

## Policy Regarding Sale of HMC Owned Lots

This policy replaces the "Policy Regarding Sale of HMC-owned Lots" dated 11/11/00

From time to time HMC acquires ownership of lots on Herron Island. When this happens the Land Use Committee must determine whether or not to sell a lot and make their recommendation to the HMC Board of Trustees. The long-term interest of HMC should be the over-riding priority in making the decision. The decision-makers are cautioned to avoid making decisions which result in a short-term infusion of cash while creating losses in the long-term.

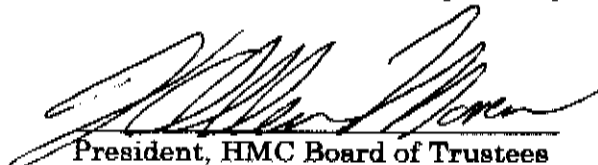
If possible, remove wetland and slide property from the public rolls by retaining the lot in HMC control. When the determination to retain a lot has been made, do everything possible to lower the assessed valuation of the property and/or exempt the property from property tax rolls.

Annually, HMC will publish a list of HMC owned properties in the Beachcomber.

### Procedures for selling HMC properties

1. If someone submits a proposal to the board to buy a specific HMC property or the Land Use Committee has made a recommendation to sell a HMC owned property, the committee will make arrangements for that property to be perc-tested in compliance with current Pierce County requirements.
2. If the lot does perc, the Land Use Committee will ask 2 or 3 realtors to provide a Comparative Market Analysis (CMA). The Committee will review the CMA's and make a recommendation on a minimum acceptable bid for the property.
3. Then, the Land Use Committee will inform the HMC Board of the recommendation, and if the Board approves, the matter of whether or not to sell that particular lot at or above the recommended minimum bid will be submitted to the membership for a vote. (No HMC lot will be sold without a membership vote.)
4. If the membership votes "no", then no further action is needed. If the membership votes "yes", then, the Land Use Committee will pick a realtor with whom to list the property. The property will first be advertised in one Beachcomber for a 30 day period to alert island members that this property will soon be placed on the market. This will permit island members plenty of time to become aware that someone is interested in buying a particular piece of property, in case they too are interested in buying it. It will also encourage multiple offers on a property, helping to ensure the highest possible sale price for the membership.
5. After a 30 day period, a contract will be signed with the chosen realtor and placed on the Multiple Listing Service with a minimum 30 day bidding period. HMC will review all offers and accept the highest qualified offer that is equal to or greater than the minimum acceptable bid.
6. If the lot does not perc it is considered "Not For Sale", and is placed on a list of HMC owned properties that will be kept as "Undeveloped Lots, maintained as green space on the island". Exception to this policy may be considered on a individual basis, if it is in the best interest of HMC.
7. If there is ever to be a land swap, i.e. swap a HMC owned lot for a privately owned lot, obtain membership approval first.

Adopted : 8/12/2006

  
President, HMC Board of Trustees