Draft pending Membership approval at 2025 Annual Meeting

Having achieved a quorum with 488 ballots (33.15% of membership), the meeting was called to order at 7pm.

Board of Directors Vicky Markussen, Diane Grecco and Ashley Barker were present in person, along with approximately 20 Members. Gil Pierce, Tisha Goodman, Sarah Smith of RPM were also present.

ELECTION OF DIRECTORS

Nominations were called from the floor and the candidates were announced. Present candidates were given an opportunity to introduce themselves and comment on their campaign for Director. Members that have not yet voted were prompted to submit their Ballot online or in person before the polls close at 8pm. Verification and tally of the ballots yielded the following election outcome:

Candidate	Votes
Janet Schmidt	371
John Nagel	340
Orlando Ferraro	1
Heather Duggan	1
None	1
Greg Hilbert	1
Rick Trom	1
Vance Vogel	1
Devon Thomas	1
Kim Trom	1
Greg Duggan	1
Andrew Graham	1

BALLOT RESULTS:

Janet Schmidt and John Nagel were elected to serve three (3) year terms.

FINANCIAL REVIEW

Main Association

2025 income is tracking under budget; however, we believe a portion of the variance will be cleared up in the fourth quarter. Expenses are on target for 2025. There will be a small increase in the main dues for 2026, which equates to $24 per year. The majority of the increases in 2026 expenses are related to a 5% increase in landscaping and a 4% to 5% increase in utilities. In addition, the management agreement fee increased by 4.4% after 2 years without an increase.

2026 Main dues will be as follows:

Total annual: $324

Paid Semi-Annually: $162 due on January 1st and $162 due on July 1st

Gardens Ridge

2025 income and expenses are on target with a small deficit in cashflow projected. There will be an increase in Gardens Ridge quarterly special services dues, which equates to $25 per quarter or $100 annually. In addition to the projected landscaping and utility increases, there is an increase in reserve funding. Currently the Garden Ridge reserve is funded at 27.4%, so a small increase for reserve funding was approved.

2026 Garden Ridge Dues (includes special services and main dues)
Total annual: $2,044
Paid Quarterly: $511 due on January 1st, April 1st, July 1st, Octobre 1st

Rocky Hill Townhome & Cottages
2025 income and expenses are on target with a small positive cashflow projected. Rocky Hill Townhomes and Cottages have approximately an excess of operating cash that would cover 6.76 months of expenses, so the Board did not increase dues for their special services. Instead, they elected to allow a projected deficit of (4,689.57), which will slightly eat into their operating cash. In addition, their reserve is funded at 74.2%.

2026 Rocky Hill Townhomes and Cottages (includes special services and main dues)
Total annual: $1,804
Paid Quarterly: $451 due on January 1st, April 1st, July 1st, Octobre 1st

The following capital projects were completed this year:

Main: Annual fence painting, Gardens Monument (in process)
Garden Ridge: Asphalt seal coating, Paint exterior fencing
Rocky Hill: None

A copy of the current and historical budgets are available on the website along with detailed quarterly financial reports for Member download and review. Members are encouraged to review the financials and to reach out to the Board or RPM with any questions.

NEW BUSINESS
2026 Budget Ratification; without 51% of the members present in person or by proxy to reject, the proposed 2025 Budget is hereby ratified.

IRS Ruling 70-604; a motion was made, seconded and passed without opposition, a copy of which is attached hereto.

2024 Annual Meeting Minutes were adopted without opposition by the Members present.

MEMBER FORUM
The member forum was opened and there were a few financial questions. The questions were answered and RPM reminded the members that the budget and quarterly financials are posted on the website.

There were also some general questions.
- *One member asked if the wood fencing that the HOA pays to paint will ever be switched to vinyl. The member was directed to start this discussion with the Architectural Committee.*
- *Another member asked who is responsible for swale maintenance. The answer was that it depends on where the swale is located. If it's in a homeowner's yard, the homeowner is responsible, if it's in the common area, the HOA is responsible and if it's on city owned property, the city is responsible.*
- *Another member asked about homeowner fences that haven't been repaired after the hail damage. RPM explained that we send violation notices in situations that we are aware of. Members can always reach out to us if they see these types of damage.*

- *Another member asked if we could post the Board Meetings earlier. RPM explained that the meetings are posted at least two weeks prior to the Board meeting on the Website.*
- *Another member asked about replacement of street trees and paths in common areas. He asked if the HOA planned to replace missing trees, specifically at Blue Ridge Park. Gil explained he is aware of this and it is planned to be replaced.*
- *Another member asked about sidewalk repairs. RPM explained that homeowners are responsible for repairing sidewalks adjacent to their homes. Linda Ball explained that the city is working on a sidewalk program that could assist with some of the cost.*

With no other business rightfully brought before the Members, the meeting was adjourned at 7:47pm.

Respectfully submitted,
Rockwood Property Management

ANNUAL ELECTION: IRS REVENUE RULING 70-604
Excess Income Applied to Future Obligations

EXPLANATION: Tax experts recommend that all HOA hold an annual vote on elective IRS Ruling 70-604, which allows the HOA to file Form 1120 (vs 1120H) thus only net non-membership income would be taxed. If the election is not made, any excess membership income would be subject to higher taxation.

Essentially, this election gives the Association's CPA the opportunity to file the tax form (1120 or 1120H) that's most advantageous for the HOA (whichever form provides the lowest tax liability). Most CPAs make this election on behalf of their clients when filing the HOA's annual return; this election documents the CPA's authority to make such a determination. The Association has always applied excess income (if/when it exists) to future obligations, this election resolution formalizes its decision to do so.

WHEREAS the MeadowWood HOA is a not for profit, mutual benefit corporation duly organized and existing under the laws of the State of Washington; and

WHEREAS the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service;

NOW THEREFORE be it RESOLVED that any excess of membership income over membership expenses for the year ending 2023 shall be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604.

The Members hereby adopt this resolution by and on behalf of the Meadowwood Homeowners Association, which will be made a part of the minutes of the Annual Membership Meeting that took place on Wednesday, November 19, 2025.