

MINUTES  
COBMOOSA SHORES ASSOCIATION BOARD  
June 12, 2021

CALL TO ORDER: 9:00 a.m.

TRUSTEES PRESENT: Tom Boersma, Rich Campbell (president), Ed Dedic, Rick Emerson (vice president and acting treasurer). Paul Jordan (secretary), Dennis McKelley, Tim Pieri, and Bill Raffail

TRUSTEES ABSENT: Sara Collins (treasurer, medical)

GUESTS PRESENT: Jill Dedic, Diane Frazine, Susan Harding, Tim Jeffers, Tim Jeltema, and Rick Zane

COMMUNICATIONS:

- Email from Linda Van Sprange

Rich Campbell read an email sent yesterday evening that he had received from Linda Van Sprange. Action on this letter was deferred since no other trustees received a copy from Linda; Rich said he would forward it to all trustees.

- Trustream

They are continuing to run cable for their internet service, and are installing receiver boxes on subscribers' homes. Their target date for completion is still mid-summer.

REPORTS:

- **SECRETARY:**

- Minutes May 8, meeting

Having been posted for well over two weeks on both the bulletin board and website, they were not read.

**MOTION:** Bill Raffail moved their acceptance as published, with a second by Dennis McKelley. The motion passed unanimously.

- **TREASURER:**

- Report

**MOTION:** Paul Jordan moved their acceptance as presented, with a second by Ed Dedic. The motion passed unanimously.

- Budget reconciliation amendment

**MOTION:** Whereas there are significant amounts of anticipated unexpended funds in the Roads and Trees budget categories and deficits in the Beach and Parks, Miscellaneous Administration, and Legal and Professional budget categories, the following transfers are authorized:

1. \$2000 from Trees to Beach and Parks
2. \$1,750.04 from Roads to Beach and Parks
  - These transfers will resolve the shortfall in the Beach and Parks line item due to the rebuilding of the North Access stairs while leaving sufficient funds to cover anticipated remaining expenses in Trees and Roads.
3. \$4, 528 from Roads to Legal and Professional
  - This transfer will resolve the shortfall in Legal and Professional and permit the final payment to the Varnum firm for the attorney's opinion while leaving sufficient remaining funds to cover anticipated remaining expenses in Roads.
4. \$638.79 from Roads to Miscellaneous Administration
  - This transfer will resolve the shortfall in Miscellaneous Administration while leaving sufficient remaining funds to cover anticipated remaining expenses in Roads.

The motion was made by Paul Jordan with a second from Bill Raffail, and passed unanimously.

~~Discussion: "On what may the Board spend dues?" (Linda Van Sprange's item)~~

See the comment under "Communications".

- **Roads:** Roads are in great shape. They were scheduled to be brined the week before Memorial Day but due to the rains the schedule pushed to the following week. The brine is keeping the dust down but without additional rains to reactivate it will get a bit dusty. Roads crowning project was started by Ed using his tractor to use the existing materials and provide a crown or contour to each of the roads allowing quick water runoff to each side rather than sitting on the road causing potholes or running the length of the road causing washouts. The next phase of the project is to add material to cover the large stones heaved by the frost. This is a natural occurrence and is planned for in our 10 year road plan. Materials will be purchased with the remainder of the 20-21 road budget.
- **Beach:**
  - Parking stickers. All of them have been mailed out to addresses on file
  - Pack it in, Pack it out policy to be discussed at annual meeting.
  - Fire Rings have been placed near South Access, between South and North Accesses and near the North Access. The sifter for emptying the ashes is under South Access steps.
  - The North Access has a plastic holder on post near steps for anyone interested in using one of the bags to pick up beach litter.

Once again there was considerable discussion among trustees and guests. Tim Pieri suggested that it might be good for there to be several 'readings' of proposals for Board action prior to their adoption.

- **Building:**

The construction on Erie is rapidly making progress. The foundation is in for the new building behind Kevin Kelly's, with the expectation that a modular home will be installed on the foundation. There have been no new plans submitted.

- **Trees:**

Rick Slagter was thanked for having paid to have a dangerous dead tree limb in the roadway trimmed.

#### COMMITTEES:

- **Park and Entrance:**

Rich has received very positive comments regarding the attractiveness of the entrance.

- **Social and Event:**

- July 3 ice cream social and parade

The event will be organized by volunteers, as usual. Notice will be sent out as usual.

- **Communications:**

- Bill Raffail reviewed the updates and corrections to the website, noted that there were 162 events added to the CSA calendar, and one eNewsletter was sent

~~● **Nature:** There was no presentation.~~

- **History: Tell your Story!** [history@cobmoosashores.com](mailto:history@cobmoosashores.com) just send an email with a picture attached and explanation of who, what, where, when.

#### OLD BUSINESS:

- New owner welcome packets

All trustees have access, and should include whatever documents they believe might be helpful to new owners.

NEW BUSINESS:

- Annual meeting agenda and prep

Ed Dedic has made a powerpoint outline available to trustees. Ed and Paul Jordan will organize a presentation on the attorney's opinion.

OTHER ITEMS FOR DISCUSSION:

- Please update your contact information on CSA Website or <https://forms.gle/ejEma59QAYXGEsYy8>
- Concern about the legal status of the association, membership, and possible implications of the attorney's opinion

Tim Jeltema [read a statement](#) which is attached to the online copy of the Minutes. Wide-ranging discussion followed among the trustees and members in attendance regarding the matters about which he expressed concern, the advisability of advising the insurance carriers regarding the substance of the attorney's opinion, short-term rentals, and the Association's relationship to them. He also requested that [notes he presented at the May meeting](#) be attached, as well.

ADJOURNMENT: 10:53 a.m.

**Paul Jordan moved to adjourn with a second by Bill Raffail.** It passed unanimously.

NEXT MEETING: Annual meeting July 10, 2021 (with regular July meeting to immediately follow)

Respectfully Submitted,  
Paul Jordan, Secretary

## Varnum Attorney's Opinion with Tim Jeltema's Notes

(Tim had wanted us to attach this to the May minutes, and it is included in the web-based version of the minutes as a courtesy.)

The inescapable conclusion of this letter is that the Cobmoosa Shores Association has no authority over the owners of property within Cobmoosa Shores. Was this message clearly communicated to the board by Ms. George?

What concern? Who is concerned? What are they concerned about? What was the specific question that Ms. George was asked to investigate?

Stacey A. George Direct 616 / 336-6237  
sageorge@varnumlaw.com

**February 19, 2021**

Via e-mail: rick.emerson@cobmoosashores.com

Cobmoosa Shores Association Attn: Mr. Rick Emerson  
9316 Erie Trail  
Shelby, Michigan 49455

Re: Cobmoosa Shores Association Dear Rick:

We have had an opportunity to review the documents you provided us concerning the Cobmoosa Shores Association (the "Association") and the Cobmoosa Shores development, specifically:

- The June 2020 title insurance policy for your unit, which reflects the following specific title exception documents which we have also reviewed:
  - Cobmoosa Shores Protective Covenants recorded in 2009 and 2017; and
  - Restrictions and easements in warranty deed recorded in Instrument No. 791763
- Neil Kimball's title search issued by Advanced Land Title Agency in 2009, which identifies the following title documents which we have reviewed pertaining to the Cobmoosa Shores (original) plat and the Association:
  - Deeds representing the original conveyance of some Cobmoosa Shores lots subject to certain deed restrictions;
  - Cobmoosa Shores Protective Covenants recorded in 1995, substantially similar to those reflected in the title policy noted above; and
  - Bylaws of the Association recorded in 1995 at Instrument Number 957176
- Correspondence dated October 29, 2015 and November 30, 2015 from Attorney James M. Rose to the Association on behalf of Cobmoosa Shores lot owner Bosco Construction, Inc.; and
- Cobmoosa Shores Protective Covenants dated July 2017, Association Bylaws dated July 1999, and meeting minutes on the Cobmoosa Shores website

In addition to the above, we reviewed the plats for Cobmoosa Shores, Cobmoosa Shores No. 1, and Cobmoosa Shores No. 2, as amended, and the Articles of Incorporation for the Association. We also briefly reviewed publicly available recorded real estate documents involving Cobmoosa Shores and the Association and contacted the Oceana County Circuit Court and District Court clerks, inquiring about the status of any lawsuits involving the Association, whereby the authority of the Association may have been challenged and decided upon by a court, and contacted Benona Township to discuss the status of a short term rental ordinance. Below is a summary of our findings and conclusion.

### **Creation of Cobmoosa Shores Plats and Original Property Restrictions**

As you likely know, the development commonly referred to as “Cobmoosa Shores” actually consists of three (3) separate plats. The original plat consists of 256 lots (Lots 1-256) and was filed in 1960 by Mason Land Company, Benjamin and Ruth Marcus, and Don and Shirley Foote. The second plat, known as “Cobmoosa Shores No. 1” consists of Lots 257-298, and was filed in 1963 by Oceana Land Company, Benjamin and Ruth Marcus, and Don and Shirley Foote. The third plat, known as “Cobmoosa Shores No. 2”, added Lots 299-376 in 1963 and was filed by Oceana Land Company and Don and Shirley Foote. For purposes of this letter and except as otherwise expressly stated “Cobmoosa Shores” refers to all three of these plats and their 376 lots.

The deeds to Cobmoosa Shores lot owners do not require membership in the association and in fact don't even make mention of an association.

Although no rules or property restrictions pertaining to the lots in Cobmoosa Shores are recorded on the face of the plats, it is our understanding based on the 2009 title search provided and the conclusion made by Advanced Land Title that following the creation of the Cobmoosa Shores plats, all the lots were deeded to third parties from the developer of Cobmoosa Shores subject to the same or substantially the same deed restrictions, a sample set of which are listed on the attached Exhibit A. Notably, the restrictions do not contain any language about the ability to modify or enforce the restrictions. Nor do the restrictions indicate that the owners of the Cobmoosa Shores lots are members or shall be members of an association. Likewise, there is no mention of the Association at all.

### **Cobmoosa Shores Association and its Filings**

In 1968, the Association was formed under the Incorporation of Summer Resort Owners Act, Michigan Public Act 137 of 1929 (the “Act”). The Association’s Articles of Incorporation recite that the purpose of the Association was for the welfare of the owners and occupants of the Cobmoosa Shores plats, for the purchase and improvement of lands for summer homes and summer resort purposes, to acquire property not to exceed 320 acres, and to generally exercise such powers and requirements as set forth in the Act. The Articles set forth a limited description of the Cobmoosa Shores lots that were to be subject to the

By 1963 Cobmoosa Shores had grown to its current 376 lots. In 1968 an association was formed by a subset of 22 out of 376 lots. Does that mean that the other 354 lot owners did not want to be part of the association? At what point subsequent to this was membership in the association presented to owners as compulsory? Under whose authority was this transition made?

jurisdiction of the Association, which included Lots 3, 9, 10, 12, 16, 17, 31, 32, 40, 41, 85, 126, 127, 139, 149, 177, 189, 199, 235, 277, 278, and 279. The original term of the corporation was thirty (30) years. In 1998, the Association was renewed for another 30 years, so the Association’s term is set to expire in 2028. If the Association wishes to maintain its corporate existence beyond 2028, it will need to file an amendment to its articles to extend its corporate existence.

Almost 30 years after its formation, in July 1995, the Association recorded Bylaws with the Oceana County Register of Deeds, which recited that ownership of property in the Cobmoosa Shores plats constituted membership in the Association. Although a signature at the end of the Bylaws indicates that the Bylaws were adopted as of July 1, 1995, there is no further mention as to whether the Bylaws were adopted by all members of the Association by way of a unanimous or majority vote, or by the Board of the Association.

There appears to be no record as to how the By-laws or Protective Covenants of the association were ratified.

Also on July 1, 1995, and again in 2009 and 2017, the Association recorded documents entitled “Protective Covenants” with the Oceana County Register of Deeds, purportedly to govern the affairs of the Cobmoosa Shores plats. The 1995 Protective Covenants fail to indicate how they were adopted (i.e. by unanimous vote of the lot owners). The 2009 and 2017 Protective Covenants indicate that they were adopted by the Association board and ratified by the members, but they do not state specifically how they were ratified by the members (i.e. by a majority or unanimous vote). In reviewing the annual meeting minutes for those years on the Cobmoosa Shores’ website, neither a majority or unanimous vote of the members appears to have occurred. Consequently, we were unable to find any evidence that any of the Association’s Protective Covenants were adopted by a majority or all of the members, or whether a vote was taken at all. If the Association has records as to how these Protective Covenants were approved by the members, please provide those to us as those records may modify the conclusions we reach in this letter. If express written member approval was not obtained from all of the lot owners, then the Protective Covenants would not be enforceable against all of the lots - the owners had to expressly approve in writing the enforceability of the Protective Covenants against their respective lots in order for the Protective Covenants to be enforceable.

Every lot owner has to provide express written consent to be subject to the Protective Covenants.

**The Association’s Authority to Adopt and Enforce Restrictions**

As noted on page 2 above, the lots in Cobmoosa Shores were made subject to certain deed restrictions - namely, those set forth in the deeds back in the 1960’s and 1970’s from the original developers. Those deeds restrictions included a building limitation (that “no building shall be erected or maintained on any lot... other than a private residence and a private garage for the sole use of the owner or occupant”) and a prohibition against commercial activity, which we believe relates most closely to the Association’s concerns about short-term rental activity within Cobmoosa Shores.<sup>1</sup> Unfortunately, because the deed restrictions

Why is this outcome unfortunate? Wasn’t Ms. George hired to provide an objective analysis?

This sentence is a contradiction. It makes clear the lots are not bound by associatoin rules and then attempts to ascribe limited authority to the Association. The Association's authority if any is limited to the 22 lots noted earlier.

do not contain any language requiring lot owners to be members of the Association, or to require the lots to be bound by the rules and regulations of the Association, or that the original deed restrictions may be amended by the Association, we believe that the Association's authority over the lots in Cobmoosa Shores is limited to enforcement of only the original deed restrictions as agent on behalf of the lot owners<sup>2</sup> and to any other authority it may have obtained from the individual lot owners in writing subsequent to the original deed restrictions.

The Association has no authority over Cobmoosa Shores lots unless given written consent by each lot owner. Additionally, that consent has to be recorded with the register of deeds if it is to apply to future owners as well.

With respect to any other authority the Association may have obtained over the lots from the individual lot owners after the original deed restrictions were recorded, we have been unable to find any evidence that the lot owners, or any of their predecessors in title, expressly consented to the application of additional property restrictions against their lots, or specifically, to any of the provisions of the Protective Covenants. Unless the lot owners have otherwise expressly consented to the jurisdiction of the Association over their lots in writing<sup>3</sup> or there is a court order determining that the Association has authority,<sup>4</sup> the Association does not have authority to adopt additional restrictions or modify the old deed restrictions. To the extent the Association seeks authority to bind the entire Cobmoosa Shores development to new or expanded property restrictions, it must obtain the written consent of all the lot owners in the Cobmoosa Shores development, which written consent should be recorded with the Register of Deeds so as to put successor owners on notice of the Association's authority.

The author uses the phrases 'adopt additional restrictions' and 'authority to bind... to new or expanded property restrictions.' These are not new restrictions as in - from now on or starting tomorrow. New or additional in this context means subsequent to the original deeds from the 1960's.

### Short-Term Rental Activity

As to short-term rental activity in Cobmoosa Shores development and limiting or restricting such activity, two avenues should be considered: 1) property restrictions recorded against the title of the subject properties; and 2) local ordinances.

As to property restrictions against the title of the subject properties, we already mentioned the existing "no commercial purpose" restriction and the building restriction limiting buildings on lots within the development to "private" residences and garages, as set forth in the early deed restrictions recorded against the Cobmoosa Shores lots. These types of restrictions support a conclusion that short-term (and in fact, any) rentals for profit are prohibited on the lots affected by the deed restrictions.

In other words, case law regarding the definition of commercial purpose is not yet a settled matter in the state of Michigan. The ultimate definition will either result from a MI Supreme Court case or from the state legislature.

The current holding of our Michigan courts is that short-term rental active whereby a property owner engages in the act of renting his or her property for profit is considered a commercial purpose.<sup>5</sup> As a result, under current Michigan case law, short-term rental activity would be prohibited under the deed restrictions as a "commercial purpose". Please note that although this is the current holding of Michigan courts, there has been legislation proposed in the recent past which could modify this holding, not to mention a alternate decision by our Michigan Supreme

**Court.**

If you own a lot that was purchased for the sole purpose of being a rental property MI case law seems more clear.

Based on current Michigan case law, the Association or other lot owners in Cobmoosa Shores have a good argument that property owners who have never lived on their lots but have always used them exclusively for rental activity are using the lots for commercial purposes which is not permitted (presuming those same lots have all been made subject to the recorded deed restrictions). Notwithstanding this conclusion, we should have a conversation about whether historical use of the lots in the development has given rise to a waiver argument that the owners who are engaging in rentals may use as a defense. Waiver may apply and be argued where other properties in the development have also engaged in the same type of rental activity that the Association may now be seeking to enjoin. Regarding waiver, Michigan courts have determined that as long as the restrictions are of value to the property owners and the breaches of the restrictions have not caused a “subversion of the original scheme of development resulting in a substantial, if not entire, change in the neighborhood”, there is no waiver.

There are lots in Cobmoosa that have been used as dedicated rental properties for decades. Precedence is arguably in their favor as no one has attempted to suppress rental activity before.

Additionally, as we noted above, the other avenue to consider relative to short-term rental activities is the local zoning ordinance. In this instance, per our conversation with the Benona Township Zoning Administrator, there is no applicable short term rental ordinance currently in place in the Township. However, the Township is looking to adopt such an ordinance in the near future. During the course of that adoption, the Township will hold public hearings to review and take comment on the proposed new ordinance. If members of Cobmoosa Shores are interested in short-term rentals of their property or in limiting other owners’ short-term rental activities, we encourage those members to attend the public hearings and voice their opinions about the proposed new ordinance.

Exhibits B and C were not included with this letter on Cobmoosa Shores’ website. I would like to see them.

The Benona Township Zoning Administrator indicates that the Township is currently looking at two other municipalities’ ordinances as sample ordinances. Copies of these ordinances from Acme Township and Golden Township are attached as Exhibits B and C for your review. If you have any questions concerning these ordinances, please let us know. Given that the Township is interested in adopting a short-term rentals ordinance, we encourage the Association to keep in contact with the Township and to do its best to work with the Township to potentially adopt an ordinance that is acceptable to the Association as a whole and encourage the Township to move ahead with adoption of the ordinance as expeditiously as possible.

No authority beyond the original deeds from the 1960’s.

**Conclusion**

As stated above, the Association does not have the authority to impose additional restrictions on the lots within the Cobmoosa Shores development. If it desires to implement additional restrictions beyond the original deed restrictions, it must obtain the written consent of the

This is false as the Association itself has no authority whatsoever unless it is given by lot owners. Additionally, this paragraph is littered with vague legal language such as; does have a basis, would likely be a violation, further analysis and discussion, may have been waived, substantially changed the character. Basis, likely, further, may and substantially are ambiguous legal talk.

lot owners to do so. Notwithstanding the foregoing, the Association does have a basis to enforce the existing deed restrictions that were recorded in the 1960's and 1970's as agent for the lot owners, presuming that the lots in violation do contain such deed restrictions in their chain of title. Under current Michigan case law, rentals of the Cobmoosa Shores lots for profit (either on a long or short term basis) would likely be a violation of the "no commercial purpose" deed restriction. Further analysis and discussion needs to occur for our office to determine if the "no commercial" deed restriction may have been waived over the years as a result of a continuing course of conduct that has substantially changed the character of the development.

In addition to the Cobmoosa Shores' deed restrictions, Benona Township is working to develop its own short-term rental ordinance, which we recommend the Association work on with the Township to ensure that the proposed ordinance is drafted most consistently with the goals of a majority of the lot owners in Cobmoosa Shores. Once a short-term rentals ordinance is in place, enforcement against a violating property owner may be an easier task, and can also be undertaken by the Township, not just the Association.

Please let me know if you have any questions concerning the above or if you would like to have a conversation to discuss this letter. Thank you.

It's not clear if all of the lots are subject to the same deed restrictions. The only evidence presented was based on an opinion from Advanced Title Company.

#### Footnotes:

1 The assertion that all lots in Cobmoosa Shores are subject to the deed restrictions is based on Advanced Title Company's statement to that effect. It is recommended, however, that in the event enforcement action is taken to prohibit activity in violation of a deed restriction, that a title search be performed to confirm the existence of the recorded restrictions against the title of the subject property .

2 Civic Ass'n of Hammond Lake Estates v Hammond Lake Estates No. 3 Lots 126-135, 217 Mich App 130, 135; 721 NW2d 801 (2006)

3 See Conlin v Upton , 313 Mich App 243, 259-260; 881 NW2d 511 (2015)

4 In contacting the Oceana County Circuit and District Courts, we were able to confirm that there was a 1974 lawsuit filed by the Association against a Quentin Sella. Although you noted that a lawsuit involving Mr. Sella may have involved the authority of the Association to govern his unit, the Court no longer has a file or any information which is sufficient for us to confirm the nature of the lawsuit.

5 Eagerv Peasley, 322 Mich App 174, 189-190; 911 NW2d 470 (2017)

## Tim Jeltema's letter to the community of 6/12/21

*The following letter is being included in the web-based minutes for the June 12, 2021 as a courtesy to Mr. Jeltema at his request. The opinions contained therein are his own, and do not represent the opinions of the Association's Board or any of its members.*

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To: Property Owners of Cobmoosa Shores  
 From: Tim Jeltema  
 Date: 6/12/21  
 Subject: Property Owner's Association

Has anyone personally sought a legal opinion of the Varnum letter? Has the board contacted Varnum or their own legal counsel for further clarification of the letter?

Since there does not appear to be any refutation of the Varnum letter, I will make another attempt to convey to all lot owners within Cobmoosa the profound significance of the assertions made in the letter.

This board can no more fix the legal issues it faces than a doctor can perform open heart surgery on himself. It is not within the purview of this Association's trustees to resolve the issue before us. It will require the lot owners within Cobmoosa to take the initiative with or without the help and support of the current trustees.

Let me provide a brief summary of the Varnum letter for those who are not aware of the situation.

- Cobmoosa Shores Association is comprised of 22 members whose lot numbers are delineated in the Varnum letter. This is out of 376 lots in the Cobmoosa Shores plats in 1968.
- There is no legal basis to support the inclusion of the other 354 lots in the Association.
- Membership in the association is voluntary – *not* compulsory.
- The bylaws of the association (formed in 1968) were submitted to the Oceana County register of deeds for the first time in 1995 but fail to meet a proper legal standard regarding how they were ratified or by whom. There is no legal basis for the bylaws.
- The protective covenants of the association were similarly submitted to the Oceana County register of deeds in 1995 again failing to meet a proper legal standard for ratification. There is no legal basis for the protective covenants.
- The protective covenants were updated in 2009 and 2017 and again failed to meet a proper legal standard for ratification.

The trustees appear to be carrying on business-as-usual as if the Varnum letter is irrelevant. However, soon after receiving the letter the board made modifications to the sections of the bylaws and protective covenants they thought could cause them legal problems. They also cited a portion of the letter in the annual newsletter provided to property owners.

Therefore, the trustees acknowledge the authority and validity of the Varnum letter albeit selectively.

But why does this matter? Why continue revisiting the issue? Because if the legal foundation for the Association is as weak as the Varnum letter suggests a single legal challenge to the Association could render it insolvent and also expose the trustees to legal action.

Consider the following scenario. The pack it in-pack it out rule was passed by the trustees (unanimously) at the April 10, 2021, board meeting. Recall that the date of the Varnum letter is February 19, 2021. Imagine a person is carrying a kayak up the steps at one of the beach accesses. This person owns a lot that is *not* among the 22 listed as part of the association. This person was attempting to adhere to the pack it in-pack it out rule - doing so because they believed that they were involuntary members of the association and must therefore adhere to association rules. This person missteps causing them to fall backwards down the steps resulting in significant injury. This results in the injured party filing insurance claims and hiring an attorney to bring a lawsuit against the association. Having been made aware of the Varnum letter an attorney could easily expand the lawsuit to include not just the association but also its trustees who created an association rule after having been made aware of the fact that they have questionable legal authority to do so.

I sincerely hope that nothing like this ever happens. But that is the whole point of all of this. The legal foundation of any institution is likely to only ever come into play when there is a challenge to it. The association might continue without incident for years or decades. But if and when something does happen, the Varnum letter changes everything from 'Oops, we didn't know' to 'We knew but decided the risk was acceptable'.

And risk is where I would like to focus our efforts. It is my opinion the potential risk to both the Association and individual trustees is very high. Fortunately, there is a way that we can test my assertions regarding the Varnum position, and it won't cost the association anything.

I propose that we submit the Varnum letter along with my notes and letters-to-the-board to the insurance company(s) from which the association and the trustees are provided any and all coverage. It needs to be clarified that we are not submitting this information to an insurance agent for review. It must also be sent to the insurance underwriters where it can receive proper legal review.

Communications between the trustees and Insurance agents will be via email. Trustees will be carbon copied on all emails. A minimum of 3 property owners will volunteer to be carbon copied on *all* of the correspondence between trustees, property owners and insurance agents. I will be one of those 3.

If my interpretation of the Varnum letter is correct, I believe that the association and trustees are uninsurable or, the cost might be prohibitively high. If the bylaws and protective covenants are legally void, the association and trustess are not provided any indemnification.

I'm not asking for the board to form a committee to discuss this at the next meeting. I'm not even asking for the board to put forward a motion to make this happen. We are off the reservation now. This needs to happen Monday morning (6/13).

I believe that the steps to be taken after this review will become obvious.

Thank you for your time.

Tim Jeltema