SUNLAND OWNERS ASSOCIATION

Minutes of Special Board Meeting

Tuesday, June 30, 2026 at Sunland Golf Club Ballroom, 109 Hilltop Dr.

Board Members Present: Jeanie Faulkner-Vice President/Presiding Officer, Carey Goeth-Secretary/Treasurer, Mike Gawley-TBD, Diane Kahookele-Finance Chair, Mike Mullikin-Architecture (via Zoom), Becky Penrose-Member at Large, Jim Sharer-RV.

Guest: Sargeant at Arms, Chris Kapetan

1: Confirmation of Quorum, and Call to Order: Vice President and Presiding Officer Jeanie Faulkner announced that 7 Board members were present (1 via Zoom), constituting a quorum, and called the Special Meeting to order at 6:02 pm.

2. Review Meeting Rules and Procedures: Jeanie reviewed the rules and procedures for the Board meeting and the 2 open comments sessions, emphasizing her objective for a calm, collaborative, and congenial environment. She asked speakers to focus their comments on topics and not people. She introduced the Sargeant at Arms and reviewed the RCW 64.90 provision that mandates both the comments sessions and the ability for the Board to remove disruptive participants after a warning. If a participant refuses to leave and continues disruptive behavior after a warning, they will be escorted out by the Sargeant at Arms or the Sheriff will be called.

3. Review Agenda: Jeanie called for acceptance of the agenda. A motion was made, seconded and unanimously approved to accept the agenda.

4. Owner Comments on Agenda Items:

Comments included support for calm and collaborative interactions during Board meetings and the Operational Assessment Committee's Report, with speakers expressing appreciation for the volunteer committee's work and encouraging the Board to move forward to implement the Report's recommendations.

5. Vice President's Report: Update on Governing Documents

The Presiding Officer, Jeanie, provided an update to recent questions regarding the reversion to the 1971 Declaration of Covenants, Conditions and Restrictions (CC&Rs). She reported on a 2014 Washington State Supreme Court decision (the "Chiwawa Case") that led to a state-wide re-interpretation of what constitutes an "Amendment" to CC&Rs.

> The new guidance, based on case law, is that the Amendment process does not allow the addition of "new ideas", nor any "change" in the meaning of existing covenants. The Court's decision emphasized maintaining the Declarant's "vision" and the need for parity in restrictions placed on Members, no matter the point in time of their purchase.

In 2019, a review by the Association's Board determined that some earlier amendments to the CC&Rs might constitute "changes", so, for efficiency, voted to go back to the original 1971 CC&Rs, noting that some of the changes, where appropriate, would be captured in the Bylaws and Rules & Regulations.

Under the current interpretation, "amendments" to the CC&Rs are still approvable in accordance with State law and each organization's Governing Documents, as previously allowed. Adding "new ideas" or "changes" is not included in the definition of "amendments" and will require a vote of 100% of the membership.

Board members discussed questions regarding amendment requirements and governing document authority, including that:

- <u>Amendments</u> to the CC&Rs and the Articles of Incorporation can be approved as defined by Washington law, or, if specified in the individual corporate governing documents, any greater percentage.
- <u>Changes</u> to the CC&Rs can be approved, but require a vote of 100% of the members.
- Approval of any type of changes to the other Governing Documents (the Bylaws and Rules & Regulations) are determined by the amendment requirements stated in those individual documents, and could be changed over time by following the procedure in place at the time. The Bylaws currently posted on the website are identified as 2024 and specify that amendments can be made by affirmative vote of a majority of the Board, subject to a period for consideration and opportunity for comments from the members.

6. Appointment to Board Vacancy

Motion: Becky Penrose moved to appoint Mike Gawley to fill a vacant Director position until the next election. Diane Kahookele seconded the motion.

Votes: Ayes – 6. Abstention – 1. Motion carried.

7. Appointment of Vice President

Motion: Becky Penrose moved to appoint Jeanie Faulkner as Vice President for the current officer term ending in September. Mike Gawley seconded.

Discussion: Clarification was requested on the length of term for Board membership vs. positions on the Board, and was advised the topic was next on the agenda.

Action: Ayes – 6. Abstention – 1. Motion carried.

8. Appointment to Staggered Director Terms and Positions

The Board considered appointments to terms for those Directors who recently joined the Board, required to maintain the Association's staggered election cycle.

Proposed Appointments:

Mike Gawley to fill the vacant seat that had been assigned to the Landscape Chair, Board term ending in September 2026. Mike volunteered to carry out the joint functions of Landscape & Greenbelt Chair through September 2026.

Jeanie Faulkner, as Governance Chair responsible for the RCW 64.90 transition, to fill the Board term vacated by the 64.90 Lead, Bob Eichhorn, in January 2026, term ending September 2027.

Diane Kahookele, Finance Chair, to fill the open seat previously assigned to Greenbelts, Board term ending in September 2028.

Jim Sharer, RV Chair to fill the vacant seat assigned to that position, Board term ending in September 2028.

Motion: Carey Goeth moved to appoint the recently seated board members to the staggered terms as presented. Mike Mullikin seconded.

Discussion: Becky Penrose asked for clarification on the terms and position assignments. Discussion confirmed that 3 terms will end September 30, 2026. There is a current vacancy in the position allocated to Safety/Compliance, term ending in 2028. Becky requested that SLOA contact the two individuals who had responded to the February call to fill vacancies to see if they were still interested in Board service.

Action: Ayes – 7. Motion carried.

9. Acceptance of Operational Assessment Committee Report

The Board was asked to accept the Operational Assessment Committee's (OAC) Report and Recommendations prepared by the Committee and presented to the Board in March and April. It was noted that acceptance of the report acknowledges receipt of the Committee's work and does not constitute approval of individual recommendations. Future implementation of recommendations will be considered separately by the Board.

Motion: Jim Sharer moved to accept the OAC Report and Recommendations. Seconded by Becky Penrose.

Discussion: Diane Kahookele reported that she had learned additional information since contributing to the Operational Assessment Report that changed her understanding of operations, but does not change her acceptance of the Report and Recommendations. Becky asked about the changes, and it was stated that any updated information would be included in future action items on OAC recommendations.

Action: Ayes- 7. Motion adopted unanimously.

10. Engagement of HOA Legal Counsel

Nik Skogsberg, chair of the HOA Attorney Review Task Force, presented its recommendation that followed a Request-for-Proposals process, interviews, reference checks, and evaluation of fees and services for each prospective firm.

The Committee recommended that SLOA engage Hanis Irvine Prothero PLLC as the Association's HOA specialist legal counsel.

Motion: Mike Gawley moved to accept the recommendation to engage Hanis Irvine Prothero PLLC as HOA Specialist legal counsel. Seconded by Jim Sharer.

Discussion: Becky Penrose requested clarification that SLOA will continue to utilize the legal services of Patrick Irwin, and that Hanis Irvine and Prothero are being engaged to specialize in HOA concerns. The Board confirmed that Mr. Irwin was not being replaced. Review Committee member Jeanie Faulkner said that the recommendation to engage the law firm of Hanis Irvine and Prothero, PLLC, is focused on the services of their HOA specialist division with regard to the RCW 64.90 transition and other HOA related business. Becky noted that SLOA must ensure that there is no actual or potential conflict of interest before proceeding.

Motion Amended: Carey Goeth moved to amend the motion to read: to approve the engagement of Hanis Irvine Prothero PLLC as the Association's HOA specialist legal counsel and to authorize the Vice President to communicate with the firm's representatives and proceed with execution of the fee agreement, subject to confirmation that there are no conflicts of interest. Seconded by Diane Kahookele. Amendment accepted by Mike Gawley.

Discussion: In response to a question, the confirmation of "no conflict of interest" was described as a standard procedure in legal representation. It involves determination that the law firm has no existing client relationships that might put their loyalties into conflict with effective representation of Sunland Owners Association.

ACTION: Ayes -7. Motion carried.

11. Members Open Comment Session (40 Minutes)

Members addressed the Board on a variety of Association matters. Topics included the number of authorized Board positions, assignment of Director positions, ownership history of the community swimming pool, preservation and future operation of the pool, the new SLOA "Let's Communicate AUTHORIZED" email subject line, distribution of member contact information, member attention to financial updates provided, community self-management versus professional management and the necessity for active volunteer participation to operate as self-managed, and suggestion to consider user-fees for recreational amenities.

Responding to questions raised at previous Board meetings, an officer of the Sunland Golf and Country Club reported that their records show the Club never owned the pool – that their rights from 1976 – 1985, including a right to purchase the pool, were through a lease from the Developer. In a Quit Claim deed of 1985, the Golf Club and the Developer gave Sunland

Owners Association all rights to Tract 3 where the pool was located. Board Member Becky Penrose indicated that she had a document conveying the pool to Sunland Owners Association Trustees and requested that this entity be identified to determine who is the owner of the pool.

In response to a question, Vice President Jeanie Faulkner noted that the action item on the June 11th meeting agenda to accept the resignations of Board Members did not require Board action, but rather was intended as an opportunity to recognize and thank those individuals for their service. The June 11th response to that agenda item had not been productive, so she did not include it on the Special Meeting agenda.

Jeanie thanked the members for providing helpful information and sharing their perspective on so many topics. She said specific questions posed would be researched and addressed at future meetings, as appropriate.

12. Announcements

Jeanie announced that topics expected on the July 9th agenda include presentation of the initial round of planning the 2027 operating budget and recommendations from the Pool Committee for next steps.

13. Adjournment

Motion: Becky Penrose moved to adjourn the meeting. Seconded by Carey Goeth.

Action: Ayes – 7. Motion carried.

Respectfully submitted,

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Secretary

Sunland Owners Association

Date: ________________