

BayCrest Homeowner's Association
Minutes of the Special Meeting
held on September 25, 2007
at 7:00 p.m.
at Beechwood Resort Meeting Room
Blaine, WA

Gurpreet Dhillon called the meeting to order at 7:45 p.m.

Incorporation

Ginny Benton presented information regarding incorporation:

1. Why we should incorporate
2. Related a conversation she had with our lawyer, Hugh Lewis, PC today
3. Read an excerpt regarding liability.

Hugh Lewis, PC wrote "Riss vs. Angel" information. A really scary recent example of the application of these principles to the realm of homeowners' associations is the case of *Riss v. Angel*, 131 Wn.2d 612, 934 P.2d 27 (1997), a case in which our State's Supreme Court held nearly all the homeowners in an unincorporated residential community jointly and severally liable to another homeowner whose property rights were violated by the actions of a "rogue" architectural control committee acting on behalf of the community. Because the actions of the committee were determined to be unlawful, there was no insurance coverage for such actions. The judgment obtained by the plaintiffs constituted a lien on the titles to all their neighbors' properties for a sum in excess of \$200,000. There were a lot of unhappy people in that community." Ginny Benton added that this cost each homeowner over \$500.00 per house

Basically, if we are incorporated, we will be liable as a group. If we remain unincorporated, we are liable individually.

The cost of incorporation costs would be about \$1000. This would include the incorporation, Bylaws, going over the C C & Rs and Design Review Standards to check for possible issues within. Ginny stated that the incorporation issue appeared rushed at the turnover meeting in April 2007. She has spoken with the Community Association Institute and the Washington State Community Association Institute. All sources she has researched strongly recommend that incorporation is best to protect homeowners and board members. The collective liability of a corporation is safer.

Ginny added that sign up sheets for committees and Design Review Board are in back of meeting area.

Sandy Kiele made a motion to approve incorporation of the BayCrest Homeowners Association. Natalie Pacheco seconded.

Vote taken with ballots. Yes = for incorporation. No=against incorporation

Yes votes: 32. No votes: 2.

Motion passed.

Fence Issue

The quotes for fencing around the Baycrest retention pond were presented.

Economy Fence – cost of \$25,825.00

Northwest Fence – cost of \$14,625.0

Carmichael Fence – cost of \$16,986.00

Without a fence around the retention pond, we cannot get an umbrella policy for insurance and only one company will insure at all because the ponds are not fenced. The fence is not required by code because of the slope of the shoreline. The pond is an attractive nuisance to children and the insurance company is worried about a child drowning in the pond. There was significant controversy and debate about this issue. Some homeowners feel that it is the parents' responsibility to watch their children and not to let them play near or in the pond. They believe that we should follow the code and not construct a fence around the pond.

Other homeowners feel that a fence is necessary to protect children and to protect us from a costly liability claim. They believe we should fence the pond.

Some homeowners are concerned about the aesthetics of a chain link fence around the pond. They feel a chain link fence is inappropriate because we cannot use chain link in our yards. Others are concerned about the upkeep and maintenance of the fence. Still others feel that the natural look of the pond would be destroyed by the addition of a chain link fence.

A point was made about a section of the C & Rs, Section 6.3.7. This section talks about a fence and there was a question as to whether Homestead should have put up the fence or implied they would fence the pond by including that clause in the C C & Rs. Clarification was requested.

A question was raised about filling in the pond. We cannot fill in the pond, as we are required by law to manage our storm water runoff.

Questions were raised as to who owns the ditches. The county maintains the ditches as they have easements to them. Check your plat map to see if you own part of the ditch. It was concluded that the question of Homestead's responsibility regarding the fence should be followed up on. Ginny Benton will check with the lawyer tomorrow regarding the fence language.

A question was raised as to whether the fence was mapped out. It is on paper. What kind of fence would we use? A 6-foot high chain link fence. Some homeowners feel it should be a 10-foot high fence. Would the fence be continuous? Yes. Some of the property lines are in the water and how would we fence that? Unknown at this time. Jon Rands talked about the cost vs. return on increased insurance limits. Is it worth spending around \$15,000 to get an additional 1 million dollars of insurance?

Motion made by Natalie Pacheco to table the fence issue pending further investigation. Angie Wingett seconded. Motion carried.

Budget

Gurpreet Dhillon stated that the current yearly fees only cover the cost of keeping the lights on in the streetlights. Other needs, such as landscaping, were not included. A new budget and a special assessment are needed to pay for anything else.

A motion to approve the unfenced pond budget was made by Lynn Rose.

Ian Thompson seconded.

Vote taken with ballots.

Yes: 32 No: 1 Abstention: 1

Design Review Board

Signups for the DRB accepted via signup sheet.

Gurpreet Dhillon explained what the Design Review Board does. They cover approval for changes to the outside of the house and the property.

People interested on serving on the Design Review Board were introduced. Janise Rands, Jerry Lundquist, Dan Lariviere, LaDonna Comchoc and Rachel Kreutzkamp.

The C C & Rs require the DRB to be elected by the homeowners.

A motion was made to approve the 5 candidates as the Design Review Board was made by Donna Baker. Sandy Kiele seconded.

Vote was made by ballot. Yes: 31 No: 0 Abstention: 3

A motion to adjourn the meeting was made by Natalie Pacheco at 9:00 p.m.

Jon Rands seconded. Motion carried.

Meeting adjourned.

Respectfully submitted by,

Chelle Dunham
Acting Secretary