

Governance Committee Meeting July 14, 2007

Thanks all. We had a very productive meeting today. Those of you who were unable to attend did send your thoughts prior to the meeting which was very helpful. Our primary goal for this meeting was to address the issue of the definition of HIC, both what it is currently and what it should be. There have been concerns expressed that if we are not a Homeowners Association, we do not have the authority to do much of what is required by the community to regulate, maintain and advance common community interests.

We sat down with the Washington State RCW's (<http://apps.leg.wa.gov/RCW>, Title 64.38) governing Homeowner Associations and with our current Articles of Incorporation to compare the two. We also reviewed the Articles for other areas of concern that we thought needed to be updated.

Points of Discussion:

In reviewing the Washington State RCW's regarding HOA's we determined that our current Association is in line with these regulations requiring only an update in the language of our Articles of Incorporation to clarify this fact.

We should use the name "Hat Island Community Association" (HICA) to help clarify and confirm our designation as a Community Association (i.e. HOA)

The definition of membership needs expansion to incorporate legal entities such as Trusts and LLC's as members in the Association provided those entities are listed as the owner of record in the Snohomish County Auditor's office. Details regarding what constitutes a voting member (including issues with multiple members, members with multiple properties, relationships between members, etc) will be addressed in the By-laws.

The part of Article VII of the Articles of Incorporation which attempts to address who has authority/voting rights, etc. in the interim between when a member dies and the subsequent inheritor/owner of the property takes over, is very confusing and outdated. We determined this section needs attorney review to clarify, simplify and update consistent with current probate laws.

The insurance attorney used in a recent lawsuit against the Association agreed to review our docs and point out weaknesses/vulnerabilities in our current docs. We will look forward to getting this feedback.

We also discussed (but didn't confirm the decision) to join the Community Association Institute, a clearinghouse for information supporting members and leaders of Community Associations. There is a nominal fee of \$90 for a volunteer member (additional members at a discounted rate) and there is a local chapter of the organization in Lynnwood.

Next steps:

Eleanor volunteered to produce an updated draft of the Articles of Incorporation based on our discussion and send around to the group. Upon final agreement by the Committee, this draft may be posted on the website for community feedback prior to presenting for Board approval.

Ginger is continuing her review of the Motions Book in the HIC office.

We should all be reviewing By-laws and prepare to discuss needed changes in that doc at our next meeting.

The Development Plan should be the next doc we review once the By-laws are complete.

We determined that setting up weekly meetings over the next several weeks allows everyone to attend some if not all of the meetings and keeps us on track to make as much progress as possible through the summer months. (It would be nice to have document reviews done by Labor Day) Each of us has dates we can't make and there are no dates that everyone can make. This allows us all to communicate via a combination of face to face meetings and email as best each of us can. Our next two meeting dates are:

Sunday - July 22nd, 10:30 am

Saturday - July 28th, 10:30 am

Again, let me know if I've left anything out.

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