

**HOLMES HARBOR ESTATES ANNUAL MEETING
GREENBANK BEACH AND BOAT CLUB, Inc
HOLMES HARBOR WATER COMPANY, Inc
Minutes of Joint Annual Meeting: GBBC & HHWC board of trustees
February 8, 2020**

Location of meeting:

Greenbank Progressive Club
Greenbank, WA 98253

Annual Meeting called to order: HHWC President Nancy Sharp called the meeting to order at 10:00 a.m. Nancy announced to Membership that handouts including Noxious Weeds, Night Sky, & Fire Safety were available at the back of the room. Also available is a display on the tide gate as background for the GBBC presentation.

Present at meeting: GBBC Board Members Judi Moore, Bob Monroig, Richard Loughead, Sally King, Cris Sanguino, Larry Graham, Sharon Dunn.

HHWC Board Members Nancy Sharp, Ray Thorne, Cyndy King, Sharon Dunn, Carolyn Cliff, David Paull, Sarge Lester,.

Absent from meeting: Jeanna Lyle's absence was excused.
David Merisko's absence was unexcused.

Joint Meeting Call to Order: The Annual meeting of the Joint Boards of Trustees was called to order at 10:03 by HHWC President Nancy Sharp.

Establishment of a Quorum: Cyndy called for Quorum count, asking all to sign in. Quorum was established with 35 sign in's plus 12 proxies.

Introduction of Board Members: Nancy introduced the HHWC Board Members. Judi introduced the GBBC Board members.

Approval of 2019 Annual joint meeting minutes: Membership voted and approved the 2019 Annual joint meeting minutes, 29 yea plus proxies.

Election of Trustees: Cyndy explained the process and asked for volunteers. Nancy was nominated for an additional term on the HHWC Board of Trustee's and was approved unanimously. Member Richard (Rick) Waclawik volunteered as a Trustee for the Water Board, and was approved unanimously.
GBBC had two members volunteer to serve on their board. Adele Anderson, and Travis Aaron were approved unanimously. (Later that day Travis Aaron resigned due to scheduling conflicts).

Covenants update discussion: Nancy - The purpose of a covenant revision would be to create a single document and bring the covenants up to date from the current 1962 and 1964 versions. It's clear from previous efforts that this will be a long and complicated process

requiring a lot of community input and effort to obtain approval from a majority of lot owners. This presentation will outline the types of changes that could be made and solicit the membership's opinion on whether to move forward with this process.

We have three options at this point:

- 1). Leave the current covenants in place and continue to clarify via joint board resolutions. We can't change a covenant using this approach but we can specify how a covenant will be implemented and enforced.
- 2). Develop and adopt a consolidated version of the 1962 and 1964 covenants that clarifies but does not substantively alter any covenants.
- 3). Develop and adopt a consolidated set of covenants, updating some covenants to better reflect current conditions.

Both options 2 and 3 would require approval from a majority of lot owners.

Overview: the original covenants were filed in 1962, amended covenants were filed in 1964. A court ruling in 2009 stated that both sets of covenants are in effect. A reasonable interpretation is that any covenant specifically included in the 1964 amendments is in effect in its amended form - in fact, this is the approach followed by the court regarding measurement of building height - AND any original covenants included in the 1964 set unchanged OR not included at all in 1964 are also in effect.

The covenants are on the Holmes Harbor Estates web site under "information for Buyers". The board also has a document that collates the 1962 covenants and the 1964 amendments, which Nancy can provide upon request.

Several slides were projected to show examples of changes that could be made to existing covenants. The procedure for changing covenants is specified in the General Provisions of the 1962 and 1964 documents. In both documents, the covenants are in effect for 25 years. Thereafter, the covenants automatically renew for 10 years at a time, unless a **majority of lot owners** (currently 124) approve a change.

COMMENTS

If we decide to revise the covenants, we must come to an agreement on wording that can be approved by a majority of all lot owners, not just owners present at a meeting. This likely means a number of special meetings to develop acceptable wording, and possibly several committees, each considering a set of covenants. And to put changes in effect, a mailing to all lot owners with multiple follow-ups by email and phone.

There will be legal costs as well as administrative costs associated with any change.

This is a big job, and one that we've tried and abandoned a couple of times over the years.

It will take motivation and commitment, so before we go further, we want to make sure that the membership is ready to tackle this, and that we have community members willing to help.

COVENANTS UPDATE MEMBERS DISCUSSION

Nancy asked attending membership for questions before an advisory/straw vote.

Bob Moore - asked about joining the covenant committee, and the work and cost of making changes? Bob spoke to changes as "destroying our community". Bob feels that the current covenants work.

Cyndy explained that the purpose of this discussion is to assess the need for change and that we will take an opinion poll. Nancy confirmed that process, she is asking for community input. Judi - We need to put together a working committee that has a majority of community members, not just board members.

Beverly Gilbert - asked what takes precedent when covenants are in conflict with County Codes? County and Federal Codes take precedence.

Richard Loughead brought up budget factors in making any changes and the discussion required.

Larry Graham - referred to process in original covenants to allow changes.

Robin Llewellyn - referred to her work on two committees in the past to review covenants as a lot owner - there was no ratification because of community inaction.

Brian Self - is there a way as a need arises to address issues? He asked about house height and suggests having a methodology to clarify. Nancy explained the resolution which clarified the height question. Brian asked about the composition of the board - restructuring.

Karin Coleman - asked about short term rentals? Nancy agreed that this is a question that comes up often.

Nancy reminded the membership that this not the time to get into specifics, the intent and purpose now is to take an advisory vote/straw poll with the members, to choose which option they would prefer to put into action. Members were instructed that they could vote for any option they would find acceptable; that is, none, one, two or all three of the options. Vote totals reflect multiple choices by members..

ADVISORY VOTE OPTIONS

OPTION 1 - LEAVE THE CURRENT COVENANTS IN PLACE AND CONTINUE TO CLARIFY VIA JOINT BOARD RESOLUTIONS.

Yea Votes - 25

OPTION 2 - DEVELOP AND ADOPT A CONSOLIDATED VERSION OF THE 1962 AND 1964 COVENANTS. Option 2 will result in a single set of covenants recorded as a new document. Developing the document will be more straightforward than option 3, but we will need to put effort into getting the majority approval required to adopt it.

Yea Votes - 27

OPTION 3 - DEVELOP AND ADOPT AN UPDATED SET OF COVENANTS TO BETTER REFLECT CURRENT CONDITIONS. If we pursue option 3, we will need a lot of help from community members to develop and get approval for a new set of covenants. This isn't something the board can do without input and help from all lot owners.

Yea Votes - 10

The board cannot change the covenants but can only clarify through resolutions. Discussion continued with questions from attending membership about how changes could occur. The covenants are registered through the state of Washington, so there is a process.

Nancy requested members to vote again on two options.

OPTION 1 - LEAVE THE COVENANTS IN PLACE AND CONTINUE TO CLARIFY VIA JOINT BOARD RESOLUTIONS.

Yea Votes - 23

OPTION 2 - DEVELOP AND ADOPT A CONSOLIDATED VERSION OF THE 1962 AND 1964 COVENANTS. Option 2 will clarify without substantial change.

Yea Votes - 24

Bob Moore – stated that the board/ covenant committee needs to inform the membership what costs will be incurred if the Option 2 covenant changes are made. He expressed concern about how changes are made, who makes them, and the cost to the community. He was particularly concerned about short term rentals, who benefits?

Stephanie Teano - is interested in the costs to update the covenants, and having a pros & cons list.

Norma Hall - asked about the difference between covenants and codes.

Bob Moore - asked about attorneys (winners & losers) and wants a good decision made.

Judi - brought up political signs and where federal laws take precedent.

Nancy asked for volunteers to work on the covenant committee. A set of covenants without substantive changes could be the goal – cost estimates would be brought back to the membership. Nancy confirmed that a real estate attorney would be a part of this process.

Cyndy reminded all members present to leave their email information so that the board can make contact with survey questions and an email poll can be conducted. Cyndy will email members on the list asking if they would like to be a part of the committee to do a collation (which is nearly done) and find out what the costs would be for an attorney to consult, prepare, and record the consolidated covenants.

MEMBER COMMENT Nancy asked if there were any non-covenant related questions?

Matt Lowder - commented that he was involved in the 2010 covenant update project, says that the articles of incorporation are also in conflict - that is a place to start for the two boards.

Beverly Gilbert - re lighting and night sky viewing disruption by outdoor lights operated by property owners on the water side of North Bluff Road. She has composed a letter to those residents and would like anyone interested to sign her letter before she delivers it.

Brian Self - had another question about tide gate issue, and is asked to bring his question to the upcoming GBBC meeting, where this will be discussed in detail.

JOINT MEETING ADJOURNED AT 11:06 A.M.

Next Meeting 3/20/2020 4:00 p.m. At Day Road Fire Station

Minutes submitted by: Sarge Lester