

Ballot Measure

January 8, 2005

Notice of Special Membership Meeting of HMC Management

Notice is hereby given pursuant to Article 4 of the Bylaws of HMC Management that a special meeting of the membership will be held on Saturday, January 8, 2005 at the hour of 12:00 Noon at the HMC Community Building. At the meeting, three (3) ballot proposals described below which have been set before the members by action of the Board of Trustees will be voted on.

Members may vote in person at the meeting or by mailing or delivering the enclosed absentee ballot to the HMC Office so that it is received prior to the time of the meeting. *Ballots will not be counted unless your name and signature appear on the large envelope.*

1. Pursuant to Article 15 of the Amended and Restated Bylaws of HMC Management, the Board of Trustees has proposed that Section 9.14 of the Amended and Restated Bylaws be amended.

2. Pursuant to Article 15 of the Amended and Restated Bylaws of HMC Management, the Board of Trustees has proposed that Section 9.3 of the Amended and Restated Bylaws be amended.

3. Pursuant to Article 15 of the Amended and Restated Bylaws of HMC Management, the Board of Trustees has proposed that Paragraph 11.2.1 of the Amended and Restated Bylaws be repealed.

Ballot Explanation

Proposition 1: If a delinquent island property is sold at a foreclosure auction, existing liens not covered by the sale price are discharged. Under the existing Bylaws, HMC would not be able to collect an assessment from the new owner until the next fiscal year. Approval of this proposition would amend Section 9.14 of the Bylaws with language suggested by the HMC attorney that would allow liens to be applied on a semi-annual basis. This could allow HMC to collect a half-year's delinquent assessment due April 1st rather than have to wait for the next fiscal year's assessment due on October 1st. Non-delinquent memberships would not be affected by this proposition.

Proposition 2: Our revised Bylaws require a minimum thirty-day period from the day that the annual budget is mailed to the membership with the June Beachcomber until the votes can be counted to ratify the budget. This prohibits ratification of the budget on the day of the July regular monthly meeting. Approval of this proposition would change the minimum notification period to fourteen days, allowing votes to be counted at the regular July meeting.

Proposition 3: Section 11.2 of the Bylaws restricts the operation of businesses on the island. We have a limited number of construction vehicles on private property that HMC and island residents depend on to maintain both common and private properties. This equipment technically violates Paragraph 11.2.1, which prohibits the vehicles being seen from outside of the residential site on which they are stored. The Board feels that the remainder of Section 11.2 is adequate to prohibit undesirable businesses from operating on the island, and that Paragraph 11.2.1 should be repealed by approval of this proposition.

Use ballot received from USPS for voting.

Official Ballot and Voting Instructions

1. Vote yes to accept any proposal set forth below. Vote no to reject it.
2. Insert your ballot in the envelope marked "Official Ballot" and seal the envelope. Do not put your name on this envelope. Do not place anything other than one ballot, containing your vote on the three propositions, in this envelope.
3. Place the small envelope marked "Official Ballot" in the large envelope. **You must sign the large envelope and make sure that your name and address appear on the large envelope. *If your name and signature do not appear on the outside of the large envelope, your vote will not be counted.***
4. To be considered a member in good standing and have your vote counted, all delinquent charges and assessments must be paid in full before the Ballots are counted.
5. Please make sure that your name is legible on the large envelope. If your name cannot be read, the ballot will not be counted.
6. Your absentee Ballot must be received in the HMC Office by 12:00 Noon, Saturday, January 8, 2005 to be counted. If you prefer to vote in person, please attend the meeting. The Ballots will be counted at that time.

Proposition No. 1

(Amendment of Bylaws Section 9.14)

Shall Section 9.14 of the Amended and Restated Bylaws be amended to read as follows?

9.14. Acceleration. If any Assessment chargeable to a particular Lot remains delinquent for more than thirty (30) days, the Board may, upon fifteen (15) days written notice to the Unit Owner, accelerate and demand immediate payment of all or any portion set by the Board, of the Assessments and special charges which the Board reasonably determines will become due during the next twelve (12) months with respect to the Lot. If the Board exercises the right to accelerate the Assessments, the Board shall not also demand a security deposit as provided in Section 9.15. The right of acceleration under this Section is solely for the benefit of the Association. If the Board has exercised its right of acceleration under this Section, it may, in its sole discretion, reverse the acceleration. If a Mortgage Foreclosure takes place after acceleration under this Section but before payment of all accelerated amounts due, the Lender or other person who obtains possession of the Unit as a result of the foreclosure, and not the former Owner, shall be responsible for payment of all unpaid Assessments which would, in the absence of acceleration, have come due after the Mortgage Foreclosure.

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Proposition No. 1 (cont'd)

☐ YES (For

☐ NO (Against

Proposition No. 2

(Amendment of Bylaws Section 9.3)

Shall Section 9.3 of the Amended and Restated Bylaws be amended to read as follows?

9.3 Ratification of Budget. Pursuant to RCW 64.38.025(3), within thirty (30) days after adoption by the Board of any proposed regular annual budget or special assessment supplemental budget of the Association, the Board shall set a date for a meeting of the Owners to consider ratification of the budget. The date of the meeting shall be not less than **fourteen (14)** nor more than **fifty (50)** days after mailing of the notice of meeting and a copy or summary of the budget. Unless at that meeting a Majority of Owners reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board.

☐ YES (For

☐ NO (Against

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Use ballot received from USPS for voting.

Proposition No. 3

(Repeal of Bylaws Paragraph 11.2.1)

Shall Paragraph 11.2.1 of the Amended and Restated Bylaws, as stated below, be repealed?

11.2.1 the existence or operation of the Business activity within the Residential Site is not apparent or detectable by sight, sound or smell from anywhere in the Community outside of the Residential Site;

☐ **YES** (For

☐ **NO** (Against

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Ballot Results
January 8, 2005

HMC Special Membership Meeting Minutes
January 8, 2005

Call to Order: K. Freeman called the meeting to order at 12 Noon.

Roll Call: Ken Freeman, President, Bill Zazzo, Vice President, Clarrie Jones, Board Member, and Fred Fath, Secretary and Treasurer.

Ballot Item Discussion:

Three ballots for by-law revisions.

Selection of Ballot Counting Committee:

Mary Turpin chaired the counting committee made up of Mike Shuttlesworth, Kathy Deuster, John Ferris, Carole Crowley, Linda Moren, and Mike Jones.

Ballot Results:

Amendment of Section 9.14: 135 yes and 16 no

Amendment of Section 9.3: 131 yes and 18 no

Amendment of Section 11.2.1: 114 yes and 38 no

All amendments are thus approved.

Adjournment:

Bill Zazzo made a motion to adjourn the meeting. Motion carried.

Respectfully submitted by,

Fred Fath, Recording Secretary