors

WHEREAS, according to RCW (Revised Code of Washington) 64.38.025 (1), "Except as provided in the association's governing documents or this chapter, the board of directors shall act in all instances on behalf of the association.", and

WHEREAS, our Bylaws state that "To run or serve as a Clearwood Board Director one must be a current Clearwood member in good standing." Only owners of property in Clearwood can be a member, and

WHEREAS, Section V, Paragraph 1 of our Bylaws state: "The Board of Directors may fill vacancies in its membership but the Board "shall not act to determine the qualifications of members of the Board of Directors and

WHEREAS, the Board of Directors has seated on the Board two new directors who are not listed as owners of property in Clearwood according to Thurston County property records (which is how the Board verifies property ownership), and

WHEREAS, the Board justified their decision to seat non-owners on the Board because the two new directors are either are married to or partners of the registered owners and because Washington is a community property state, and

WHEREAS, there are numerous reasons why a spouse/partner may not be listed as a property owner, including but not limited to:

1. Financial considerations
2. The property was purchased prior to the marriage/partnership or is part of an inheritance
3. The property was purchased after the marriage/partnership and the couple chose to have only one spouse/partner as the owner of record. One of the reasons for this could be that the affected spouse/partner agrees that this is not community property, and

WHEREAS, using the justification that a non-property-owning spouse/partner can be a director on the Board, the Board will have to have each non-property owner spouse/partner vetted by the attorney at increased cost to our members, and

WHEREAS, the easiest, cheapest and most clear-cut verification of ownership would be to use Thurston County property records, as has been done for years in Clearwood.

THEREFORE BE IT RESOLVED that the following language be amended in our Bylaws, Section V. BOARD OF DIRECTORS, paragraph 2, to clarify how the Board shall determine who is the owner of property in Clearwood. The added language is in italics.

To run or serve as a Clearwood Board Director one must be a current Clearwood member in good standing. The person or persons listed in Thurston County Property Records will solely be used by the Board to determine ownership and thereby membership in the Clearwood Community Association.

THEREFORE BE IT FURTHER RESOLVED, should this member resolution pass, that all directors voted

onto the Board in 2019 by the membership must meet the aforementioned criteria or they are not elected to the Board.

2019 Informational Meeting

Resolution 2019-03-09
A Resolution to Clarify Resignations and Appointment of Directors to Open Seats

WHEREAS, according to the Amended Protective Covenants of the Clearwood Community Association, the Board of Directors is responsible for the enforcement of same, and

WHEREAS, according to RCW (Revised Code of Washington) 64.38.025 (1), "Except as provided in the association's governing documents or this chapter, the Board of Directors shall act in all instances on behalf of the association." ,

WHEREAS, according to RCW 64.38.025 (2), "The Board of Directors shall not act on behalf of the association to amend the articles of incorporation, to take any action that requires the vote or approval of the owners, to terminate the association, to elect Members of the Board of Directors, or to determine the qualifications, powers, and duties, or terms of office of Members of the Board of Directors; but the Board of Directors may fill vacancies in its Membership of the unexpired portion of any term."

WHEREAS, Section V. 5. Of the Association By-Laws states "any vacancy occurring in the Board of Directors shall be filled by appointment by a majority of the remaining Directors. The person so appointed shall hold office until his successor has been duly elected and qualified", and

WHEREAS, the Membership has expressed concerns regarding the manner in which vacancies on the Board of Directors are filled;

THEREFORE BE IT RESOLVED that Section V, Subsection 1 and Subsection 5 of the Association Bylaws be amended and that new Subsection 8 be added, as follows:

V. BOARD OF DIRECTORS

1. The Board of Directors shall not act on behalf of the Association to amend the Articles of Incorporation, to take any action that requires the vote or approval of the owners, to terminate the Association, to elect members of the Board of Directors, or to determine the qualifications, powers, and duties, or terms of office of members of the Board of Directors, and duties of office of members of the Board of Directors, but the Board of Directors may fill vacancies in its membership in accordance with Section V. Subsection 5.

5. In the event of a vacancy on the Board of Directors, the remaining Directors may appoint an interim director, who shall be sat until the next Annual Meeting, or any special meeting held for the purpose of electing Directors, in accordance with the following procedures:
 - a. The Board of Directors must provide thirty (30) days' notice of the vacancy(ies), requesting letters of interest for the vacancies, and instructions for submitting letters of interest. Such notices will state the date by which the Letters of Interest must be submitted and state the date and time of the Meeting at which the seating will occur.
 - b. The Secretary of the Board of Directors will verify the following has been completed by office staff or responsible party as designated:
 - i. An interested party must complete a background check application at least one week prior to the meeting
 - ii. Validate the member is in good standing and all accounts are paid in full or a promissory note signed

- iii. Confirm with the Violations Committee that the prospective candidate has no open violations. Members with open violations will not be eligible to sit on the Board until the violation is remedied and all fines (if applicable) are paid, regardless of appeal status.
 - iv. Confirm with office staff the interested party is an owner as defined by the Clearwood Attorney and following established policy
- c. A copy of all documentation avowing the member is able to be seated will be prepared and presented to all Directors at least two (2) days prior to the meeting date for their review
 - d. At any regular Meeting of the Board of Directors or any Special Meeting of the Board of Directors that has been announced at least one week in advance by means of electronic transmission, posting on the Community website and Social Media pages, Gates and Community mailboxes in such a fashion as to be visible to Members from a vehicle, the Board will meet with those interested to hear their interest and take comments from Members in attendance
 - e. After all comments are received, the Board of Directors will discuss the interested party's relevancy to a Board seat. They may consider, but not require, information such as length of time in the community, relevant experience on previous boards (Clearwood and non-Clearwood) and committees, volunteer and other efforts within Clearwood, work or other volunteer experience that is relevant to the responsibilities a Director might have, and other types of objective unbiased facts. The Board of Directors may not consider personality traits or their personal perceptions of the interested party, All interested parties for an open position should be discussed and considered in order of their relevancy prior to voting. The board, by unanimous vote, will appoint an Interim Director(s) from those expressing their interest in this manner. If the Board cannot come to unanimous agreement, no Director will be sat for that position until such time as consensus can be reached
 - f. An appointed Director MAY NOT vote during the meeting at which they were appointed but may participate in the discussion of any voted item.
 - g. The person so appointed shall hold office until the next annual Meeting, at which time a Director will be duly elected by the Membership to serve out the remainder of the vacant seat. An appointed director may announce his candidacy for the Board in accordance with Clearwood Community Association Bylaws Section 4.
 - h. No Interim Director shall hold the office of President
8. Any Director resigning from office without providing thirty (30) days written notice unless good cause can be established may not serve on the Board until two (2) years after the date of resignation. "Good Cause" is defined as the immediate and prolonged illness of an immediate family Member limited to spouse, children, siblings and parents; military deployment and temporary job assignments for longer than eight weeks; and for which a leave of absence from the Board is not appropriate. In cases of "Good Cause", proof must be provided, and all directors must receive a copy of that proof.

AND THEREFORE, BE IT FURTHER RESOLVED that these requirements are effective following the adjournment of the August 17, 2019 Annual Meeting of the Membership. Any current Directors who were appointed upon the passage of this resolution will remain in their seats until the 2020 Annual Meeting, at which time, a Director will be elected by the membership in accordance with Clearwood Community Association Bylaws Section 4.

2019 Informational Meeting

RESOLUTION NO. 2019-03-10

A Resolution to clarify the use of Assessment portion of Operations that is designated for Sheriff Patrols

WHEREAS, the community voted several years ago to designate \$15.00 per lot to be used to purchase the Service of the Thurston County Sheriff's Office to Patrol the Community in shifts, payable under a contract at an hourly rate;

WHEREAS, the cost of service has increased providing less service than what the same dollar amount purchased in past years;

WHEREAS, recruitment and retention within the Sheriff's Department has made it difficult to fill the shifts necessary; and

WHEREAS, response to other criminal activity in the county takes precedence often pulling Sheriff Patrols scheduled to respond to priority calls; and

WHEREAS, it is necessary to reconsider the methods used to assist with preventative patrol within the community to ensure patrols on beaches, at parks, and in our private community; and

WHEREAS, the community has seen an increase in vandalism, trespass, influx of the homeless population, squatters, speeding, and use of illegal vehicles on residential streets;

THEREFORE BE IT RESOLVED that the membership desires that all monies allocated to the Sheriffs Patrol fund will be used in whole for expenditure on a combination of Sheriff Department Patrols, Privately hired Security Patrols, Volunteer Patrols reimbursed for mileage, and the purchase of equipment and materials used specifically to limit the increase of undesirable activities as approved by the Board.

THEREFORE, be in further resolved that any money left unspent in this fund at the end of the fiscal year shall be moved into the Community Contingency Fund, the Futures Reserve Account, or returned to Community Members, to be determined by the Board.

RESOLUTION NO. 2019-03-11

A RESOLUTION to Amend the ByLaws Defining Mandatory Criminal Background Checks, Conflict of Interest, Contract Requirements, Insurance, and Certification requirements for Contractors contracting with Clearwood Community Association.

WHEREAS, this member resolution will be presented to the Board of Directors at their March 16, 2019 Board Meeting by members Walter White (Division 8, Lot 21) , Malinda Poirier (Division 19, Lot 16), and Syndi Martin (Division 8, Lot 60),

WHEREAS, at present, the Association only requires Criminal Background Checks for Board Directors, Committee Members, and Staff. There are no requirements related to Contractors,

WHEREAS, at present, the Association has no requirements to avoid a Conflict of Interest between Clearwood Board Directors, Clearwood Committee Members, and Clearwood Contractors.

WHEREAS, at present, the Association has no requirements to ensure our Accounting Service has a Certified Public Accountant as part of their staff,

WHEREAS, at present, the Association has no requirements to ensure our Contractors have their own Insurance that is validated and sufficient enough for the project they are contracted to work for Clearwood.

WHEREAS, at present, the Association has no requirements to sign a Contract for Businesses or Individuals that work a lengthy project for Clearwood (e.g. Forensic Accounting, Water Systems, Gates, etc...)

WHEREAS, the Bylaws, V. Board of Directors, 2, and VIII Section 8 Committees, A, states that "it is the responsibility of the Board of Directors to ensure that all volunteers must pass a Clearwood Community (CCA) criminal background check prior to being seated, elected, or otherwise volunteering."

THEREFORE, BE IT RESOLVED that Bylaws shall be amended with the addition of the following section:

XIV. HIRING CONTRACTORS

1. All current and future Accountants, Auditors, Bookkeepers, and Attorneys contracted by Clearwood Community Association must pass a Clearwood Community criminal background check prior to having any access to Clearwood proprietary information, Or, have passed a criminal background check with their organization within the past two years and provided Clearwood with evidence of such background check.
6. All current and future Accounting and Auditor services contracted by Clearwood Community Association must have a Certified Public Accountant as part of their staff and are covered under their insurance prior to having any access to Clearwood proprietary information.
7. All current and future Contractors contracted by Clearwood Community Association must not have any conflicts of interest with any Clearwood Board Director, Clearwood Committee Member, or Clearwood Staff. A Conflict of Interest shall be deemed to exist when any Director, Committee Member, or Staff has a significant relationship (business or personal) with the Contractor.
8. All current and future Contractors doing work for Clearwood Community Association must have evidence of insurance that is sufficient to cover the cost of the project that they are contracted to work for Clearwood. The HOA Contract should involve making sure the Contractor has the specific type and level of insurance appropriate for the project, proof of proper endorsements for working in an HOA, and require that Clearwood HOA be named as an additional insured whenever possible.
9. Any lengthy projects that the Clearwood Association uses a Contractor for will require a signed Contract that has been reviewed by Clearwood's legal counsel.

AND THEREFORE, BE IT FURTHER RESOLVED that these requirements are effective following the adjournment of the August 17, 2019 Annual Meeting of the Membership. Any Contractors currently under contract with Clearwood Community Association would have 90 days after August 17, 2019 to meet these new Bylaw requirement

2019 Informational Meeting