

Special Meeting Minutes - August 4, 2019

Background:

During the week of June 24, 2019, Archon Tree Services cut the trees on the west third of the gully down. This entire area of the gully was clear cut, contrary to the representations that were made at the June 19, 2019, Board Meeting.

On Monday, July 1, 2019, Jean Homan, Unit N204 and formerly a member of the Board, sent an email to the City of Tacoma with photos and a short video of the clear cutting. In her email, Jean asked the City if this was a regulated area and whether the City had jurisdiction; if so, Jean was making a complaint to the City to prevent any further cutting. The City confirmed that the area in question was a regulated critical slope. A copy of Jean's complaint to the City and the City's response is attached hereto.

On July 2, 2019, Jean Homan met with Board Secretary Louise Richardson about the clear cutting of the gully; on July 4, 2019, Jean met with Board President Teresa L'Amarca. TMT had identified Teresa L. and Louise as the two board members who had walked with the arborist and defined the scope of this contract. Teresa L. and Louise were also the ones who communicated the scope of the project to the remainder of the Board and to the community. Jean asked Teresa L. and Louise to resign from the Board, given the magnitude of the damage that had been done. Teresa L. and Louise declined to resign from the Board.

On July 7, 2019, a community meeting was held, organized by Jean Homan. At the meeting, Jean presented the information that she had learned from the City (that the cutting of the trees on a regulated critical slope was illegal under the Tacoma Municipal Code and that remediation was going to be required; the City would be issuing a Notice of Violation to the Association). At the meeting, Jean also reviewed the provision in the Bylaws that allows for the removal of the Board (Article IV, Section 5) and asked community members to support the calling of a special meeting for the purposes of removing the Board and electing a new Board. The Bylaws require that 20% of the ownership vote in favor of allowing a unit owner calling a special meeting in order to do so (Article III, Section 2). Approximately 29% of the Association ownership signed the vote, authorizing Jean Homan to call a special meeting.

On July 10, 2019, Jean Homan sent the voting sheets to TMT and the Board of Directors (at that time consisting of Teresa L'Amarca, Jody Matthews, Louise Richardson and Miki Martin), and asking TMT to send the notice of the special meeting (also attached to the email) pursuant to Article III, Section 3, or in the alternative, send Jean the last known addresses for unit owners on the books. Cindy Sinanian of TMT, responded to the email and asserted that there was a discrepancy between the votes authorizing the call of the special meeting and the notice of the special meeting because identical language was not used in both. A copy of the email exchange is attached hereto.

Beginning on July 12, 2019, having not been able to secure TMT's cooperation in either sending the notice of special meeting or providing Jean Homan with all unit owners' addresses, a new vote was taken using language that was identical to the language in the special notice. On July 15, 2019, the new voting sheets were sent to TMT and the Board members, advising them that more than 30% of the

Association ownership had signed the new vote and requesting again that TMT send out the special meeting notices. The special meeting notices were mailed by TMT to all homeowners on July 17, 2019. A copy of the email transmitting the second vote calling for a special meeting and a copy of the Special Notice, as mailed to all homeowners is attached hereto.

On August 3, 2019, then-Board President Teresa L'Amarca sent out an email to more than 90 people, attaching a proxy form that had been altered and asking people to give her their proxy. This email was forwarded to Jean Homan, who responded to all persons copied on the email. Teresa L'Amarca responded to this email, which then prompted a response from Peter Schrempf. A copy of this email string is attached hereto.

August 4, 2019, Special Meeting:

The Special Meeting was held at Tacoma Fire Station No. 16, in the community room, scheduled to begin at 3 pm. Check-in for quorum purposes was scheduled from 2:30 to 3:00. A copy of the Agenda for the Special Meeting is attached hereto.

After the sign in process was completed, Jean Homan began the meeting by identifying the current members of the Board – Teresa L'Amarca, Louise Richardson and Maribeth Messina. Jody Matthews had resigned from the Board on Friday, August 2, 2019, so she would be eligible to run for election to the board during the special meeting if the vote to remove the Board passed. Cindy Sinanian of TMT was present at the meeting, although TMT was not invited to attend the meeting by Jean Homan, the homeowner who had called the meeting. Cindy Sinanian interjected that anyone could run for the Board, and Jean corrected her, insofar as the Bylaws require that when Board members are removed, at the same meeting, new Board members are to be elected (meaning that those who are removed are not eligible for election to the Board at the same meeting).

Teresa L'Amarca was present at the meeting. Louise Richardson was not able to attend the meeting, but had disseminated a statement in advance of the meeting. That statement was also forwarded to everyone on Jean Homan's email distribution list and copies of the statement were made available to people who attended the meeting. A copy of Louise Richardson's statement and Jean Homan's email disseminating Louise's statement is attached hereto.

After the ground rules were reviewed (all interactions were to be professional, respectful and courtesy), and the process explained (Teresa L. would have an opportunity to make a statement, followed by questions, and any questions that people wanted to direct to Jean Homan, followed by a vote on removal of the existing board, and a vote electing a new board, if necessary), Teresa L. made a statement. She explained that everyone was surprised by how this project came out, but that Archon took down the number of trees down that the contract called for. She indicated this was done mostly because of tents, homeless people, syringes, fires, etc. in the gully area (and not for the views). Not intending to leave the area this way; they were going to cut it off and offer it to residents in the community. Teresa also pointed out that she has committed herself to making the community a better place and has devoted a lot of time and effort to addressing issues in the community. Homeowners then had an opportunity ask questions and the questions went on for more than 40 minutes. The audio

recording of this meeting is available and will be kept with these minutes, in the event additional information about the specific questions and answers is required.

Jean Homan made a brief statement and then explained the voting process to remove the board (one vote per unit and each unit's vote had to be recorded on a separate voting sheet). Ultimately, because Teresa L'Amarca held 18 proxies, in an effort to speed the process up, all of the units for which she held a proxy were listed on the back of the single voting sheet on which Teresa L'Amarca registered her vote. The votes were tallied and there were 63 votes in favor of removing the Board, 35 votes against removing the Board.

When the voting tally was announced, Cindy Sinanian asserted that the Association members needed 66.6% of the people present to remove the Board. Jean Homan stated that Cindy was incorrect, that the Association Bylaws state that "unless the entire Board is removed, an individual Director shall be removed only by two-thirds (2/3rds) of the votes cast by members having voting rights." Since the entire Board was being removed, the 2/3 requirement did not apply. Cindy then asserted that it was elsewhere, but when asked to identify the source of the requirement, she was unable to do so. Following much discussion, Jean Homan read the Bylaws to the Association members present and majority of people present indicated that they wanted to proceed with the vote to elect a new board. Cindy Sinanian and Teresa L. claimed that until the issue was resolved, no further action should be taken. Teresa Topping stepped in and suggested that the vote to elect a new board should proceed, with the results pending for a short period to allow Teresa L. or Cindy to present support for their position that the supermajority requirement applied.

Note: After several days, neither Teresa L. nor Cindy provided any authority or support for their contention that a vote of 66.6% of those present was required to remove the entire board.

The voting process for election of a new Board was explained: Since there were only 6 candidates running for the Board, people could vote Yes for as many candidates as they liked (the Association declaration allows for a maximum of 7 Board members) and could vote No for as many candidates they liked. For each candidate whose Yes votes outnumbered their No votes would be on the Board. Jean read Jody Matthew's candidacy form, as Jody could not be present at the meeting. The other people running for the Board made brief statements, including Teresa Topping, Jean Homan, Bryson Browning, Sue Brown. Since Peter Schrempf was working on logging the votes concerning removal of the board in the spreadsheet, Jean Homan made comments for Peter about his prior Board service.

As a result of the vote, the following persons were elected to the Board of Directors: Teresa Topping (total of 4 No votes), Jody Matthews (total of 2 No votes), Peter Schrempf, Jean Homan (total of 5 No votes), Bryson Browning (total of 8 No votes) and Sue Brown (total of 2 No votes).

August 4, 2019, Business Meeting:

Immediately following the Special Meeting, as included in the Agenda, a short business meeting was held. Homeowners who wanted to stay for the business meeting were free to do so. At the business meeting, the board members chose their positions and terms of office, as follows:

Teresa Topping, President – term ending March 2021

Jody Matthews, Vice President – term ending March 2020

Peter Schrempf, Treasurer – term ending March 2020

Jean Homan, Secretary – term ending March 2020

Bryson Browning, Member at Large – term ending March 2021

Sue Brown, Member at Large – term ending March 2021

The Board discussed changing the monthly meeting date for a date other than the third Wednesday of the month, since it conflicts with the monthly West End Neighborhood Business District meeting. The Board agreed to ask TMT to provide the Board with three alternative days of the month, and to ensure that the meeting date is late enough in the month to allow for review of the prior month's financials. Cindy Sinanian, who was still present, was asked to provide alternative dates for the meeting.

The Board had a discussion about managing the gully remediation project directly, as opposed to having TMT manage the project. Following the discussion, the following motion was made: **Motion** to have the Board manage the gully remediation project directly and that a committee of Board members be formed for that purposes, consisting of Peter Schrempf (lead), Teresa Topping and Jean Homan, made by Teresa T., seconded by Sue. All in favor. Motion passed.

Prior to the special meeting, TMT had consulted with Barghausen Engineering for recommendations on a licensed engineering geologist and on a consultant to assist with the permitting process. For the engineering geologist, Barghausen recommended Geo Resources (the same company the City had identified as a possible resource). TMT had been in contact with GeoResources and had obtained a bid for the required report. **Motion** to approve the GeoResources proposal, in the amount of \$1550, made by Peter, seconded by Teresa T. All in favor. Motion passed.

Meeting adjourned.