

**MINUTES OF THE SPECIAL GENERAL MEETING OF THE OWNERS,
SUDDEN VALLEY COMMUNITY ASSOCIATION, HELD ON SATURDAY,
MARCH 29, 2008 AT 1:00 P.M. IN THE DANCE BARN, SUDDEN VALLEY,
BELLINGHAM, WA.**

I. CALL TO ORDER

The meeting was called to order by the President of Sudden Valley Community Association, Russ Harlan at 1:05 p.m.

II. INTRODUCTION OF PARLIAMENTARIAN

President Harlan introduced Ann McCartney, who acted as the Parliamentarian of the Special Meeting in accordance with SVCA Bylaws.

III. CERTIFICATION OF QUORUM

President Harlan reported the minimum requirements for a quorum had been met by the presence of 50 or more members in good standing.

IV. PROOF OF NOTICE OF SPECIAL GENERAL MEETING

Secretary Naomi Bunis verified that, in accordance with the Bylaws of SVCA, a notice of the meeting was sent by mail to each property owner on February 20th, 2008, 38 days prior to the meeting.

President Harlan announced that the minutes of the meeting of the previous Annual General Meeting were read and approved at the first regular board meeting after the AGM in 2007. The minutes of meeting for this SGM will be reviewed at the next regularly scheduled Board of Directors meeting on the 4th Monday of April at 7:00 p.m. at the Adult Center.

V: TREASURER'S REPORT

1. Discussion of Measures:

MOTION

President Russ Harlan made a motion that the Board and General Membership approve an amendment to the agenda to combine the Treasurer's Report and New Business, as they are both a presentation and discussion of the proposed Measures. The motion was seconded.

MOTION CARRIED UNANIMOUSLY

VI. NEW BUSINESS

Treasurer Barbara Audley announced and explained each of the measures.

1. Measure No. 1: Measure No. 1: Set the total annual dues to be \$612.88 for Undeveloped Lots and \$717.56 for Developed Lots.

A. Discussion*

The Issue was brought forward for discussion.

B. Voting Process

The ballots were marked and collected for counting by the Nominations and Elections Committee.

Measure No. 2: Approve a balanced 2008 status quo annual net operating budget of \$1,399,918, which is based on the dues increase called for in Measure 1 passing.

- A. Discussion*
The Issue was brought forward for discussion.
- B. Voting Process
The ballots were marked and collected for counting by the Nominations and Elections Committee.

Measure No. 3: Assuming Measure 1 is approved by the membership, the increase may be effective April 1st, 2008, or January 1st, 2008. If the membership approves April 1st, there is no certainty when funds from the Undesignated Reserve used to pay the budget deficit accruing during the first quarter of 2008 will be reimbursed. If the members select a January 1st effective date, the increase for the first quarter will be billed over the remaining three quarters of 2008 and deposited into the Undesignated Reserve Fund.

- A. Discussion*
The Issue was brought forward for discussion.
- B. Voting Process
The ballots were marked and collected for counting by the Nominations and Elections Committee.

VII. PROPERTY OWNER COMMENTS

The following property owners had comments or questions:
Larry Estrada Div.26/Lot 2; Ray Maine Div.2/Lot 65; Edythe Munn Div.2/Lot 179; Norman Freund Div.53/Lot 17, Stu Mellander Div.31/Lot 3; Carol Bauman Div.37/Lot 11; Dennis Jones Div.23/Lot 53; Jim Huthert Div.14/Lot 137; Lou Manrique Div.22/Lot 267; Gary Gallant Div.31/Lot 17; Rich Nicholls Div.11/Lot 182; Anthony Munn Div.2/Lot 179; Scott Thiele Div.3/Lot 128; Josephine Estrada Div.26/Lot 2; Tom Solin Div.2/Lot 128; Leslie McRoberts Div.23/Lot 22; Penny Carter Div.37/Lot 8; Bill Audley, Div.35/Lot 9; Bruce MacCormack, Div.38/Lot 13; Joe Peck, Div.23/Lot 113; Terry Fischer, Div.13/Lot 38.

VIII. ANNOUNCEMENTS/UNOFFICIAL ELECTION RESULTS

Treasurer Barbara Audley made an announcement about several Committee and Volunteer positions available.

Secretary Naomi Bunis made an announcement that the Document Review Commission has two positions open to volunteers.

A recess was called at 2:27 p.m.

The Special General Meeting reconvened at 2:40 p.m.

Nominations and Elections Committee Chair, Dee Spreitzer, presented the results to the Board President. President Russ Harlan announced the results of the voting as follows:

Common Proxies Total:	36
DA Proxies:	696
In Person:	246
Total Valid Votes Cast:	978

Measure No.1 – Measure No. 1: Set the total annual dues to be \$612.88 for Undeveloped Lots and \$717.56 for Developed Lots.

YES	572 (59%)
NO	406 (41%)

[FAILED]

Measure No. 2 – Approve a balanced 2008 status quo annual net operating budget of \$1,399,918, which is based on the dues increase called for in Measure 1 passing.

YES	561 (59%)
NO	384 (41%)

[PASSED]

Measure No. 3: - Assuming Measure 1 is approved by the membership, the increase may be effective April 1st, 2008, or January 1st, 2008. If the membership approves April 1st, there is no certainty when funds from the Undesignated Reserve used to pay the budget deficit accruing during the first quarter of 2008 will be reimbursed. If the members select a January 1st effective date, the increase for the first quarter will be billed over the remaining three quarters of 2008 and deposited into the Undesignated Reserve Fund.

YES	442 (51 %)
NO	422 (49%)

[FAILED]

President Harlan announced that the first and third measures were decided by a super majority of 60%, but the budget measure is evaluated differently. He explained that the Revised Code of Washington law states that the vote has to be

50% + 1 of the total voting membership of 3,279. Therefore, the Budget measure has been ratified.

He then stated that the failure to pass the dues increase means we are unable to fund the budget.

N&E Chair, Dee Spreitzer, announced that due to the closeness of the count, with only 14 more votes required to pass Measure 1, she called for a recount to review the validation of all votes cast.

MOTION

N&E Chair, Dee Spreitzer, made a motion that the Board call for a recount of the votes for Measure 1. The General Membership seconded the motion by floor vote.

MOTION CARRIED UNANIMOUSLY

The N&E Chair announced the N&E members will convene after the recess of this session to begin the recount.

MOTION

N&E Chair, Dee Spreitzer, made a motion that the Board reconvene at 6:50 p.m. on Monday, March 31, 2008, at the Dance Barn to announce the results of the recount.

MOTION CARRIED UNANIMOUSLY

IX. RECESSED TO MARCH 31, 2008

X. RECONVENE SGM SESSION MARCH 31, 2008, AT 6:55 p.m.:

N&E Chair, Dee Spreitzer, read the determination of the recount of the SGM votes announced on March 29, 2008. In addition, she submitted an N&E Committee report on the findings of the recount.

Master Counter, Dave Scott, discussed the results and discrepancies discovered during the recount. Only one third of all Sudden Valley lot owners voted in the March Special General Meeting. Results from the recount are as follows:

YES VOTES:	572 (58.3%)
NO VOTES:	409 (41.7%)
TOTAL VOIDED:	1 Invalid Floor Vote (lot sold) 5 Empty Envelopes Received

(contacted)

27 Delinquent Dues

Therefore, the dues increase officially did not pass.

X1. ADJOURNMENT:

There being no further business, the Special General Meeting was adjourned on March 31, 2008, at 7:25 p.m.

Board Approved _____ / date _____