THE CROSSWOODS REPORTER

A Newsletter for the Crosswoods Homeowners Association

June 2020

President's Column

By Kelly Morris

It's with a great deal of mixed emotions that I write what may well be my final newsletter article. Next month, we'll know the outcome of the recall petition that has gripped and divided our community. When I stepped forward to serve my community two years ago, I would have never thought we could or would be where we are today. Having years of community service experience before moving to Crosswoods, I thought that experience could help bring about some positive change. I knew that there's a big difference between service to one's community and service to one's personal agenda.

When I asked for and received your vote, I made three promises. First, I promised you that I would always be honest with you. Second, I promised you that I would always be transparent with you. And third, I promised you civility. I believe those promises have been kept.

In keeping those promises, however, it seems that the recall petition was born. As a result of information that was disclosed shortly after being elected to the Board, a Town Hall Meeting was held to give that information to you. In retrospect, the information was poorly communicated. The recall effort began in earnest at the point and has deeply divided our community. We all have an opportunity to cast our votes either in favor of or against the recall. It is likely to be the single most important community vote any of us will undertake. Whatever your thoughts are on the petition, the single most important thing is to vote. Only by casting your vote can your voice be heard.

Allegations have been made that the present Board of Directors is the reason for our current financial position and has failed to take appropriate corrective actions. This is simply untrue. I think it's important to provide you with some background.

- In 2017, the Board of Directors at that time made the decision to divest our community of its self-management capabilities and sold its equipment and stock. At that time, the 2017 Board contracted with The Management Trust to take over its day-to-day management responsibilities. These decisions were made in closed meetings without community awareness or input.

- In 2018, the prior Board awarded contracts to Cagwin & Dorward for landscaping and to River City Restoration (RCR) for facilities maintenance. Two contracts were awarded to RCR, one in February 2018 and a second contract in August 2018. The contract in February was for all work order maintenance items, such as dry rot repairs, escrow work, etc. The second contract was for siding and paint cycle work on a total of 31 homes on Monticello and Rio Cuarto Courts.

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Leslie Lake

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Mon., Tues., Wed., & Thurs. 9 am to 3 pm
Friday: 9 am to 2 pm

Board of Directors
Kelly Morris, President
Red Straub, Vice-President
Paul Ogden, Treasurer
Teri Todd, Secretary
Linda Rockett, Member at Large
Bill Swars, Member at Large
Vacant, Member at Large

Management
Garret Satfield, General Manager
garret.satfield@managementtrust.com
Accounting Questions
(916) 985-3633 ext. 8825

Monthly Meeting Calendar:

Board of Directors
Fourth Wednesday at 6 pm

Architectural Control Committee
First Tuesday at 6 pm
Mary Fenner, Chairperson

Finance & Insurance Committee
Third Wednesday at 4 pm
Naomi Hauge, Chairperson

Landscape Committee
Second Tuesday at 10:30 am
Bob Acrea, Chairperson

Pool Committee
Third Monday at 4 pm during Pool Season
Pam Ashby, Chairperson

Neighborhood Watch Committee
Quarterly, First Monday at 6 pm
Cynthia Biedermann, Chairperson

RV Lot Committee
Meets as Needed
Vacant, Chairperson

Contract Review Committee
Meets as Needed
Christine Swars, Chairperson

Website Committee
Meets as Needed
Vacant, Chairperson

President's Column

Continued from page 1

- Licensed contractors at a higher cost were now performing work that had previously been performed by in-house personnel. At the same time, work was being performed at a higher volume. Additionally, a higher quality of work was being performed that required bringing older substandard work into compliance with current building codes.
- Consistent with those decisions and actions, our Reserve budget balance began its decrease in 2018.
- In the October 2018 Crosswoods Reporter, the President at that time wrote:
    - "… In many cases additional issues have been uncovered by RCR removing the siding." This comment was in reference to the initial contract awarded to RCR for routine maintenance and escrow work.
    - The article goes on to say, "Recently, we asked three contractors of sufficient size and experience to provide bids to resume the siding and painting cycle work which has been stalled for several months, if not years. The delays reached so far that some courts are two or more years behind when originally scheduled, including Monticello and Rio Cuarto Courts. The board was pleasantly surprised when RCR's bid for this cycle work was the lowest despite their reputation for providing higher quality work at a higher price, however appropriate."
    - The article also says "… In all, we have seventeen staff from RCR working on site attending to our facilities needs."
    - The article concludes with "Best of all, the HOA finances remain in very decent shape…"
- In October 2018, the prior Board of Directors prepared the budget for 2019. The budget was prepared without input or review by the Finance and Insurance (F&I) Committee and did include a small $10 monthly dues increase to help bolster the decreasing reserve account. Prior to that increase, HOA dues had been intentionally constrained for several years without regard to reserve inflation requirements.
- In November 2018, the annual election was held and new Board members, including myself, were elected.
- In December 2018, the customary open meeting was held to realign board positions. At that meeting, the former President announced that he was stepping down as President and moving from the community. I was nominated to fill the President position. Immediately after the reorganizational part of the meeting, representatives from RCR made a presentation to the new Board. RCR indicated that they had encountered higher than anticipated problems, and that costs could reach as high as $6 million.
- From that point forward, the number one priority for us, as a new Board, was to try to figure out what had happened, quantify the size of the problem, develop a plan for correction, and to communicate that effort to the community. A few weeks later, the Board experienced a period of instability with the loss of three members shortly after the election. Two members resigned for reasons of health and the third was the former President who had stepped down and sold his home. The current Board took action to fix fundamental issues that had to be addressed. These actions included:
    - Appointed new Board members
    - Reconstituted the Finance & Insurance Committee (F&I)
    - Established a Contract Review Committee to review all current and future contracts for the good of the Community
    - Prioritized expenditure categories (i.e. safety, emergency, escrow)
    - Established a new process for the approval of all reserve expenses
    - Developed plans and options to present to the community
    - Appointed a new Treasurer with years of prior experience
    - Entered into negotiations that resulted in the termination of all contracts with RCR

I believe this background provides some vital information that might be useful in the decision before us. I also think it encourages some questions, such as:

- Why was a decision to transition to contract management done without homeowner input or awareness?

Continued on page 3

President's Column

Continued from page 2

- If, as the former Board President stated in October 2018, "Best of all, the HOA finances remain in very decent shape…", why did we have cost escalation and a decreasing reserve balance two months later in December 2018?

- As the former Board President also stated in October 2018 that RCR had discovered additional problems and delays, was the Board surprised when RCR's bid was the lowest? Did the Board consider the bid might have been artificially low in order to be awarded the contract? Why did the Board not consider some amount of contingency funding for the contract, knowing problems and delays were already occurring?

- Who reviewed and negotiated the contracts with RCR?

Your current Board cannot answer these questions because these questions pertain to a time prior to the present Board's service.

Once the results of the recall are known, one thing is certain. Our community needs to come together and heal its division and fracture. The Board of Directors will need to have an executable plan to move forward. There are several items of progress that this Board had been working on, but had to be put on hold because of the recall.

They are:

- Continuing the current plan to review and, where appropriate, renegotiate contracts

- Presenting a coherent plan to the homeowners for rebuilding our finances that is responsible, sustainable, and does not rob our future.

- Developing an orderly plan to keep our community properly and routinely maintained so that homeowners know what to expect.

- Filling critical committee vacancies

To all of the homeowners who have communicated your sincere questions for clarification, sent us carefully considered suggestions and ideas, written letters and emails of support and encouragement, I thank you very much. Finally, I would like to acknowledge and thank all of the homeowners who have given your time and expertise as you've served on our HOA Committees. Your commitment to our community is amazing! Thank you all.

Neighborhood Watch Update

By Cynthia Biedermann,
Neighborhood Watch Chairperson
(crosswoodsnw@gmail.com

National Night Out (NNO) 2020 is on Tuesday, August 4, at 6:00 pm. Join us on the lawn at San Altos Circle! Bring a folding chair, plan to visit with your Crosswoods neighbors, and hear from members of the Citrus Heights Police Department (CHPD). NNO originated as a community-building police partnership. Last year, four different CHPD representatives shared information about department programs.

- IMPORTANT: If COVID-19 impacts our ability to meet on August 4th, the backup date will be Tuesday, October 6th.

National Night Out (NNO) will be the main topic at the Neighborhood Watch meeting tentatively scheduled for Monday, July 6th at 6pm in the HOA meeting room. We will discuss plans for NNO and need volunteers to help with the event set-up, prize donations, and refreshments. We hope to see you there!

Crime updates:

A truck was stolen on May 22nd overnight from Crosswoods Circle near La Poza Court. The vehicle was recovered that afternoon. The locks had been punched out and modifications had been made to the vehicle in order to start it with a screwdriver. The crime map on the Citrus Heights Police Department website reflected the following:

- May 21st, Midnight: Theft from a vehicle in the 6400 block of Auburn Blvd. (near Donegal Drive)

- May 22, 5:00 AM: Burglary at CVS Pharmacy (Auburn Blvd. @ Van Maren Lane)

Stay safe!

Neighborhood Watch Needs You!

Looking for a rewarding and worthwhile volunteer opportunity? Interested in helping maintain the safety of our community?

I will be stepping down as Neighborhood Watch chair at the end of this year. I have thoroughly enjoyed working with our committee members, watch captains, and residents over the last two years. I have met and made wonderful new friends. Unfortunately, my full-time job continues to be demanding, which has limited my ability to contribute to the NW program the way I feel it should be done (yes, the way Gordon, my predecessor, did it!). Please contact me at crosswoodsnw@gmail.com with any questions if you are interested in volunteering for the job!

Dog Waste

By Garret Satfield

Time for an article on everyone's favorite topic… dog waste.

Please remember to always pick up after your pets and dispose of their waste. There have been several instances of this not occurring, and the fallout has not been pleasant. It is safe to say that no one wants to accidentally step into a land mine. Any time you take your pets out, please package up and throw away their waste in the garbage can.

Thank you for your assistance.

The Management Trust's Homeowner Web Portal

By Garret Satfield

The Management Trust hosts a homeowner web portal for each homeowner in the community. This web portal has many different features, including the ability to pay your assessments online, review past financial packets, review meeting minutes, and obtain copies of various pieces of association documentation.

If you would like to access the web portal at

https://
weblink.managementrrust.com

but do not have your login credentials for the site, please contact the office and your credentials will be provided to you.

Community Security and Safety

By Garret Satfield

Recently, there have been non-residents of the community using the walking paths throughout Crosswoods. Per the governing documents of the community, the walking paths are only for residents of the community. If you witness any individuals using the paths who you know are not residents of the community, please contact the Citrus Heights Police Department (CHPD) at their non-emergency phone number at 916.727.5500 and report the trespassing.

Additionally, please remember that bicycles, skateboards, hoverboards, motor bikes, etc. are not allowed on the walkways at any time. Please ensure that all residents of your home, including children, are aware of these expectations for the community.

With the recent increase in vehicle thefts and break-ins (please see the Neighborhood Watch article on page 3), it may be time for a reminder of the importance of the community working together to keep the area as safe as possible. If at any time you see an individual in the community who doesn't appear to belong here, including the homeless, please contact the CHPD at the above number. This line is available at all hours of the day and night, and the CHPD has been very diligent at sending a patrol vehicle to Crosswoods for surveying any areas of concern.

By calling the CHPD whenever there is a concern, we may be able to avoid the crimes of opportunity that have occurred recently. While some people may not mind if an individual looks through a recycle can for goods that can be recycled, all definitely mind if a vehicle or a garage is broken into and personal belongings go missing. Let's nip any security concerns in the bud and be diligent with our reporting to the CHPD.

Committee & Board of Directors Meeting Schedule

Board of Directors: Monday, July 6th at 6:00 pm

Neighborhood Watch: Monday, July 6th at 6:00 pm

Architectural Control Committee: Tuesday, July 7th at 6:00 pm

Landscape Control Committee: Tuesday, July 14th at 10:30 am

Finance & Insurance Committee: July 15th at 4:00 pm

Pool Committee: Monday, July 20th at 4:00 pm

Board of Directors: Wednesday, July 22nd at 6:00 pm

Architectural Control Committee: Tuesday, August 4th at 6:00 pm

Landscape Control Committee: Tuesday, August 11th at 10:30 am

Pool Committee: Monday, August 17th at 4:00 pm

Finance & Insurance Committee: Wednesday, August 19th at 4:00 pm

Board of Directors: Wednesday, August 26th at 6:00 pm

Architectural Control Committee: Tuesday September 1st at 6:00 pm

Landscape Control Committee: Tuesday, September 8th at 10:30 am

Finance & Insurance Committee: Wednesday, September 16th at 4:00 pm

Due to the coronavirus pandemic, it is anticipated that all future committee and board meetings will be held via video and/or teleconference. Instructions for digital attendance at the meetings will be included with the agendas posted at the community bulletin board.

Upcoming Office Closures

In observance of Independence Day, the office will be closed on:

⇒ Friday, July 3rd

Agenda Items Reviewed and Action Taken by the Board of Directors during the months of April and May

⇒ Reviewed funding proposals

⇒ Organized an Ad Hoc Website Committee and appointed committee members

⇒ Approved an application to rent a unit

⇒ Approved a homeowner's request for reimbursement

Recent Emails Sent to Community

Included at the end of this newsletter are copies of emails that were previously sent to the membership over the last two months.

If you would like to be included with future email blasts sent to the community, please send an email to:

garret.satfield@
managementtrust.com

Upon receipt of your email, your email address will be added to the association's records and included with future blasts.

Garret Satfield

From: Garret Satfield
Sent: Wednesday, May 6, 2020 7:57 AM
Subject: Republic Services Update - Received May 5, 2020
Attachments: Republic Services Notice - 05052020.pdf

Please see the attached update received from Republic Services regarding their services. As additional information becomes available regarding a bulk waste pickup in Crosswoods, it will be provided to the membership.

Stay safe and healthy,

Garret Satfield, CCAM®, CMCA | General Manager
Crosswoods Homeowners Association

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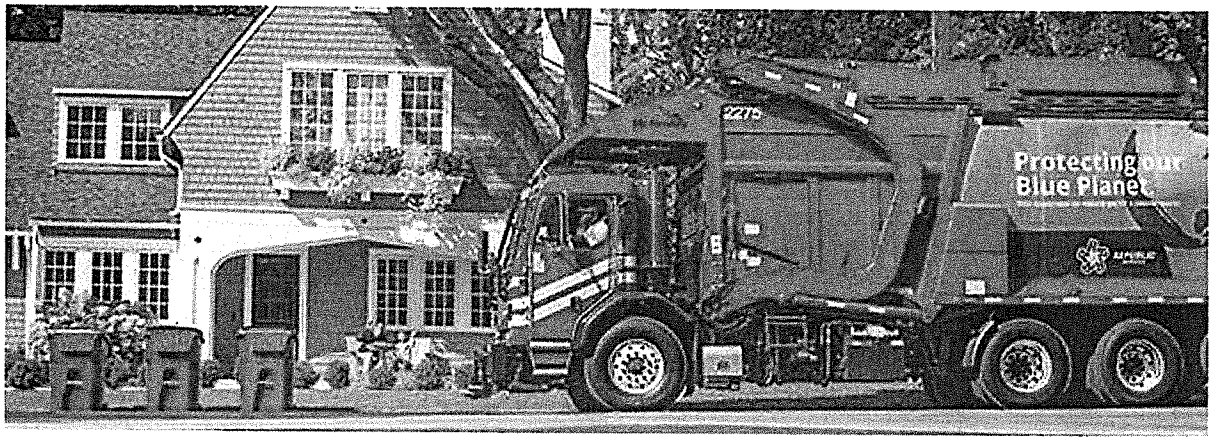
P: (916) 723-3120 F: (916) 723-2234
Email: garret@crosswoodshoa.com

Please tell us about your experience with our company. Take our survey at www.surveymonkey.com/r/TrustCares

REPUBLIC SERVICES

An Important Update Regarding Your Recycling and Waste Service



Reinstating Bulky Collection Services

We continue to monitor the COVID-19 situation to make sure we're doing the right thing for the communities we serve.

We are working hard to make sure our customers receive the highest quality customer service and that there are minimal service disruptions during this time. Over the last 30 days, we realigned and reprioritized our collection routes, which resulted in temporary suspension of bulky pickups and other curbside services.

We're pleased to announce that we are resuming bulky, used motor oil and oil filter, appointment-based sharps, and household battery collection services in your community beginning the week of May 4th.

Please see below on how to utilize the bulky pickup program in your area:

Elk Grove and Rancho Cordova Customers: Please dial before you pile. Call Republic Services to schedule a bulky pickup before placing items curbside.
Elk Grove residents call: **916.635.2500**
Rancho Cordova residents call: **916.638.9000**

Citrus Heights Customers: Please wait for a doorhanger informing you when your

next scheduled bulky pickup is. For questions, call 916.638.9000

We continue to see a greater volume of recycling, waste, and yard waste from our residential customers, which means our drivers need to operate as efficiently as possible to finish their collection routes on time. Therefore, we ask that all these materials fit into the residential cart(s) with the lid closed.

We are committed to serve.

Garret Satfield

From: Garret Satfield
Sent: Monday, May 11, 2020 10:49 AM
Subject: Community Pools

Over the past weekend, the office received multiple reports of individuals at all three community pools at different hours of the day, including mornings, afternoons, evenings, and even late at night. This morning, it was noted that the main pool gate was propped open and could not properly lock and secure, allowing anyone access to the pool at any time. It is believed the individuals jumped the fence in order to access the pools.

As previously advised, the pools are temporarily closed due to the coronavirus pandemic, and gate access has been deactivated for the time being. This course of action was recommended by the association's legal counsel. Please understand that no one, including the board and management team, wants the pools to remain closed any longer than they need to. As soon as circumstances allow, the pools will be open for all to enjoy. Right now, we are waiting on guidelines from the state, county, and city to be in line with counsel's recommendations for the pools to open. As soon as that happens, all three pools will open for use.

At this time, no one should be in any of the pool areas. If further reports are received of people in the pool areas, further action may be warranted, including the possibility of additional securing of the gates. Please understand no one wants to see that happen. That said, the association must be protected from any liability associated with the pandemic and take all steps necessary in order to be protected at all times.

Please review this information with all members and guests of your home. We need to work together on this to ensure that all are safe at all times. Just like you, the board and management team want the pools to open as soon as possible.

Stay safe and healthy,

Garret Satfield, CCAM®, CMCA | General Manager
Crosswoods Homeowners Association

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6510-B Crosswoods Circle • Citrus Heights, California 95621
P: (916) 723-3120 F: (916) 723-2234
Email: garret@crosswoodshoa.com

Please tell us about your experience with our company. Take our survey at www.surveymonkey.com/r/TrustCares

Garret Satfield

From: Garret Satfield
Sent: Monday, May 11, 2020 12:17 PM
Subject: Update Regarding the Recall
Attachments: Notice of Candidates - Posted 05072020.pdf

Please see the attached notice that was posted at the community bulletin board on Thursday, May 7th, at 3:00 pm.

As of the date of this email, costs associated with the recall are currently at approximately $8,122.00 (comprised of $4,100 in legal fees, $2,222 in additional management services [including setup and reproduction/mailing of notices], and $1,800 confirmed for an inspector of elections). In addition to these costs, it is expected the production and mailing of the ballot packet will cost approximately $5.60 to $6.60 per home, leading to somewhere between $2,526 to $2,977 in expected upcoming costs. The cost of the ballot packet mailing is particularly large due to all of the pieces required with the packet. Additionally, it is possible the association will need up to an additional full day of its legal counsel's assistance in finalizing everything associated with the recall. That counsel is estimated to carry an additional cost of approximately $3,200.

All in, current estimates place the cost of the recall at approximately $14,000.00. Per the governing documents of the community, this expense is borne by the association and its members. No individual homeowner is able to pay for all or a portion of the expense.

As additional information relating to the costs of the recall are available, it will be provided in a separate email.

Garret Satfield, CCAM®, CMCA | General Manager
Crosswoods Homeowners Association

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Email: garret@crosswoodshoa.com

Please tell us about your experience with our company. Take our survey at www.surveymonkey.com/r/TrustCares

CROSSWOODS

HOMEOWNERS ASSOCIATION

The Jewel of Citrus Heights

General Notice Relating to Recall and Election

Date: Thursday, May 7, 2020

Notice is hereby given that the following homeowners and members of the Crosswoods Homeowners Association have been nominated as candidates for consideration for election to the Board of Directors if the proposed recall of the five current Directors is successful.

G. Rudy Di Massa
Sara Lombardo
Dafina McCree
Samuel J. Miller
Dale Smith
Teri P. Todd
Ralph Vatalaro

As listed in previous notices provided to the membership, ballots and other voting materials for the proposed recall and subsequent election will be sent by mail to the membership on June 6, 2020. The election will conclude at the following date, time, and location:

Monday, July 6, 2020
6:00 pm
Via Zoom Video Conference

Due to the coronavirus pandemic, this meeting will be held via Zoom Video Conference in order to reduce the spread of the virus while promoting transparency. In order to attend the meeting, please follow these instructions:

1. **Go to https://zoom.us/j/95678074618** on your desktop computer, laptop, smartphone, tablet, or other mobile device.

2. Follow all onscreen prompts.

3. If the meeting has started, you will automatically join the meeting. If the meeting has not started, please stay at your computer or other device and do not close out the web browser. Once the meeting formally begins, you will automatically join the meeting.

4. Due to the logistics of a video conference meeting, we ask that your **mute your device microphone** throughout the duration of the meeting to limit any background noise.

6510-B Crosswoods Circle – Citrus Heights, CA 95621
Office: 916.723.3120 Fax: 916.723.2234

CROSSWOODS

HOMEOWNERS ASSOCIATION

The Jewel of Citrus Heights

General Notice Relating to Recall and Election (continued)

Ballots for the election may be returned to the Inspector of Elections at the following location:

Crosswoods Homeowners Association
c/o The Law Offices of Deon R. Stein
885 University Avenue
Sacramento, CA 95825
Attn: Inspector of Elections

6510-B Crosswoods Circle – Citrus Heights, CA 95621
Office: 916.723.3120 Fax: 916.723.2234

Garret Satfield

From: garret.satfield@managementtrust.com
Sent: Tuesday, May 12, 2020 1:04 PM
To: Garret Satfield
Subject: Siding and Paint Cycle Funding Proposals
Attachments: Smith.pdf; Shimasaki.pdf

During an open meeting on Thursday, May 7, 2020, the Board of Directors completed its review of the three proposals submitted for funding of the siding and paint cycle in the community. The board thanks each of the submitting parties for their time and effort in preparing their proposals and meeting with the board.

After reviewing the third proposal, the board directed Management to contact the submitting parties and request permission for distribution of their submitted and reviewed proposals. Management did so, and the proposals submitted by Mr. and Mrs. Jack Shimasaki and Mr. and Mrs. David Smith are attached for your review. When permission was requested for distribution of the third proposal submitted to and reviewed by the board, that permission was denied by both submitting homeowners, and no reason was given for the denial.

If you have any comments for the board regarding either of the attached proposals, please feel free to send those comments in writing to the office.

Enjoy the rest of the week,

Garret Satfield, CCAM, CMCA
General Manager
Crosswoods Homeowners Association

Crosswoods HOA Siding Suggestions

Author David Smith

Who am I

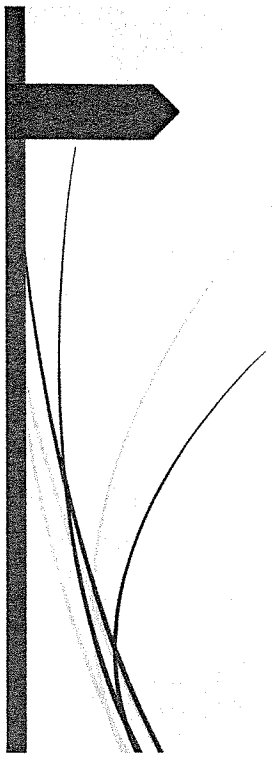
- We purchased out home on Monticello Ct in July 2010 when the HOA payments were $325 a month.
- I am the Sr Business Intelligence Architect that works on a small team gathering financial data from multiple sources for the executives of the largest non-profit hospital system in the US.
- The focus of this presentation is based on logic, not finances.

Painting and Siding Information

- According to the Second Restate Declaration of CC&R's recorded in Nov 2008
  - Article 8.1.b.ii
    - The Association shall paint or stain, repair and replace the exterior building surfaces including siding, trim, fences, gutters, downspouts and brick wall of the Residences, when such work is necessitated because of normal wear and tear.
  - Article 8.1.b.iii
    - The Association painting obligation pursuant to this Section 8.1 shall be pursuant to the Associations maintenance plan or schedule.
- Nothing is written in the CC&R's as to the timing of when we repaint or repair siding.

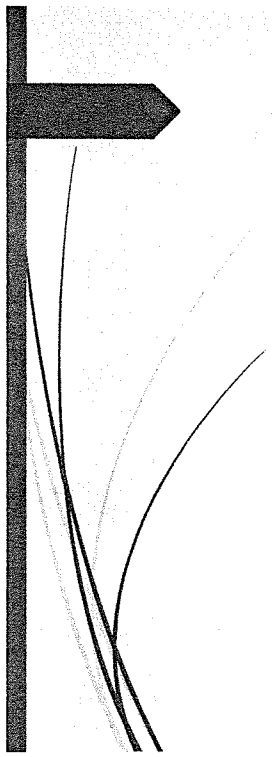
Suggestions

- Given the pandemic and our current financial difficulties, I recommend that we put a pause until at least 2021 on any maintenance based, siding projects to build up our reserves and build an extensible and repeatable process for repairing the siding.
- I recommend that the maintenance schedule be revised to reflect this pause.
- This presentation only deals with the current siding crisis. If siding and paint maintenance is not a line item in reserves and funds are not being deposited, then a reserve account needs to be created so that we can properly maintenance the siding and we do not have do any additional special assessments after all the homes have been repaired.
- The rest of the presentation is an alternative to what was posted in Oct 2019 for financing our current siding issues.



Alternative Finance Plan

1. We self-finance our siding using annual "special siding assessments". Each year that we are repairing the homes, we evaluate how much money will be needed using the formula to be covered later.
   A. The special assessment will be data based and consider all expenders on siding for the previous fiscal year, the year over year trend and the age and deterioration of the next phase of homes.
   B. If we can set it up, I suggest that we allow for multiple ways to cover the special assessments including 1 time, quarterly and monthly payments
2. This special assessment only applies to our current siding issues. Reserves should still be collected for painting and siding maintenance/escrow work for future usage.
3. We use the siding maintenance schedule (revised or not), as our overall goal for getting all the homes repaired. This can then be broken down to annual goals for getting the homes completed.
4. Since we are all in this together, I would like to see quarterly reporting out the entire HOA that let's us know how far along we are for the given year both in spending and homes completed toward the annual goal.
5. Finally the contractor scoping out the work will not be allowed to bid on said work to eliminate a conflict of interest.
   A. We may want to incentivize the scoping contract so that they put extra due diligence into the scoping process.



Financial Framework

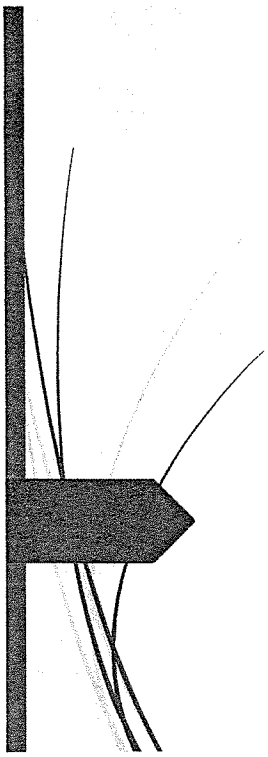
- The scope of this financial framework only applies to the current siding issue. It is not to be used to replace the reserves, front load reserves or in any way be used to bolster our financial outlook on paper.
- It must also be reevaluated annually to apply the last years data and reset the annual goal for the number of homes to complete.
- If we run out of money in a single year, then we stop construction and we pick it back up when funds are available next year.
- If we have left over funds, then those funds will be applied to the next year and reduce the annual assessment. If it is the last year, then the funds will be returned to the current homeowners.

Financial Framework Formula

- Decisions/Assumptions
  - Decision - When does the maintenance schedule begin and what does it include?
    - If it began in 2019 with a pause for the pandemic and financial difficulties, then the assumptions are:
      - There are 451 homes in Crosswoods
      - 50 homes were repaired in Phase 1 (ending with Monticello)
      - The average cost to repair homes in Phase 1 was $15,800. (documented by Garret Oct 2019)
      - Other siding repairs need to be included in the averages so that we have an accurate picture of how much we spent in the past year and thus, can be applied to the formula.
      - The paint cycle has been set to 7 years (Note, website recommendations vary, but the consensus is 5-7 years for a single coat of paint)
- Formulas
  - {[(Total Homes – Homes Completed) / Number of years left in Paint Cycle * Average Cost per home] * 1.10)/ Total Homes = Current Annual Assessment

Financial Framework Example

- NOTE: All numbers are rounded
- Example for Year 2 (Phase 1 completed with Monticello)
- [(351 Homes/ 6 years * $9,900 Avg Cost) * 1.1]/451
  - 59 * $9900 = $585,000 -> 585000* 1.1 = 643000 -> 643000/451 = Year 2 assessment = $1426
- Example for Year 4 (Assuming 59 homes a year but it cost too much)
  - Assuming we are sticking to the maintenance schedule and not revising it.
- [(225 homes/ 3 * $12000 Avg Cost) * 1.1]/451
  - $990,000 for 75 homes, so Year 4 assessment = $2195



Questions

RECEIVED
NOV 01 2019
BY:

To: Crosswoods Board of Directors and
Property Management

From: Jack and Debra Shimasaki
Association Members

Subject: Proposal Regarding Crosswoods Siding and Paint Cycle

October 30, 2019

S monthsince August 29th meeting, we have attended some of the small group meetings as well and reviewed the Q&As from those we missed. We've been involved in casual conversations throughout our community and one thing seem quite clear, this community is angry and not in a position to hear/listen let alone vote at this point. They clearly are not willing to move as quickly as the Board is suggesting or would like.... and it's unrealistic to think that they can.

To its credit the Board has, and continues to hold smaller meetings for residents, doing their best to answer any questions. They are making every effort to be transparent and provide members with new information as it becomes available. Unfortunately, what they seem to be missing is the psychological impact our current situation is having on the community and how it is impeding the very goal the Board is trying to reach.

For the vast majority of members, August 29th was the first we'd heard of the dire situation we're in regarding the siding and paint cycle, the multi-million fix we need, four potential financial options, and the non-binding vote that would take place in 90 days. Then to add salt to the wound, we find that our regular budget has not been on solid ground (hence the $75 increase in HOA dues) although 2020 is projected to be. With all this dismal information, it can't be a surprise that members are pushing back on the Board, Legal Counsel, and Property Management? **Let's wait and confirm that our operating budget is on solid ground before taking out a line of credit. Can you imagine the reaction of the Members if you have to raise the HOA dues again next year because the operating budget was still a bit off? Or you have to use funds from a line of credit or from the Reserve? Let's spend the next 6-9 months really getting our house in order while pursuing the best business practices for this huge project.**

With all due respect to our current Board, you are not allowing adequate time for residents to fully process the situation and how it personally affects them. You are not allowing enough time for members to go through the phases of "grief" for the lack of a better word. All of the residents need time to process the information fully, apply it to their own physical and financial circumstance, get past the shock, anger, sense of deceit and mistrust, then realize that the past can't be changed, we are all in this together, and to get the work done.... which I believe is the end-goal of the Board.

Taking all this into consideration, we are asking you to consider the following steps be taken (some may be out of order or combined as a phase of the overall project):

- **Acknowledge that you hear the members**, postpone any type of vote for now. Members are not in the "come together " phase at this point so any vote will not be an accurate measure of how they will feel when emotions are more in check.

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- **Over the next few months form some temporary committees to:**
    1) **Have each home professionally inspected** and report for an accurate account of the damage.
    2) **Establish a group (3-5) Subject Matter Experts (SMEs)** to advise us on how the construction project should be done. The SMEs should be current Independent General Contractors not community residents. We are looking for unbiased recommendations on materials, methodology, and approximate cost so we can set a realistic dollar amount on the project. The comment from any Board Member, Legal team, or Property Management staff saying or even implying " they know somebody who can ...." raises huge red flags to a situation where there is already a lack of trust.

    3) **Form a committee to establish a Contracts Process and Oversight Policy to:**
        - Create a Scope of Work based on Inspection findings and SME recommendations including Timeline, Budget limit, and Contingencies
        - Establish a rating/scoring criteria for Industry Bids
        - Solicit for Bids from Construction Industry
        - Choose top 2-3 bids to present to the Association for review (make all other bids available to Members)
        - Execute a contract for the chosen Contractor when timing is appropriate.

    4) **Form a committee to work on an emergency amendment to revise the CCRs** to include a $3-4,000 assessment on homes sold with all proceeds to be used to pay down any loan debt for this project (i.e. the 73 homes sold over the mentioned 20 month period would have generated between $219,000.00 to $292,000.00). This is a critical component to ensure we are never in this situation again! This is a common practice among other HOAs and once the loan is paid off the assessments will continue to fund future home repairs, special projects, and the general fund.

    5) **Establish a committee to create a full transparency policy** by creating an online site for Members to review all transactions related to this project. The contract, credit line, invoices and supporting documents, payments, everything. This is also a good idea for all the HOA finances. HOA dues are going up $75.00 in January and the CCRs allows for up to 20% per year. And you're asking us to take on what has the potential to be a $6-8 million debt. We owe it to each other to have full financial transparency and not just a summary report.... Let everyone do their own math...

- **Disseminate all the information gathered to the Members.**

- **Set a more reasonable time frame for any type of vote on option choices** perhaps sometime after March 1st. By forming more committees and getting as many Members involved as possible, Members will feel more in control and part of the overall solution. They will also feel as though they are being heard.

- **Choose a course of action based on the vote** (may have to repeat voting a couple of times to narrow the option choices)

- **Solicit funding:** not a loan but a line of credit. We don't want to be paying interest on a loan where we may not be using the funds for 2-3 years.

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- Based on the home inspection reports, set up a priority schedule. Start with homes that have the most damage and work your way to the least damage.

- Post a projected schedule of when each home will be completed

- Report monthly the number of homes started/finished and whether or not the Contractor(s) are on schedule.

The dry rot has been here for years so be Patient... this is not an overnight project and everyone needs time to process. Pushing the timeline out in order to utilize best business practices will pay off in the end.

Garret Satfield

From: Garret Satfield
Sent: Friday, May 15, 2020 12:18 PM
Subject: Crosswoods Update

Recently, the Board of Directors has been made aware of numerous emails circulating the community. The board wishes to advise the membership of the following facts concerning the community and recent board activities:

- **Siding and Paint Cycle Funding:** Over the past several months the board received a total of four proposals as alternatives for the funding of the siding and paint cycle in the community. One of those proposals was retracted prior to the homeowner's scheduled meeting with the board. On February 6, 2020 at 6:00 pm, the board held an open meeting and reviewed and discussed the proposals submitted by 1) Jack and Debra Shimasaki and 2) Sam Miller and Jim Lamb. Mrs. Shimasaki and Mr. Miller were each granted up to fifteen minutes to present their respective proposal; additionally, a fifteen minute question and answer session was held with each party regarding the principles contained within each proposal. On May 7, 2020 at 6:00 pm, the board held a second open meeting and reviewed and discussed the proposal submitted by David and Rebecca Smith. Like before, Mr. Smith was granted up to fifteen minutes to present his proposal, and a fifteen minute question and answer session was held with him. All parties who so desired presented to and met with the board in open meetings.

- **Distribution of Proposals:** At the meeting held on May 7, 2020, Mr. Smith gave permission to the board to distribute his proposal to the membership of the community. Additionally, the board directed Management to contact the Shimasakis and Mr. Miller and Mr. Lamb and request permission for the distribution of their proposals to the membership. Management received an email from Mrs. Shimasaki authorizing the distribution. Both Mr. Miller and Mr. Lamb sent emails to the office advising that the association did not have permission to distribute their proposal to the community; as previously noted, no reason for the denial of permission was offered to the association. In accordance with each party's respective wishes, an email containing the proposals submitted by the Shimasakis and Smiths was sent to the membership on May 11, 2020 at approximately 1:00 pm.

- **Petition to Recall Five Members of the Board of Directors:** On March 4, 2020, the association received a petition signed by various homeowners of the community seeking the recall of Kelly Morris, Jonathan (Red) Straub, Paul Ogden, Teri Todd, and Linda Rockett from the Board of Directors. On that petition, there were valid signatures representing only thirty-two various homes in the community (7.1% of the total membership). Per the bylaws of the community, those thirty-two homes were a sufficient number of the members to request a member vote and special meeting of the members relating to the recall.

- **Honesty:** Members of the board have a fiduciary and legal responsibility to be honest with the membership of the association. Obviously, it is in the directors' and the association's best interests to be honest with the membership at all times. Because this email is an official communication from the Crosswoods Homeowners Association, it is included under this fiduciary and legal responsibility.

Stay safe and healthy,

Garret Satfield, CCAM®, CMCA | General Manager
Crosswoods Homeowners Association

Garret Satfield

From: Garret Satfield
Sent: Thursday, May 21, 2020 9:30 AM
Subject: Pools

It appears we are getting closer and closer to being able to open the community pools in Crosswoods.

At this time, it is believed that pools within homeowners association will be allowed to open during Phase 3 of California's response to the pandemic. As I'm sure you've seen on the news, we recently moved into the early stages of Phase 2. This belief is due to the California Department of Public Health recently clarifying its guidelines regarding public and private pools in the state and referencing Section 65503 of Title 22 of the California Code of Regulations. For additional information, please refer to the CDPH website at https://covid19.ca.gov/roadmap-counties/.

Like you, I look forward to the pools opening for all to enjoy. Right now, there appears to be light at the end of the tunnel. Stay safe and healthy,

Garret Satfield, CCAM®, CMCA | General Manager
Crosswoods Homeowners Association

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Garret Satfield

From: Garret Satfield
Sent: Wednesday, May 27, 2020 9:23 AM
Subject: Payment Plan with River City Restoration

Recently, the Board of Directors entered into a payment plan agreement with River City Restoration for the payment of several past due invoices. As previously noted, the association has cancelled its agreements with River City Restoration for any future or pending work in the community. Details and terms of the payment plan are as follows:

- The total amount owed at the execution of the document was $526,840.89 for various safety, escrow, water intrusion, and cycle work in the community.
- Of the $526,840.89, total interest charges included in the balance owed are $24,506.93.
- Per the terms of the agreement, payments have been made to date as follows:
    1) On April 20, 2020, a payment of $105,575.18 was submitted;
    2) On April 30, 2020, a payment of $50,332.99 was submitted; and,
    3) On May 26, 2020, a payment of $51,160.84 was submitted.
- Future payment installments will be as follows:
    1) A minimum of $50,000.00 per month is due the 1st of each month until the balance is paid in full.
    2) In addition to regular monthly payments, a settlement disbursement of $89,702.00 from the association's siding supplier will also be used to pay past due invoices.
- Per the terms of the agreement, no additional interest charges will be levied against the association as long as the association adheres to the agreed payment schedule.
- As of today, the current balance owed on the payment plan agreement is $319,771.88.

Enjoy the day,

Garret Satfield, CCAM®, CMCA | General Manager
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Please tell us about your experience with our company. Take our survey at www.surveymonkey.com/r/TrustCares

Garret Satfield

From: Garret Satfield
Sent: Monday, June 1, 2020 11:30 AM
Subject: Operation Smile

We have a celebrity in the community! See the following links:

https://gooddaysacramento.cbslocal.com/video/4572933-operation-smile/
https://gooddaysacramento.cbslocal.com/video/4573077-operation-smile-pt-2/#.XtVCT3gJCS0.mailto

Thank you, Ellen, for helping us all smile during these trying times.

Garret Satfield, CCAM®, CMCA | General Manager
Crosswoods Homeowners Association

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Please tell us about your experience with our company. Take our survey at www.surveymonkey.com/r/TrustCares

Garret Satfield

From: Garret Satfield
Sent: Monday, June 8, 2020 9:33 AM
Subject: Pools Update

Follow Up Flag: Follow up
Flag Status: Completed

Late last week, the California Department of Public Health released various guidelines relating to the pools and restrooms. Assuming the county health officer grants approval, it looks like we may be able to open the pools in the near future. When I looked at the county website this morning, they still hadn't updated their guidelines. I will continue to monitor their website each day this week.

Currently, the Pool Committee is finalizing recommendations to the Board of Directors for the implementation of an action plan for the reopening of the community pools. As details relating to those plans are finalized, they will be made available for your review.

Right now, we are waiting on a couple of things to occur before the pools will open for the season:

1. The county health officer needs to release an update regarding whether or not Sacramento County can proceed with the state's published guidelines.
2. Upon the release of that authorization, the board will review the committee's recommendations and determine a formal opening timeline. Once I have the committee's recommendations, a special meeting of the board will be scheduled and held shortly thereafter.
3. Due to abnormal chemical levels, our groundskeepers need to drain and refill the main and San Jacinto pools. That work is beginning today and will not take long to complete.

For additional information relating to the community pools and the state's and county's responses to the coronavirus pandemic, please visit https://covid19.ca.gov/roadmap-counties/ and https://dhs.saccounty.net/PUB/Pages/PUB-Home.aspx. Like you, I look forward to the pools opening for all to enjoy. The light at the end of the tunnel is getting brighter and brighter every day.

Have a nice week,

Garret Satfield, CCAM®, CMCA | General Manager
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Garret Satfield

From: Garret Satfield
Sent: Tuesday, June 9, 2020 8:07 AM
Subject: Ballots for the Election

Follow Up Flag: Follow up
Flag Status: Flagged

One of the most valuable aspects of living within a homeowners association is the opportunity it affords each member of the community to vote and have their voice heard.

On Saturday, June 6th, ballot packets were mailed out to the membership for the upcoming election. When you receive the packet, I encourage you to carefully review each page, taking note of the specific instructions contained therein. It is very important that you follow each direction contained in the packet. If any of the directions are not followed as listed, your ballot may be considered invalid.

As previously noted, it is a blessing for each of the community's members to vote. Accordingly, I encourage you to vote and mail in your ballot. With any election, full homeowner participation is needed and warranted. Each of you have a responsibility to yourselves, your family, and your neighbors to vote in this election; I hope you will.

Have a fantastic week,

Garret Satfield, CCAM®, CMCA | General Manager
Crosswoods Homeowners Association

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