

**SUNSHINE ACRES PROPERTY OWNERS ASSOCIATION
SEMI-ANNUAL MEETING
JULY 26, 2008**

The Semi-Annual Meeting of Sunshine Acres Property Owners Association was called to order at 1:02 p.m. on Saturday, July 26, 2008, at Gardiner Community Center by Jim Wilson, Vice-President, who was filling in for Gary Getch who is on vacation. A quorum was established. Jim introduced the board in attendance: Ev Stauffer, Annemarie Montera, Marty Tipton, Larry Reece and Jim Wilson.

Jim Wilson read ground rules for all persons attending: must be current in their dues, registered and have a voting card. Please wait to be recognized, use the microphone, state your name, plat and voting card number for the record. If someone has the floor, let them finish their statement and at the end of topics, or at the end of the meeting, we will open the conversation up for other questions.

Minutes:

Marty Tipton presented the minutes for approval. Those in attendance took a few minutes to go through the minutes. They were reviewed and with no corrections or questions, Jerry Stiles made a motion to accept the minutes as written. Seconded, no further discussion, motion passes.

Treasurer's Report:

Annemarie gave the Treasurer's report (see report attached and on the website). She reported that we are in the positive and that because we get dues today for next year, it is difficult to give an exact accounting, but suffice it to say, we are in the positive and well above budget. It is easier to look at the proposed budget to see where we actually spend our money. We have been able to save a lot of money on copying costs because the printing is done at Annemarie's business and there is a lot of volunteer help to put out the dues bills, newsletters, etc. We do not send it out to be done. There was a budget item for "helping hands" and after further review, it was decided that it was too difficult to monitor. The road maintenance fund is fine; the road is finished so there wasn't a lot to do on it. The Treasurer's report does not need to be approved, when it is audited, that audit will be approved. There are 19 people (5%) who are still delinquent; we are getting their money. We have gone from about \$9,000 to \$5,600 in delinquent dues. There are three liens in place. One resident has paid off the past due amount. Seven are making payments. Liens will be placed on people who are two years or more overdue unless they are making payments. We need an audit committee and they have to come from the association at large; if you would like to volunteer, please see Annemarie. The books should be ready by the first of September. Gail Riggs made a comment about the at-large audit, who does it, is it somebody from SAPOA or the residents? The audit has to be done by somebody who lives in SAPOA and is not on the board. Kathleen Williamson asked if the "helping hands" fund is included in the upcoming budget. It is not.

Old Business:

Budget Ballot Results: Annemarie reported that the budget ballot was sent out, we received 201 ballots, there were three invalid ballots, leaving 198 ballots valid. There were 164 yes, and 34 no votes. Marty reported that one ballot was received a week after the vote was counted. One party asked on their ballot why the dues didn't fit the budget. Basically we voted for a certain amount of dues. When we sit down and work the budget, we do it per the dues. We vote and approve and present to you. Any monies left over stays in the bank and hopefully we won't have to ask for an increase in dues or another assessment should there be any kind of issue that comes up that will cost more money. The money is banked and is earning interest.

Mussel Beach Road Status: Jim Wilson reported that there's not much to say since the last time we met in January other than a couple of maintenance items. The fog line has been installed and painted; due to weather, it wasn't done until spring. The lock has been replaced but it is still usable with the current keys. A picnic table has been offered for use at the end of Mussel Beach Road that will go down there after the areas has been mowed out, probably on the west side. The maintenance schedule is not set in stone, so if you go down there and see that it needs maintenance, you may be just a few days ahead of the scheduled maintenance. The gate will be locked sometime in November or December and not opened until February or March because some people do not use common sense and go down there when there is ice on the road or during inclement weather. If you need to go down there, see Jim Wilson for access. The new gate is being worked on, should be up this year.

Retention Pond: Jim Wilson reported there is continual maintenance going on and it is maintained. The trees on the perimeter are to be topped to bring in line with the 16' foot covenant. Ev Stauffer reported that he would be topping the trees and also spraying for scotch broom and the weeds in the next week or two in the bottom of the pond. He removed all the mud out of pump cover.

Proposed By-Law Changes: Annemarie introduced Vickie Taney and Dave Rodgers who along with Jim Martin and herself have been working on the by-law changes. In the last newsletter, a copy of the summary of the new by-laws was included (see attached). Vickie asked if everyone received a copy. Vickie gave a short synopsis of the changes that include changing the date officers take office and when the new dates for the semi-annual meetings will be (March and September). This allows more flexibility for the board to prepare. For instance, the current by-laws say that 10 days after the July meeting, the board must send out the election ballot. The new current by-laws say the board has 30 days to send out the ballot. Any officers leaving will have more time to show the incoming officers how things are done, etc. Vickie asked if anyone had questions about why the "rules and regulations" section is separate from the by-laws. The lawyer who reviewed our by-laws said that we had too much in them so we separated procedural items from covenant type items. Things like number of days for mailing, etc., can be changed by the board without all of the residents of SAPOA. The by-laws were clarified and simplified. Bonnie Lowe asked a question about SAPOA putting liens on property. Annemarie reported that SAPOA can put liens on the property for not paying dues. They cannot put liens on property for not abiding by the covenants. Annemarie also reported that the by-laws would be sent out in September or October after the new board is seated. You're going to get a copy of the old and

new by-laws so that you can see the whole re-write. Read them carefully. A copy of the outline will be put on the website.

New Business:

Covenant Updates by Plats: Annemarie reported that Plat 1 put out a ballot for an architectural rep. In Plat 1 we only received 38 ballots out of 81 property owners. There was not enough for the count. Plat 1 will have to be re-done. In Plat 6&7 they had 3 people running for arch rep and received 47 ballots out of 81 owners come back which were counted. No one person got $\frac{3}{4}$ of the vote. John Carroll had 28, Kathy Williamson had 12, and Jim Orban had 7. There will be a run-off between John Carroll and Kathy Williamson.

Annemarie put together a summary of "what is SAPOA?" This summary was given out at the meeting (see attached). In addition to the property listed in the summary, Ev Stauffer also reported that there is also a lot across from the retention pond that goes down to the beach and there are a couple of other right-of-ways one at the end of Sunshine that goes up to Sherwood and one by the gate at the end of Discovery View. The covenants that the plats have in common were never put in the by-laws. When we speak of Sunshine Acres property, we are talking about the common property. Our budget is clearly set up to take care of only SAPOA common property. We do not have the funds to take care of other items or to police or enforce anybody who is not in compliance with their covenants. We have tried to be a third party to assist in mediation between home owners. It is not required we do so.

We are always asked why we pay dues. We pay dues to pay for the costs of the common properties. The legal budget that we have is miniscule. \$1600 is what we spent this year and that was just asking questions about the by-laws or plat issues. We are not charged by the membership with handling neighborhood issues. The by-laws pertain to the common property and the covenants pertain to the plat. The Board of Directors of SAPOA is governed by those by-laws. The plats are governed by their covenants. Covenants are enforceable, but the board is not able to do that for you. It is the property owner's responsibility to enforce the covenants at their expense. If we can mediate for you before you wind up in court, we'd like to help with that. Gail Riggs asked where to get a copy of the covenants. She was advised to look for them on the website. Gail also asked if each plat shared the same guidelines or no they do not. She also asked that if storage on lots is less than desirable, does she have to take action? Yes, she needs to start any action. Jim Wilson told the members in attendance to keep the summary handy as it explains a lot of what SAPOA can and cannot do.

Plat Architectural Reps: Ev Stauffer is the SAPOA arch rep and he covers all plats except Plat 3. Plat 3 rewrote their covenants and took Helen Dent and her successors out of the covenants. Plat 1 has not had a rep, 6&7 does not have one, Industrial Plat does not have one either. Plats 1, 2, 4, 5 6&7 have the same 3-person committee: the owner, the elected rep and the SAPOA rep. Plat 3 has a 3-person committee and the owner is not even on it. Industrial Plat has a 5-person committee: 1 is SAPOA by our successor, 1 is assigned by the real estate office who is selling the properties for Sunshine Acres, Inc., 1 is the owner and 2 elected from at-large. So the folks in Industrial Plat don't even get to elect their own within themselves. Industrial Plat was originally going to be all business and not residential. Certain lots were turned into

residential lots. The duties in all the plats, the arch rep is responsible for approving the placement of structures ó setbacks, square footage, stick buildings versus modulars, etc. Plat 6&7 arch rep also has to look at plantings of trees that could grow over 16ø if they are part of a privacy fence or wind break. Plat 6&7 is the only plat that has this statement. Ev reported on fence issues within the plats.

Except for a brief period that Keith DeStefano was the SAPOA arch rep, Ev Stauffer has been the SAPOA arch rep. Ev has been asked to get in the middle of things that the arch rep isn't really responsible for that border on legal issues. Ev has set up guidelines: people have asked Ev for letters of response. The only time he will give a written response is if there's a problem with something that he's required to sign off on or that he has signed off on. If it's the sighting of a building, the privacy fence, something that requires an arch rep to sign off on, he will give an official letter of response. If it isn't, he'll give a verbal answer of what his feelings are but there will be no written response. He's not responsible for sighting the fences, has no legal authority to make anyone tear anything down. If there's legal action and he's asked to testify, then he'll testify to what he told the homeowner. Questions have come up about AR records. By finely reading all of the covenants, and reading our by-laws, there is no requirement for the AR to keep any records. The only time records are mentioned is in the by-laws that we will provide storage for these records that are generated. All records should be held by the homeowner because the homeowner has to prove they got the approval. If there is a variance, Ev tells the homeowner to take the variance to the courthouse and get it registered. That way there's a record of it. Lately, he's been writing the registration number for the variance on the document. Variances are approved by the homeowners within the plats, not by the SAPOA AR or by the SAPOA board. You have to meet all the county requirements plus meet all of our requirements and in some cases they don't jive. The county has a set-back of 5ø from the side, we are 15ø. Ev stated a few other differences. The County öökö and our öökö are two different things. It is important to read your covenants completely. If you have any questions, please contact Ev Stauffer for clarification. Jim Wilson reported that it is very important to talk with your plat AR. If you don't have one, see Ev Stauffer.

Nominations: Marty Tipton reported that we have two positions to get nominations for. Nomination forms are available today and she needs them back today. Keitha Owen, Ev Stauffer and Adine Kretschmer have presented their nomination forms. Marty asked for any other nominations from the floor.

E-Mail Notification: Marty Tipton reported on the e-mail notification issue. E-mail notification cannot take place until it is approved in the new by-law proposals. She is taking names and e-mail addresses and will utilize them when approved. This process will help snow-birds as well. Also, please let us know in writing where you want your mail sent if you are a snow-bird.

Ken Perry asked who was responsible for enforcing the covenants. Ev told him that it was himself, but SAPOA would try to help if possible. The AR for SAPOA cannot give a variance. A variance has to have 66% of the plat owner's approval for that variance in writing. If there is a problem with the variance, it is the homeowner's responsibility to take legal action. Ken commented that he thought a variance had not been approved in his plat (6&7) and that the

owners still built. That issue is currently in lawsuit and SAPOA should not be saying anything about it. A judge will decide that issue.

Jim Wilson asked if there were any more candidates for the board. Lots of laughter. ;-)

Dave Taney addressed the question that Ken Perry asked that if you're an AR for SAPOA and Jim Martin is the rep for Plat 2, if you approved something that shouldn't have been approved as Jim did and it resulted in a lawsuit, I believe that SAPOA's directors and liabilities policies insurance would cover any issues that might be brought against SAPOA.

Ev stated that just because somebody signed off on something and then it turned out to be wrong later, that it's not necessarily a lawsuit. Lani Low wanted to know if it's possible for SAPOA to confirm that the ARs are covered under the insurance issue. That until she knew for sure, she wouldn't want to run for AR. Annemarie stated that board members are covered as board members as long as what we are doing is done in good faith then we're covered.

Comments made by several home owners that they had set up insurance policies to cover themselves. Marty Tipton clarified the variance issue: when you get a variance, your neighbors vote for the variance, not SAPOA. If the plat gives approval for a building to be built, the plat is doing it, not the Board of SAPOA. We don't give approval or denials for variances. A comment was made that sometimes you can't get 66% of the neighbors to give approval. That's unfortunate. It's your neighbors; ask them if they returned the ballot, etc.

Miscellaneous Announcements: Jim Wilson reported that a petition was distributed to increase the speed limit (from 35 mph to 40 mph) on Diamond Point Road from Hwy. 101 to Sunshine Acres and that 200 signatures were received which is over the percentage needed. It has been turned over to the county and is coming up to public hearing.

Jim Coulter wanted to inform everyone that there is a problem with the emergency siren and they are trying to fix it. If you hear anything other than the chimes, take notice there might be a problem.

Plat 6&7 is going to have a meeting immediately after this meeting today.

Mussel Beach Road keys ó Jim has a few if you'd like one.

Airport Days is August 2, 2008, from 10 a.m. to 3:00 p.m.

General Questions/Answers:

Helen Levine wanted a clarification on the speed limit within Sunshine Acres. They will remain 25 mph and if you need enforcement, call the sheriff. SAPOA has no legal authority for speed limits within SAPOA.

Lani Low asked if there was any thought of proxies so that someone who is a snow bird could give a proxy to a neighbor. Annemarie reported that it has been discussed but it hasn't been

changed yet since all of our ballots are mail-in ballots. The only time you'd need a proxy is at meetings like this and that we don't really do any major business at these meetings.

Shelia Parker asked if it was possible to get a secure drop-off postbox out here since we have had mail thieves in the area. If more people called the Postmaster in Sequim, perhaps we could get a secure mail drop-off box out here. Several people gave comments on perhaps getting a more secure post-box system for the residences out here as well.

Voting cards: please return them to Karen at the front desk.

Keith Kretschmer moved to adjourn, seconded, no further discussion, motion passes. Meeting adjourned at 2:22 p.m.

Respectfully submitted,

Martha A. Tipton

Martha Tipton
Secretary