

Quarry Woods Home Owner's Association (HOA)
Meeting With Hanson Law Office - Minutes
June 02, 10 AM, Hanson Law Office

I. In Attendance

- a. Denny Niess, Jan Gans, Jim Dahl – HOA Board
- b. Craig Hanson – Quarry Woods HOA retained Legal Counsel

II. Meeting Purpose (Jim)

- a. Review of Covenants
- b. Determine updates – Based on Board member input and review of the Covenants / Bylaws / Amendments provided
- c. Advise the Quarry Woods Homeowner's Association Board on how to update and ensure the updates are valid
- d. Discuss Covenants enforcement options
- e. Other recommendations for the HOA and Board to address

III. Document Review (All)

- a. **Adjust old references, old names and obsolete terminology**
 - i. Craig has all of our documents and has reviewed them
 - ii. We did not go through the documents line by line and did not identify specific changes.
 - iii. We discussed the amendment process that is already defined. It was noted that depending on the area being amended, differing approval percentages are required.
 - iv. **Action – We will invoke the amendment process to identify, communicate and approve / deny proposed.**
 - 1. **Jim has talked with David Miller (Treasurer) on the process and David has the list of home and lot owners to log results**
- b. **Ensure the Covenants are in force and the relevancy period**
 - i. Craig mentioned that Minnesota State Law recognizes properly filed Covenants to be valid for 30 years
 - 1. We have about 12 years left in the validity period of the Quarry Woods Covenants
 - 2. **Action – None at this time**
- c. **How do we restrict rental property in our neighborhood?**
 - i. The group discussed our concerns and that we want to amend our Covenants to restrict homeowners from renting their property
 - ii. Craig covered the need to allow for instances where children may be caring for a home and possible exceptions.
 - iii. **Action – Craig will draft amendment verbiage**

- d. **Suggested verbiage to ensure solar panel installation and location are discussed / reviewed / approved by the Architectural Review Committee (ARC)**
 - i. We discussed solar panel use and Craig recommends an amendment that would simply restrict them.
 - ii. We mentioned concern with current emphasis on clean energy, we may get push back. However, if the amendment is approved by the needed majority, it will be adopted. Subsequent pressure from higher entities will be addressed if they arise.
 - iii. **Action – Craig will draft amendment verbiage**

- e. **ARC Checklist – Include in relevant documents**
 - i. We covered the evolution of the ARC Checklist.
 - ii. It is a collection of items to be considered when building.
 - iii. The items were extracted from the Covenants as well as acceptable, evolving building design trends.
 - iv. It is our desire to ensure that this checklist is recognized as a valid document supporting the operation of our HOA
 - v. **Action – Craig will determine how to tie it in to existing documentation.**

- f. **Determine current HOA owned property**
 - i. Over the years, some property has been turned over to the City as a result of tax forfeiture – Example, Sherwood Loop Park.
 - ii. When new additions were defined, common property was granted to the HOA.
 - iii. The group felt we should get a current listing of HOA owned parcels to clear up any confusion.
 - iv. Craig suggested we engage a vendor to do a title search.
 - v. **Action – Jim will work with a Title Company to create the list. This list will then be used to ensure taxes are planned for and insurance coverage is adequate.**

- g. **Suggestions for ensuring adherence to the Covenants and invoking existing powers granted in our Covenants**
 - i. We discussed the increasing need to have a consistent process and policy to enforce the Covenants as the neighborhood continues to grow.
 - ii. The Board does not feel it productive, nor do we have the time to monitor the neighborhood on a continued basis to identify and track time periods of potential violations.
 - iii. The Board prefers that any process requires involvement by home and lot owners since they are part of the HOA and have an obligation to uphold the governing documents.
 - iv. Craig covered possible options ranging from little involvement to having an external property management firm handle.
 - v. Craig reiterated that our Covenants already grant powers to the Board to enforce, issue fines and place liens for violations.

- vi. Craig reviewed a process that another HOA is using. He covered the steps, communication / documents used and fines.
 - 1. Fines must be at a level where they invoke action.
 - a. Example – Fining someone for vehicles improperly stored should deter them from just paying the fine and forego finding and paying for storage.
- vii. **Action – Craig has provided sample documents.**
- viii. **Action – Jim will draft a process for the Board to review, communicate and adopt. This is in process.**

h. Other Miscellaneous Discussion

i. ARC actions previously taken

- 1. There have been past homeowner concerns with actions taken or not taken by the ARC.
 - a. Some concerns may never have been brought up to the committee.
- 2. Craig mentioned that they are likely to be considered as “Grandfathered” in. Unless there is a safety issue, it may not be worth addressing.
- 3. **Action – Look to enhance record keeping of requests and decisions made by the ARC and communicate them to the HOA.**
- 4. **Action – Communicate to the HOA the need to invoke the ARC.**

ii. Additional amendments to address other structures not currently referenced.

- 1. External antennae for new technologies.
 - a. With some viewing options, specific antennae may be required.
 - b. **Action – Craig will draft amendment verbiage.**
- 2. Restrictions on permanent, above ground pools.
 - a. This was not specifically discussed but has been brought up in the past
 - b. **Action – The Board will have to determine if we pursue as an amendment.**

iii. **Board Liability Insurance**

1. We discussed current amounts and who is covered.
2. Currently, the Board has a \$2 million dollar policy.
3. Craig suggested we increase to \$ 5 million and expand coverage to all HOA Officers, ARC members and any special advisors to the Board.
 - a. Example – Committees set up to advise the Board.
4. **Action – The Board will investigate providers and options.**

iv. **Structures or Landscaping?**

1. There has been past homeowner construction that has been done as landscaping but may be considered as an item requiring ARC involvement.
 - a. Example – A granite berm – Is it a fence or landscaping?
2. The Covenants already state a time frame for landscaping to take place.
3. Landscaping cannot alter drainage that may cause issues on surrounding properties.
4. **Action - Since this is subjective and open to interpretation, we need to encourage involvement with neighbors and ARC engagement.**

IV. **Next Steps**

- a. Address listed actions
- b. Schedule additional sessions as needed
- c. Communicate Board actions to the HOA members