

SUNSET COVE DEVELOPMENT HOMEOWNERS ASSOCIATION
ANNUAL OWNERS MEETING JANUARY 29, 2006
DIRECTORS MEETING FOR JANUARY 2006
DIRECTORS MEETING FOR FEBRUARY 2006
ANACORTES LIBRARY COMMUNITY ROOM

Present: President Roy Raphael, Vice President Ron Telles, Secretary-Treasurer Paul Allen, Director Barbara Ballentine

Absent: Director James Nelson
Owners present: See list attached

The meeting was called to order by Roy at 1:05pm. Roy welcomed everyone and introduced the board members present. Roy called for a count of the proxies, ballots, and attendees to determine if a quorum was present in order for the annual owners meeting to proceed. The counts by area were as follows:

| Location | #ballots/proxies Attendee's | Total for area | % of total |
|-------------------------|--------------------------------|-------------------|------------|
| Washington Park Estates | 20 | 34 | 58.82 |
| Sunset Cove Estates | 10 | 18 | 55.56 |
| The Crest | 0 | 18 | 0.00 |
| Total | 30 | 70 | 42.86 |

Inasmuch as we were required to have 36 total we fell short of attaining a quorum for the meeting to proceed.

It was proposed, rather than adjourning the meeting, to continue the meeting in the regular manner as the monthly board meetings and incorporate the January and February meetings into one date.

The annual budget was presented by Paul even though each owner received the required copy by mail. Various questions were fielded by the board regarding landscaping, fencing the retention pond and plans for the gazebo. The board agreed to analyze other options regarding the retention pond before proceeding with the fencing project. A question was raised about dues collected vs. the budgeted amounts noted. Paul indicated all but 6 parcel owners have paid and we will be proceeding with appropriate letters and if still unpaid, we will refer those owners to our attorney for collection.

The meeting was opened for general questions from the floor. Several owners wanted an update on the Chaffey proposed development to the East of Washington Park Estates. Our most current information is that they will go before the planning commission early this year. One owner is concerned about an adjacent property owner storing oil drums on the easement intended for the pathway to the gazebo. The board will take this under advisement. One owner in Sunset Cove Estates asked that all owners present from that area meet in the back of the room for a private meeting, the subject of which was not divulged to the open meeting.

A motion was made by Director Ballentine to place Rick Etsell on the board immediately in order to relieve outgoing director and President Roy Raphael of his duties. Ron seconded the motion and the board unanimously voted to do this as the planned election could not go forward. There being no further business before the board the meeting was adjourned at 1:45pm.

Respectively submitted,

Paul Allen
Secretary-Treasurer.