

~~Draft of July 10, 2004~~

Draft of July 18, 2004

## **SEAHURST WEST ADDITION**

### **Minutes of Annual Meeting of May 17, 2004**

Bob Krakowski called the meeting to order at approximately 6:15, having a quorum of nine families: Marilyn and Darold Doell, Vicky Fisher and Alex Reid, Lee and Carol Sanders, Debbie Conway, Jim and Rebecca DeVaney, Bob Krakowski, Margaret and Jim Emch, Judy Seiwerath, and Knut Ringen and Jacky Randall. Marc Kropack also attended.

Welcome to New Neighbors. Bob began by welcoming our new neighbors, Judy Seiwerath and Garnette Lawrence, Debbie Conway, and Bruce Beck.

Approval of Previous Minutes. The minutes of the previous meeting of May 14, 2003 were approved without amendment.

Financial Report. The financial report was then distributed. Jim DeVaney noted that we had been building up a war chest for repair of the common road, and still had a balance remaining after we struck a favorable deal for Water District 20's contractor to repair the road while replacing the water system. Jim went on to state that he had recorded one assessment that did not make it to the bank, and that he would have to review the bank records. He said that Debbie Conway's assessment had already been paid, and that Beth Williams had paid her portion of the road repair. Expenditures had included the funds for the road repair (\$13,500), and legal bills for issues related to the water line. The balance is now approximately \$7500.

Marc Kropack said that he was having the common lot weeded by the daughter of a friend, and that hand weeding will, in the long run, eradicate some weeds that weed whackers will not. The community agreed to contribute \$600 to the costs (the current gardeners charge roughly this amount each year to clean up the lot). The current gardeners will continue the lawn upkeep at SWA expense.

The group then discussed the fact that the Doells had not paid their annual dues. Objections were voiced by the community, while the Doells said that they had not paid because of our position that they were not "residents" of the community. Both Marilyn and Darold committed to paying their dues. The financial report was then accepted, subject to receiving the Doells' payment.

Officers and Directors Liability Insurance. Bob then introduced the issue of insurance for the Board of Trustees, noting that there had been a great deal of debate on the issue by the Board. Vicky said that the Covenants Committee had looked into the insurance issue as part of its work on the covenants. Knut said that they had consulted a local insurance broker and had learned that the King County courts were very unsympathetic to suits against homeowners' associations, unless their behavior is egregious. As a result, the

cost of insurance is very low; according to Alex, it would be \$45-50 per household per year for coverage of \$1 million, at current rates.

There was a discussion of whether this insurance would extend to liability for the common road and lots, and it was agreed that this should be clarified by contacting the broker again.

Some concern was voiced about the equity of the entire group paying for insurance, as (it was asserted) the issue was engendered by the Doells' refusal to sign the "hold harmless" agreement (see previous minutes). A motion to set dues at \$1000 and discount the dues for all households who signed the indemnification was tabled.

The community agreed to a motion to obtain insurance for the Board for a one year period, at a total cost of approximately \$750 for \$1 million in coverage. The Board was also told to explore the need for additional liability coverage for the community. The cost of insurance will be paid from the existing accounts. The Board will bring the issue back to the community next year for approval of any extension and expansion of the insurance.

The community also agreed that the Board could spend up to \$1500 from the existing balances for initial consultation with a lawyer concerning liability and covenants issues.

Annual Dues. After discussion, the community unanimously agreed to the Board recommendation for dues of \$300 for the 2004-2005 year. A notice of assessment will be distributed in September and payment will be due in October 2004.

Revision of Seahurst West Addition Covenants. Vicky Fisher recapped the activities of the Covenants Committee over the past several months, and discussed the issues that might be considered essential in the current covenants. These items included the maintenance of the road and common lots; maintenance of views and the architectural integrity of the community; the prohibition on subdividing and the restriction to use of homes as single family homes; the prohibition on building new structures; and the provisions on safety, signs and pets. A covenant might also be added concerning trees.

There was also some discussion of enforcement of the provisions, including the role of the Board, individual homeowners, and/or mediation. The covenants should define the interests of the community as a whole; define Board/mediation duties versus those of individual homeowners; and provide for resolution of disputes.

It was agreed that Vicky's committee should survey the community in order to rank the importance of each of the covenants and determine whether the community favors simple, relatively non-restrictive covenants, or more stringent provisions. When this process is completed, the covenants committee will schedule a series of meetings during the September 2004-February 2005 period to discuss and obtain the views of the community on specific provisions. The committee may also request funds from the Board to consult with a lawyer about covenant issues, as necessary. The committee will return to the 2004 annual meeting with recommendations (in non-legalese) for changes in the

covenants for discussion and voting. Subsequently, a lawyer will be retained to prepare a new legal document incorporating these provisions, which will be voted on at the 2006 meeting. According to the covenants and legal advice we have already obtained, the revisions must be made in 2006, and will pass if approved by three-fourths of those voting.

Other Issues. The group passed Lee Sanders' motion (underscoring a previous vote) that annual meetings be held in March.

New Trustees. The group approved Lee Sanders' joining the Board, beginning in August. Lee will handle maintenance issues and organize work projects.

Community Work Projects. Marc Kropack proposed replacing the existing concrete ramp and railroad ties leading at the beach lot with stone risers and gravel treads. He assured the community that he will assume liability for the work, and will not assert any claim over the lot as a result of these improvements. The community agreed to provide \$1000 for the cost of materials for the portion of the path above the bridge, while Marc will provide the labor. Lee Sanders and Kropack also plan to trim the alder in the beach lot at their own expense, to which the community agreed.

There being no further business, the meeting was adjourned at approximately 8:20 p.m.

  
-----  
Bob Krakowski, President

  
-----  
Jacky Randall, Secretary

Minutes approved at Seahurst West Addition community meeting of

\_\_\_\_\_.