

**SEMIAHMOO RESORT ASSOCIATION (SRA)  
BOARD OF DIRECTORS  
ONLINE SPECIAL MEETING  
October 5, 2020**

**CALL TO ORDER:** The meeting was called to order at 2:00 pm.

**CONFIRMATION OF QUORUM:** Ten of the SRA Board of Directors were present via Zoom; therefore, a quorum was established. Those present were Alec Berkman, Carole Gaasch, Paul Greenough, Kurt Haggman, Michael Hayden, Bill McNally, Nicole Newton, Patricia Oliveros, Jennifer Plombon and David Ullis.

**Guest Presenters:** Joint Partners LLC, Mitch Waterman, Ashley McCully and Jennifer Spidle.  
**Guests:** Approximately 120 SRA Members were present via Zoom.

**Also, In Attendance:** Debbie Smith, SRA Executive Director and Lori Thorne, Administrative Assistant and Note taker.

- I. **Announcements and reading of the Meeting Decorum:**
  - a) Ashley McCully read out the Meeting Decorum.
  - b) Executive Director Debbie Smith announced that SRA ballots had been distributed by mail and email and encouraged members to vote using the preferred method which is the online ballot. Members who have not received their ballot should contact the SRA office. The election closes at noon on October 21, 2020.
  
- II. **Approval of the September 10, 2020 SRA Special Meeting Minutes:** The minutes will be edited so the 2021 Budget is linked or attached to the minutes. The minutes were approved for posting on the SRA Website and to be distributed via email, as edited.
  
- III. **Continuing Business and Voting as Necessary**
  - a) **Presidents Report:** Alec read a letter that outlined some of the challenges and concerns that the SRA Board of Directors has been facing and dealing with and why the board felt it was necessary to hire consultants to assist with resolving issues.
  - b) **Introduction of consultants and report of their findings:** Alec introduced Mitch Waterman who introduced himself, his team and described who they are and the service their company provides to Homeowners Associations. They presented their analysis of the SRA and vulnerabilities they have identified and their recommended solutions to achieve the goals and objectives the SRA Board has set. They also reviewed the proposal for the SRA to require a transfer fee of ½ of 1% of the gross sale price of a home, plus \$250.00, and explained how the projected income from it was calculated in the budget. To view the full report from Joint Partners LLC, please see Appendix A.
  - c) **Open Forum:**

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1. Buzz Abercrombie (St. Andrews Green I): Buzz read a statement on behalf of Marin residents Alan Ogden and Peggy Richter, who could not attend the meeting since they are traveling.
  - They are against the proposed SRA budget and in favor of the amendment restricting SRA Board expenditures.
  - They are concerned about the engagement of a consultant and the amount of the fees and related expenses with no member input.
  - They are also concerned about the imposition of buyer transfer fees on future property sales in our community without disclosure to the SRA Community and the risks involved of implementing these fees.
  - Under Washington Law, buyer transfer fees are prohibited with a few exceptions and they have serious concerns about the validity of the board's position on this.
  
2. Mike Klause (Semiahmoo Shore):
  - He opposes the transfer fee because it could be outrageously disproportionate to the benefits of owners, cause risks and disruptions to sales, and least overall diminish values to the sellers of a property.
  - He spoke against a Bylaw change taking effect twenty days after being passed. He felt the Bylaws must protect the in-progress transactions by allowing at least ninety days' notice before effective dates.
  - He recommends that any transfer fee should be a fair, equitable, reasonably flat fee, and that a certain amount of time should pass before the new fee becomes applicable to a transaction.
  
3. Doug Miller (St. Andrews Green III):
  - Doug asked what steps are being taken to ensure that all members receive communications in the future?
  - He asked why it is necessary to have a proposed fee of \$250.00, plus a \$50.00 per hour fee for homeowners to review SRA records?
  - He asked what is the timeframe expected for retaining the Joint Partners LLC beyond the contract that is currently in place?
  
4. Paul Bessembinders (St. Andrews Green I):
  - Paul stated that this forum and other forums like it are the right venue for this.
  - Paul asked that a letter he provided to the SRA be distributed to membership. (Please see Appendix B)
  - He asked about transparency in the communications process for the whole budget approval process and the spending in general.

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- He asked that the board focus on the communications side of this and provide better information and allow for more community input.
  - He spoke against the proposed buyers fee. He feels that it is unfair to charge a buyer for costs incurred by the SRA when they had no part in the decisions made. The costs related to the facility should be charged to the members who are now using it, and a buyers fee will jeopardize home sales.
5. Ken Karlberg (Prestwick Village):
- Ken spoke regarding the transfer fee. He is a lawyer and he and several of his colleagues he has spoken to, are of the opinion that the transfer fee as drafted would not stand up to a challenge in court. He recommends the board reconsider the fees, and any transfer fee would have to be of an amount related to the cost incurred by a sale of a property.
6. Joe Sothy (Royal Troon):
- Joe recommended that community members that have skills like accounting should be volunteering to assist the board.
  - He stated that extra fees in the amount of \$150,000 compared to the board budget that was approved of by the HOA last year, is not acceptable.
  - He is alarmed by the fact that a buyer tax has been put into the budget for members to vote to approve or reject the budget as package, and that there is not an opportunity to vote on the transfer fee alone.
  - He recommended more opportunity for community input on matters of this type.
7. Pamela Mull (Boundary Ridge):
- Pamela feels that the transfer fee would be a good thing if it is legal and addressed the administration involved in processing a transfer, such as providing CC&R documents and that sort of thing. She would be favor of a \$250.00 fee.
  - She feels that imposing a transfer fee based on a sale price is unfair to the buyer and the seller. It is something that should have been voted on, on its own, not buried in a budget.
  - She thinks it is time that the SRA considers hiring a management company.
8. Doug Woods (Prestwick Village):
- Doug thinks that the transfer fee, setting aside the legalities of it, could be a really good tool to use.

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- He sees three options for the SRA to increase income; raise dues, create a special assessment, or do a transfer fee. He feels that of the three options, the transfer fee has the most minimal impact and that it is a good thing, but that the details need to be worked out, and that the board should consider lowering the amount.
9. Stephen Giblin (Boundary Ridge I):
- Steve feels the SRA would be better served by investing in a better management team that would be better able to serve the community rather than investing in outside consultants.
10. Christopher Hutton (Carnoustie):
- Christopher wanted it on record that he does not agree with the transfer fee as it does not apply to everybody equally, and that funding a project like the SRA Center should be voted on by the membership.
  - He feels that the transfer fee should be a separate thing for the membership to vote on, and not included with the budget.
  - He questioned why the SRA is not considering outside management?
  - He agrees with those who have stated that a transfer fee is too risky, especially if it gets turned over in a court.
11. Greg and Donna Wendt (St. Andrews Green II):
- Greg told the board that, as the former Assistant Treasurer and President of the SRA, serving from 2015 to 2019 he takes umbrage at some of the statements made by Alec, and presented by Mitch and Jennifer Spidle. If the statements are made public, he would like to outline his objections to the statements.
  - He questioned why the board has deemed it critical to pay off this mortgage early? He said that the amounts being paid to the HOA consultant firm could have made a substantial payment to the mortgage.
  - He does not support the budget or the transfer fee. He thinks the fee is onerous onto either the buyer or the seller and would seriously impact home sales.
12. Sue Hagan (Carnoustie):
- Sue asked that the board clarify that by approving the budget, the membership would be also approving the transfer fee.
13. Bill Hayward (Boundary Ridge I):

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- Bill asked how the board decided on the amount of the transfer fee, of half of 1% of the sale price of a home, plus the \$250 dollars? He is also concerned about the legality of the transfer fee.
- He asked if the funds allocated to SRA center for the upstairs and the décor could be deferred to 2022?
- He also thought the board should consider an alternative to spending \$20,000 for an independent consultant to produce a community newsletter.

14. Trevor Hoskins (St. Andrews Green IVC):

- Trevor is disturbed at the present conflict going on in Semiahmoo. As a nearly twenty-year resident of Semiahmoo he has seen that Semiahmoo experiences many of the same challenges as all homeowner associations. He believes the board is doing all it can to keep the SRA a paradise but some of their work is misunderstood or improperly communicated.
- He feels the staff should have had a building for our staff resident's use thirty-five years ago, and although it was expensive to build, he wonders how it compares to the rent paid out in prior years while the SRA staff tolerated inadequate condition.
- He also feels that SRA business should stay within the gates of Semiahmoo and not published on public social media sites or, in the local newspaper.
- He advocated for members to get involved in their community and to support the elected board of directors.
- He hopes the budget is resolved.

15. Barry Denney (Boundary Ridge II):

- Barry also asked for clarity on whether when members vote for the budget, are they in fact voting for the transfer fee?

**d) Buyers Transfer Fee Bylaw**

- i. Board Discussion regarding the change in the bylaws to allow the board to establish fees. The motion was approved to make the following addition to the Bylaws of the SRA:

***Drafted Bylaw Amendment Regarding Buyer's Transfer Fee***

*7.3 The Board of Directors is authorized to assess and impose a transfer fee which shall be payable upon the sale of a site in Semiahmoo Resort. The amount of such transfer fee shall be established from time to time by the Board of Directors by resolution; provided, however (i) the Board shall hold a special meeting of the members prior to adoption of such resolution to allow for member comment on the proposed transfer fee and (ii) the newly established*

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*transfer fee shall take effect on a date established by the Board which shall be not less than 20 days following the Board's adoption of such resolution. The transfer fee may be paid by the purchaser or seller, as may be negotiated by such parties. If the fee is not paid to SRA upon Closing of the sale, the purchaser of the site shall be liable for such transfer fee, plus a monthly late interest at 12% per annum from the date of closing.*

**e) Buyers Transfer Fee Resolution**

- i. The board held a discussion regarding the Transfer Fee Resolution. This topic was tabled and will be discussed at a special meeting at 12:30 pm on Thursday, October 15, 2020, prior to the regular SRA Board Meeting at 2:00 pm.

The Board adjourned the special meeting at 4:15 PM.

Respectfully Submitted,

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Carole Gaasch, Secretary

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Lori Thorne, Administrative Assistant

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Date

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Date

Appendix A: To view the full report click on link: [Summary of the SRA](#)

Date: October 4, 2020

To: Semiahmoo Residents Association Board of Directors

From: Alice and Paul Bessembinders

Cc: Please provide this letter for general distribution or posting to SRA members

Transmitted via email to: [info@srahoa.com](mailto:info@srahoa.com)

Dear SRA Board Members:

Alice and I want to take a moment to express our concerns leading up to the Annual General Meeting on

October 24th. We understand that a Special Meeting has been hastily scheduled for October 5th to

address concerns as brought up by many Semiahmoo residents. However, it appears the intent is to limit

this meeting to the single topic of the buyer "Transfer Fee". While we have some comments on this as

well, we have more issues to raise and as such are sending this to you to be shared with the Semiahmoo

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home owners as we all are affected by decisions being asked of us through our voting prior at the AGM.

First we want to take a moment to thank all of the SRA Board members for the time and effort each of

you put into your roles as board members. We have had the opportunity to speak with several of you in

the past and we appreciate your genuine commitment to making our community the best and safest

place to live. We are keenly aware of many of the challenges you face in representation of the SRA

interests and we are supportive of your desire and intent to improve the financial standing and the

management and operations of the SRA.

We received the AGM packet like all other home owners on the 24th of September. However, there were

many surprises in this packet that, in our opinion, required discussion, clarification and ultimate alignment of ideas prior to vote. Some are dramatic future-looking issues with financial consequence

(the Transfer Fee) and some are based on significant financial decisions already made (Joint Partners LLC

consultancy) that we feel strongly should have had disclosure and communication prior to the fact.

We know through friends and acquaintances that there has been a tremendous amount of information

and misinformation on a local message board. We are specifically not commenting on any of this. We

are also not critiquing any Board Member of SRA Member for their current or past positions.

This is nonproductive. We simply want to communicate our view and share it with those who are interested.

We want to offer what we believe are constructive viewpoints on a few key issues.

**1. Transparency and Pro-Active Communication:**

This is probably the most concerning part for us. We know the ideas that ended up in the budget and associated resolutions are well intentioned. Frankly, properly framed, assessed and critiqued, I believe they could make it into the final approved budget. But I believe many residents feel, as we do, that substantial changes with significant consequence have been made without any meaningful input. The buyer transfer fee was a September surprise to everyone and clearly it has been considered for some time. The Joint Partners consultancy was discussed and allowed to move forward in a special meeting and subsequent resolution on Aug 4th, 2020, one week after receiving a proposal from them and with no input outside of the board for a significant financial investment.

**2. The Buyer Transfer Fee:**

We are absolutely against this in its current form. Without knowing what Washington state laws are regarding this, we view this as a significant factor in a buying decision. In principle we are not opposed to some form of transfer fee. However, as you may know from due diligence on these fees, they often avoid disclosure until at or near the final closure process. This can

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amount to an added fee of thousands of dollars coming to a buyer's attention in the 11th hour. It is naive to assume that the buyer will just pay it. More likely it will become a negotiation point that has a buyer push some or all the fee back on the seller. Worse, it could stop a transaction altogether. It is inappropriate for the seller to bear this cost. Until there is a meaningful discussion around this Transfer Fee and material changes in content, we will not support it.

We applaud your intent to pay down debt, but why should buyers who had nothing to do with our assumption of the debt (and associated overruns) pay for it disproportionately as compared to existing members. Why should a seller get negotiated into a corner and pay for it as they are leaving the community? Interest rates are extremely low right now. It seems to us that matching the payment stream and term on this debt to the expected useful life of the facility means marrying the expense flow with the SRA members who are enjoying the benefit of its use.

**3. The contracting of Joint Partners, LLC**

There is a member resolution to prevent the board from taking on debt without member approval. I am not sure it was specifically intended to address this kind of situation but a multi-budget year six-figure commitment with the propensity to be much more is exactly the kind of spending and term commitment that must have better controls than we have today. We actually don't care for the specific wording of the debt resolution, but the intention of it is absolutely appropriate. This board, like the boards in past years and those that will come to replace this board in the future, need reasonable controls established to effectively protect all members, while allowing you to do your job. We know you are trying to make progressive changes for the community and we applaud this. However, this agreement was never brought to anyone's attention until it was complete. Prudent questions around comparative pricing, value, scope, controls, changes, intellectual property ownership and meaningful personal and corporate references are all important. Again, we are aware of message board comments and are not commenting on the credibility or not. However, a simple Google search brought up things that prudently should be answered.

**4. The Budget Resolution:**

Ultimately based on 1, 2 and 3 above we fear the budget will not pass. For various reasons we believe it should not pass in its current form. Many questions that could have been answered and resolved were never allowed as there has been no scheduled meeting to address any issues. Excepting for the Special Board meeting on October 5th, which was hastily put together, there was no opportunity for any kind of input, communication and/or reconciliation of ideas. This is really not acceptable. We have many questions based on the summary budget as proposed that would make this already lengthy letter even longer. Suffice it to say when there are material changes as evidenced in this budget and it is concerning to the membership including ourselves. You risk alienating a large portion of the membership by not providing some opportunity for an open exchange of ideas. If the budget does not pass, I hope the membership is invited to collaborate and have input on the process so it can be re-submitted for consideration in a timely fashion. Not everyone will agree, but better-informed members will carry the vote.

Thanks for listening.

Alice and Paul Bessembinders