

Point Richmond Ridge HOA Board of Directors

June 8, 2019; 2:30 PM, Gig Harbor Public Library Conference Room

Meeting Minutes

(New Action Items in Red)

1. Call to Order – Log Attendees

Meeting called to order at 2:32 PM by R. Lee. BOD Attendees were S. Treese, R. Malady, and N. Ecker. Guests were P. Lee (Lot 59), H. Herzberger (Lot 52), F. Vigneron (Lot 30), K. Franklin (Lot 77), W. & K. Hickey (Lot 27), A. Seltzer (Lot 39), and E. & K. Streeby (Lot 44).

2. Read/Review/Approve May BOD notes

Reading was tabled as the notes were not yet in a final condition. Action Items List was used as basis for discussions of old business.

3. Read/Review/Amend Agenda

Agenda was reviewed and accepted with the addition of item 7c to allow time for input from guests. The final agenda is Attachment 1.

4. Officers' Reports

- a. President's Report – Since R. Lee has been out of the country for an extended period, he did not have items to report at this time, aside from catching up on activities while he was gone.
- b. Vice President's Report – S. Treese noted that he will cover his items under New Business.
- c. Secretary's Report – Position currently vacant. M. Moran resigned, effective June 30. S. Treese is filling in.
- d. Treasurer's Report – R. Malady provided a financial summary report, Attachment 2. He reported that, as of May 31, 2019, we have \$10,727.60 in the Operating Account and \$28,493 in Reserves (MM \$7,242 plus CD \$21,251).

The owner whose dues were furthest in arrears paid his dues on June 3; but has not paid the accumulated penalties. **M. Malady will issue a second notice to delinquent homeowner for late fees (#30).** These will be added to his dues bill for the next payment.

Three owners have currently not paid the January dues assessment and are accumulating fees. Three other owners still owe late fees.

The refund due to M. Wilhelm is still outstanding. R. Lee has the correct address for clearing this refund. (See Action Item #17)

A. Seltzer requested that the budget sheet be attached to the meeting minutes. **S. Treese to attach Budget sheet to minutes (#31).**

e. ACC Liaison's Report

- i. Actively notifying homeowners of issues in violation of M&PCs/Bylaws.
- ii. Road Cracks – Have obtained bids. May defer to 2020 based on assessment by Spadoni that cracks are not severe and would not necessarily need repaired for up to 3 years. **E. Ecker will forward Spadoni's report to the BOD members (#23).**
- iii. Root issue by lot #24 – **ACC will recommend course of action on the root to the BOD (#24).** The consensus is that the homeowner is responsible for the cost of repair, consistent with prior practice.
- iv. It was noted by others that there are also issues with roots damaging the roads by Lot 63 on 12th Ave NW and near Tract D on 13th Ave NW for ACC review and assessment.
- v. Tract G – The report from Gilles has been corrected and there is a final copy. It was recommended that we pay the \$600 to Gilles. **N. Ecker will send the final report and the invoice to the BOD members by June 12 for final approval to pay Gilles (#14).** Approval will be obtained by email agreement.

5. Old Business

Items under old business were reviewed by statusing the Action Items list. The status of active items is indicated in Attachment 3, along with new action items. Highlights on specific issues follow.

a. Clarification of ACC members (#4)

- i. The membership is believed to be the same as discussed at the February 2 BOD meeting.
- ii. **N. Ecker will provide the list to AJ Montgomery for updating on the website and in emails as soon as possible (#4)**

b. Open BOD Positions

We have two people who have volunteered for the open Secretary position on the BOD: K. Streeby (Lot 44) and F. Vigneron (Lot 30). Still working on developing candidates for the Treasurer position. **R. Lee wants to talk to the candidates individually before final decisions (#25).**

c. Tract G Tree Issues

Motion made by R. Malady that we not take any remedial actions relative to the trees on Tract G. The motion was seconded by R. Lee. It was unanimously approved.

It was agreed that, if the Admiralty Ridge complainant wanted to pay for trimming the trees as he has suggested, we would be willing to entertain this option with the trimming under our direction and management.

d. Spring Replacements for Mailboxes (#12)

All the springs have not yet been installed on the mailboxes affected. These are the larger boxes used for packages. In one box, one of the keys is broken off. There was a discussion about who is responsible for repairs to the locks. It is believed that this is the

responsibility of the Post Office. **The Post Office will be contacted to repair the lock with the broken key – no decision on who makes this contact (#26).**

e. Office 365 Transition

R. Lee will talk with R. Cory about this item (#27). S. Treese noted that the Office 365 system that AJ Montgomery has developed does a good job with documentation and is not that difficult to use. If we used the system, our documents and emails would all be in one place and, if we ever had to provide emails for discovery in a legal action, the scope may exclude personal emails. He noted the system is not that hard to use; but we may not need all the features.

6. New Business

a. New ACC Items for Review

- i. N. Ecker noted that there are several issues with encroachment of plants, especially blackberries, from Common Areas into people's yards and fences. The consensus of the BOD is that it is acceptable and expected that owners trim the plants back away from fences. It was suggested that the ACC develop some guidelines about how far back to trim.
- ii. It was noted that Thornhill has been somewhat lax in maintaining (e.g. mowing) grass in several HOA-owned areas, such as along 12th St NW, Tract E. **Thornhill will be contacted regarding areas that are not being regularly mowed (#28).**

b. Amending Articles of Incorporation

S. Treese provided a draft of a resolution to amend the PRRHOA Articles of Incorporation. The proposal is Attachment 4. The markup of the Articles is Attachment 5. **Review and Comments are requested from the BOD membership by July 1 (#29).** The resolution will need to be approved by September for voting at the Annual Meeting.

c. Open Forum for Guests

- i. K. Streeby (Lot 44) – Is it acceptable to leave a boat in your drive over the summer when it is used more frequently? Per the Covenants and Bylaws, this is not allowed for more than a few days during active use.
- ii. W. Hickey (Lot 27)
 1. On ACC membership, he had sent an email about adding a deck to the secretary of the ACC who was listed on the website. He did not hear for over 30 days and, per the Bylaws, he assumed the request was approved.
 2. He noted that there are plants in the common area behind his home that are encroaching on his property. He had submitted a request to the ACC to allow him to trim plants in the common area and had not had feedback. Per the foregoing discussion, he now knows that trimming plants away from fences is acceptable. Technically, he was correct in submitting a request to the ACC.
 3. These items highlighted two issues: (1) the ACC membership on the website is not correct (already discussed) so his requests were not being correctly routed and (2) the ACC needs to provide timely response on applications for architecture changes.
- iii. H. Herzberger (Lot 52, ACC member)

1. Hal noted that the ACC had chosen to be a little more lenient in the past couple of years in citing owners for Covenant and Bylaw violations. Communications have been more friendly and lower key, without fines; but this approach is not working with all owners. He feels that the ACC will need to begin issuing notices of violation more consistently.
2. Kids playing in the street are a concern. We are concerned with speeding and driving faster than conditions warrant (esp. with kids in the area); but the homeowners with kids playing in the street need to be watching them while they are out there and need to not park in the street such that drivers cannot see the kids. The desire is for the kids to use the playground area and stay out of the street. The street is for cars primarily.
3. Hal has submitted a bill for reimbursement for hardware he bought in 2017 to install the blue caution signs. R. Lee moved to reimburse Hal for his costs (about \$30). Motion was seconded by N. Ecker. In discussion, R. Malady noted that installation of the signs was not part of the original approved purchase and that others who bought the posts were not reimbursed. S. Treese noted that one should assume that signs purchased should be installed and that would be implied in the approval. Going forward, homeowners should not assume they will be reimbursed for items they purchase for the HOA unless the BOD specifically approves the purchase. Eventually, the motion to pay H. Herzberger was approved 3 votes to 1.

7. Review Action Items from This Meeting

Action items from the meeting were incorporated into the Action Items, Attachment 3.

8. Adjournment

The meeting was adjourned at 4:42 PM.



28 June 2019
Steven A. Treese
(Acting as Secretary)

Attachments:

1. Agenda
2. May Summary Budget Report
3. Action Items List
4. Draft Resolution to Amend the PRRHOA Articles of Incorporation
5. Markup of PRRHOA Articles of Incorporation

June 2019

Point Richmond Ridge Homeowners' Association Board of Directors Meeting

Date: June 8, 2019

Location: Gig Harbor Library Large Meeting Room

Scheduled Time: 2:00-5:00 PM

1. Call to Order – R. Lee
2. Roll Call
3. Reading/Review/Amend of Previous BOD Meeting Minutes
4. Reading/Review/Amend of BOD Meeting Agenda – R. Lee
5. Officers' Reports
 - a. President – R. Lee
 - b. Vice President – S. Treese
 - c. Secretary – M. Moran
 - d. Treasurer – R. Malady
 - e. ACC-Liaison – N. Ecker
6. Old/Unfinished Business
 - a. Action Items Review and Status (Action Items Attached).
 - i. Governing Documents Changes – S. Treese (AI 3)
 - ii. Current ACC Membership Confirmation – T. Cooney, N. Ecker (AI 4)
 - iii. ACC Communications Improvements – T. Cooney, N. Ecker (AI 5)
 - iv. Search for BOD Treasurer and Secretary Replacements – BOD members (AI 6)
 - v. Winter Road Crack ID and Repair Plan – ACC (AI 7)
 - vi. Entrance Maintenance and Beautification Plans – ACC (AIs 9, 10)
 - vii. Tract G Trees and Communications Status – ACC, R. Lee (AIs 14, 15)
 - b. Office 365 transition (SharePoint/Outlook) – Rex Cory.
7. New Business
 - a. New ACC Items for Review – ACC
 - i. Common area encroachments into lots – weeds, blackberries
 - b. Other Items Identified by BOD or ACC
 - c. **Open Forum for Guest Input**
8. Meeting Close/Adjournment – R. Lee

Attachment 2 - May Summary Budget Report

6/7/19

Point Richmond Ridge Homeowners Association Budget for 2019	2018 Approved Budget	2018 YTD Income & Expenses	2019 Approved Budget	2019 YTD Income & Expenses	Remarks
Income:	11/4/17	12/31/18	10/12/18	5/31/19	
Homeowner's Assessments	33,200.00	35,595.00	33,000.00	13,210.00	
Interest Income		257.92	220.00	202.15	
Late Fees, Penalties		255.00	100.00	100.00	
Donations					
Total Income	33,200.00	36,107.92	33,320.00	13,512.15	
Operating Expenses:					
Bank Fees					
D & O Liability Insurance	3,100.00	2,870.00	3,100.00		
Bookkeeper Assistance	4,200.00	3,588.00	3,600.00	1,495.00	
Developing and Landscaping Open Spaces:					
Tract B					
Tract D					
Tract E					
Entrances					
Other backflow testing		70.00	30.00		
Tree Removal		674.38	700.00	539.50	
Legal Fees	600.00	0.00	500.00		
Maintenance					
Open Space Grounds Upkeep	6,200.00	5,768.28	6,000.00	2,403.45	
Water	620.00	632.34	500.00	71.99	
Street Maintenance		49,933.65			
Miscellaneous Expense					
Office Expense	260.00	672.14	300.00	26.59	
Postage	110.00	111.46	150.00	49.39	
Rent HOA Meetings	160.00		0.00		
Taxes and Fees					
Secretary of State: Filing Fee/1099 filing fee/IRS Taxes	45.00	15.99		66.98	
Real Estate Taxes on Open Spaces	525.00	427.91	500.00	401.95	
Non-allocated Events Reserve	4,565.00	368.17	2,000.00	2,384.80	
Landscape Misc/Special					
Reserve Study	815.00		0.00		
Total Expenses	21,200.00	65,132.32	17,380.00	7,439.65	
Income Minus Expenses	12,000.00	-29,024.40	15,940.00	6,072.50	
Replenish /Build Reserve Fund	10,000.00		15,000.00		
Income-Expenses-Reserve Fund Alloc.					
End of Year Funds:					
Checking		4,852.36		10,727.60	
AAB CD		21,072.01		21,251.32	
Road Reserve Fund MNA		7,224.03		7,241.98	
Accounts Receivable Dues		-2,950.00		650.00	
A/R Late Fees/ Penalties		65.00		245.00	
Retained Earnings		30,263.40		40,115.90	
Savings in All. Ass. Bank (Checking + Reserve Fund)		33,148.40		39,220.90	
Total Accounts Receivable (+ late fees/penalties)		-2,885.00		895.00	

Attachment 3 - Action Items List (Status and new items in red)

Item #	Action Required	Who?	When?	Status (6/8/2019)
3	Meet with attorney to confirm legal requirements and identify any other requirements for amendments to governing documents.	R. Lee, S. Treese	8/1/19	No Action. Attny rate \$265+/hr.
4	Verify ACC membership and inform BOD of members.	T. Cooney, N. Ecker	6/8/19	List in Feb BOD Notes. Need to confirm and put correct list on website
5	Develop a plan to ensure all members of ACC are informed and can participate in decisions.	T. Cooney, N. Ecker	7/1/19	Still some issues
6	Solicit and approve replacement for BOD Treasurer and Secretary among residents.	BOD	8/1/19	K. Steeby and F. Vigneron volunteers for Secretary. No volunteers for Treasurer yet.
7	Identify road cracks requiring repair before the next freeze. Propose repair plan to BOD for approval.	ACC, N. Ecker	8/1/19	Defer crack repair. Proceed with tree root action by Lot 24. See Action Item 24.
9	Coordinate work party to clean bricks at entrances to PRR.	ACC	8/1/19	No Action
10	Propose beautification enhancements for the 134 th St entrance to PRR.	ACC	8/1/19	No Action
12	Install mailbox replacement door springs.	N. Ecker, H. Herzberger	8/1/19	2 Springs still to install.
14	Tract G Trees - Formal proposal, with supporting documentation, on the appropriate response to the Admiralty Ridge complainant.	ACC	7/1/19	Report corrected. Send cc of report and invoice to BOD before agreement to pay. Will not trim, unless complainant wants to pay.
15	Tract G Trees – Inform Adm. Ridge complainant of plan for trees after adoption of plan.	BOD, R. Lee	8/1/19	Need to convey decision to complainant.
16	Obtain new signatories for Bank Transactions	BOD	7/1/19	No Action
17	Find address to pay outstanding funds to Wilhelm	R. Lee	7/1/19	
18	Transfer Keys for mailbox to new Treasurer	R. Malady	6/15/19	No Action
19	Determine effective date for R. Malady resignation	R. Malady	6/8/19	15 June
20	Issue formal notice to member in arrears on dues since Jul 2018	R. Malady	6/15/19	Completed. Member has paid dues.
21	Provide list of recurring expenses to BOD	R. Malady	6/15/19	Completed
22	Announce June BOD meeting on PRRHOA.org and Facebook	S. Treese	6/8/19	Completed
23	Forward Spadoni report on road to BOD members	N. Ecker	7/1/19	
24	Recommend course of action on the root to the BOD for funding approval	ACC	7/1/19	
25	Talk with potential BOD candidates for Secty. & Treas.	R. Lee	7/1/19	
26	Contact Post Office to repair lock with the broken key on one of the mailboxes	?????		
27	Talk with R. Cory about Office 365 transition	R. Lee	8/1/19	

28	Contact Thornhill regarding areas that are not being regularly mowed	????		
29	Review and comment to S. Treese about draft resolution to amend Articles of Incorporation	BOD	7/1/19	
30	Send second notice to homeowner who was delinquent on dues from Jul 2018 for late fees due (owner has paid dues, but not late fees).	M. Malady	7/1/19	See Item #20.
31	Include budget sheet in meeting minutes.	S. Treese	7/1/19	

**Proposed Revisions to the Point Richmond Ridge
Homeowners' Association Articles of Incorporation**

Initial Proposal, June 2019

1. Restate the present Article 2 with the following text:

“2. INCORPORATOR. The initial Incorporator **was** D. Ren Martin, 12507 122nd Street East, Puyallup, Washington 98372.”

Reason: This is just an acknowledgment of the original incorporator and implies he is no longer involved. We could reincorporate as a group; but that probably isn't worth the effort. The bold type indicates a minor tense change.

2. Restate the present Article 4 with the following text after filling in the missing information:

“4. REGISTERED OFFICE AND AGENT. The registered agent of the corporation at the time of this amendment shall be XXXXXXXXXXXXXXXXXXXX. The address for the registered office and agent shall be XXXXXXXXXX until amended by the corporation.”

Reason: The information in the Articles is no longer valid.

3. Restate the present Article 7 with the following text:

“7. DIRECTORS. At the **expiration** of the term of any member of the Board of Directors, occurring in the ordinary course, his or her successor shall be elected by a majority vote of those casting votes at the next succeeding annual meeting of the Membership. All other vacancies shall be filled by the remaining members of the Board of Directors, their appointees to serve the balance of the remaining Term of the Director whose position was vacated. The office of a member of the Board of Directors shall be automatically vacated if that person ceases to be a Member of the corporation.”

Reason: This deletes the description of how the initial Board was to be formed as it no longer applies or is needed. It also corrects a spelling error as indicated in bold for visibility only.

4. Restate the present Article 8 with the following text:

“The Board of Directors shall select from their members persons to serve as the corporation's president, vice president and secretary-treasurer, for terms and with responsibilities as may be assigned by the Board of Directors and expressed in the Bylaws.”

Reason: This deletes the discussion of the initial director and formation of the Board that no longer applies or is needed. The restatement reflects current practice.

5. Correct spelling errors in Article 12a to read as follows:

“a. Persons owning residential lots in Point Richmond Ridge shall be entitled to participate in membership meetings, and to cast votes at such meeting, in the **ratio** of one vote per lot. For purposes of these Articles, persons "own" one or more lots if at the time in question such

persons hold present possessory interests therein. If at any time more than one individual holds a present **possessory** interest in a lot the individuals so situated shall designate one of their number to represent the lot's ownership. That person shall be entitled to the notices given owners, and shall be entitled to cast the vote associated with that lot at all membership meetings. Designation of the representative owner shall be in writing, signed by all holders of present possessory interests in the subject lot, and delivered to the Board of Directors, in such form and manner as the board directs. In the absence of designation the Board of Directors is empowered to appoint from the persons holding present possessory interests in any lot one of their number to act as "owner" for purposes of notification, participation and voting."

Reason: This corrects the spelling of "ratio" and "possessory" to avoid any confusion. The corrections are in bold for visibility only.

6. Restate the present Article 12b to read as follows:

"Annual membership meetings shall be conducted at the time and place directed by the Board of Directors. Special membership meetings may be called at other **times**, by the president; a majority of the Board of Directors; or by owners collectively holding at least ten percent of the total votes of all Members.

Reason: This eliminates the discussion of the timing for the first annual meeting, which is no longer of value and corrects word usage. The correction is in bold for visibility only.

7. Restate Article 12c to read as follows:

"c. Not less than fourteen nor more than sixty days in advance of any **membership** meeting the secretary shall cause notice thereof to be personally delivered or sent by first class postage, postage prepaid, to the last known mailing address of each Member. The notice shall describe the meeting's time and place, and shall identify business, if any, which the Board of Directors has determined shall be subject to vote by Members, including any budget or changes in a previously approved budget; any proposal to remove a Director; and any proposed amendment to the Articles of Incorporation."

Reason: This change clarifies that this Article is intended to apply to general "membership" meetings and not regular Board of Director meetings. The clarification is in bold for visibility only.

8. Correct Article 14c to read as follows:

"c. The Board of Directors may from time to time establish and adopt a schedule of one or more exceptional assessments, to be collected from the owner(s) of any lot whose usage of the private **road** system has been extraordinary, requiring payment of expenses of repair or maintenance over and above that required by normal usage."

Reason: This minor change corrects the spelling of "road". We have no "toad" system requiring maintenance. The correction is in bold for visibility only.

9. Correct Article 14f to read as follows:

"f. The Board of Directors may in its discretion and on such terms as it deems in the corporation's best interests employ a person or firm as the corporation's "managing agent," empowering the appointee to perform any of the record keeping functions identified in RCW 64.38.045, and also empowering the appointee to act for the corporation in collecting

delinquent assessments and fines, and all related remedies. **At** the Board's discretion the appointee may be, but need not be, an owner or a member of the Board of Directors.

Reason: Minor correction for an incorrect use of a proposition. The correction is in bold for visibility only.

10. Add a signature line for the amended Articles, with date and name of signer.

Attachment 5 – Markup of the PRRHOA Articles of Incorporation

ARTICLES OF INCORPORATION POINT RICHMOND RIDGE HOMEOWNERS ASSOCIATION

Filed State of Washington Jan 14 1997
Ralph Munro Secretary of State

KNOW BY ALL THESE PRESENTS:

The undersigned Incorporator of a corporation under the provisions of the Washington Nonprofit Corporation Act adopts the following Articles of Incorporation therefor.

1. NAME. The name of the corporation shall be Point Richmond Ridge Homeowners Association.

2. INCORPORATOR. The initial Incorporator ~~is~~ was D. Ren Martin, 12507 122nd Street East, Puyallup, Washington 98372.

3. DURATION. The period of the corporation's existence shall be perpetual.

~~4. INITIAL REGISTERED OFFICE AND AGENT. The initial registered agent of the corporation shall be D. Ren Martin. His address, being also the address of the corporation's initial registered office, is 12507 122nd Street East, Puyallup, Washington 98372.~~

4. REGISTERED OFFICE AND AGENT. The registered agent of the corporation at the time of this amendment shall be XXXXXXXXXXXXXXXXXXXX. The address for the registered office and agent shall be XXXXXXXXXXXX until amended by the corporation.

5. PURPOSES. The corporation is organized for purposes of serving as a homeowners association, pursuant to Chapter 64.38, Revised Code of Washington, its members being owners of residential lots within the subdivision of Point Richmond Ridge, Pierce County, Washington, and the primary purposes being those of assuring maintenance of the subdivision's common areas and enforcements of its protective covenants.

6. MEMBERS. Members of the corporation shall at all times include, and only include, owners of lots (both improved and unimproved) within the residential subdivision of Point Richmond Ridge, Pierce County, Washington.

~~7. DIRECTORS. Initially, the corporation shall have one Director, being D. Ren Martin, 12507 122nd Street East, Puyallup, Washington 98372. At such date as he deems appropriate for orderly management of the corporation's affairs, but in any event not later than ninety days following the developer's initial sales of seventy or more lots within the subdivision, the initial Director shall appoint five persons from the corporation's Membership (of whom one may be, at his election, D. Ren Martin) to succeed him as the corporation's Board of Directors. Each person so appointed shall serve for a term of five years, and until his or her successor is qualified. Thereafter, at the expiry expiration of the term of any member of the Board of Directors, occurring in the ordinary course, his or her successor shall be elected by a majority vote of those casting votes at the next succeeding annual meeting of the Membership. All other vacancies shall be filled by the remaining members of the Board of Directors, their appointees to serve the balance of the remaining Term of the Director whose position was vacated. The office of a member of the Board of Directors shall be automatically vacated if that person ceases to be a Member of the corporation.~~

~~8. OFFICERS. Pending appointment of the first five member Board of Directors, responsibilities of the corporation's officers shall be performed by the initial single Director. Thereafter, the~~ The Board of Directors shall select from their members persons to serve as the corporation's president, vice president and secretary-treasurer, for terms and with responsibilities as may be assigned by the Board of Directors and expressed in the Bylaws.

9. BYLAWS. The Board of Directors may adopt, and from time to time repeal or amend, such Bylaws as in the Board's discretion may best serve the purpose of providing for regulation and management of the

corporation's affairs. All bylaws must be consistent with, and construed as supplementary to, the Articles of Incorporation.

10. DISTRIBUTION ON DISSOLUTION. In the event of dissolution net assets of the corporation shall be distributed to the then Members, pro rata to their ownership of lots within Point Richmond Ridge, in undivided shares as tenants in common, unless Members by majority vote choose to form a successor corporation or equivalent organization and assign the corporation's net assets to it.

11. BOARD'S POWERS. In fulfilling the corporation's purposes (and except for powers expressly reserved for exercise by the corporation's Members, as set forth hereafter) the Board of Directors shall possess and may exercise all of the authority acknowledged or allowed by RCW 24.04.035 and RCW 64.38.020. PROVIDED: In performing its responsibility for assuring the continuing maintenance of the private road system serving Point Richmond Ridge the Board of Directors shall be guided by, and conform to, Pierce County private road standards; and, in performing its responsibility for protecting other common areas, the Board of Directors shall be guided by, and conform to, Pierce County Development Regulations for Gig Harbor, or such duly adopted regulations as succeed to those just mentioned.

12. MEMBERSHIP MEETINGS.

a. Persons owning residential lots in Point Richmond Ridge shall be entitled to participate in membership meetings, and to cast votes at such meeting, in the ~~ration-~~ratio of one vote per lot. For purposes of these Articles, persons "own" one or more lots if at the time in question such persons hold present possessory interests therein. If at any time more than one individual holds a present ~~possessary-possessory~~ interest in a lot the individuals so situated shall designate one of their number to represent the lot's ownership. That person shall be entitled to the notices given owners, and shall be entitled to cast the vote associated with that lot at all membership meetings. Designation of the representative owner shall be in writing, signed by all holders of present possessory interests in the subject lot, and delivered to the Board of Directors, in such form and manner as the board directs. In the absence of designation the Board of Directors is empowered to appoint from the persons holding present possessory interests in any lot one of their number to act as "owner" for purposes of notification, participation and voting.

b. ~~Not later than one hundred twenty days following appointment of the corporation's first five member Board of Directors that Board shall call the first annual meeting of Members. Thereafter, annual~~Annual membership meetings shall be conducted at the time and place directed by the Board of Directors. Special membership meetings may be called at other ~~timet~~times, by the president; a majority of the Board of Directors; or by owners collectively holding at least ten percent of the total votes of all Members.

c. Not less than fourteen nor more than sixty days in advance of any membership meeting the secretary shall cause notice thereof to be personally delivered or sent by first class postage, postage prepaid, to the last known mailing address of each Member. The notice shall describe the meeting's time and place, and shall identify business, if any, which the Board of Directors has determined shall be subject to vote by Members, including any budget or changes in a previously approved budget; any proposal to remove a Director; and any proposed amendment to the Articles of Incorporation.

d. A quorum shall be deemed present at any duly called membership meeting if ten percent or more of the owners entitled to vote are present in person or by proxy at the commencement of the meeting.

e. An owner may provide a written proxy to another owner, and upon delivery of the same to the secretary the owner to whom the proxy was given may cast votes for and on behalf of the absent owner.

13. BUDGET PROPOSALS AND ADOPTION. Prior to each annual membership meeting the Board of Directors shall adopt a budget for the next annual period. A summary of the budget so adopted shall be included with the notice of the annual meeting furnished to Members; and the agenda for the membership meeting shall include consideration of the question of ratifying the budget. The budget as adopted by the

Board of Directors shall be deemed ratified by the Members unless at the annual meeting where it is considered owners of at least sixty lots vote to reject it. If a budget is thus rejected the most recently adopted and ratified annual budget shall become the budget for the annual period to which the rejected budget pertained.

14. FINES AND ASSESSMENTS.

a. The Board of Directors may adopt, amend, and publish as it deems appropriate a schedule of reasonable fines for violations of protective covenants applicable to Point Richmond Ridge and for violations of such regulations as the Board adopts for protection of common areas. The Board shall prescribe procedures to be followed in citing persons for violations, determining responsibility for the same, and imposing fines. All processes available for collecting assessments shall be available for collecting fines duly imposed. As determined by the Board of Directors, net proceeds of collected fines shall be applied to repair or restoration of common areas or to covenant enforcement activities.

b. Following every annual budget's ratification the Board of Directors shall develop and adopt a schedule of assessments sufficient to pay anticipated costs of performing the corporation's activities and operations during the annual period to which the budget pertains. Assessments so adopted shall be known as regular assessments. The regular assessment for each Point Richmond Ridge residential lot shall be equal to the regular assessment for every other such lot. Each budget and annual assessments based on it shall be sufficient to assure maintenance of the private road system (including the entire roadway surface, shoulders, signs, storm drainage facilities and vegetation control) in accordance with Pierce County maintenance standards, and to permit such vehicular traffic as may be reasonable and necessary in order that all residents may enjoy full and free use of their properties. Additionally, each budget and annual assessment based on it shall be sufficient to assure protection of, and, where appropriate, usefulness for, the benefit of all residents, of common areas other than roads, as well as compliance with applicable governmental standards relating thereto.

c. The Board of Directors may from time to time establish and adopt a schedule of one or more exceptional assessments, to be collected from the owner(s) of any lot whose usage of the private ~~road~~ road system has been extraordinary, requiring payment of expenses of repair or maintenance over and above that required by normal usage.

d. Every owner shall pay regular assessments, exceptional assessments and/or fines applicable to that owner's lot within thirty days following transmittal to that owner (or that owner's last known address) of a statement detailing the same.

e. In event of nonpayment, partial payment, or delay in payment of any assessment or fine the Board of Director's or its designee shall promptly, on the corporation's behalf, pursue formal collection efforts, including, if deemed necessary, litigation, to recover the same. Any delinquent assessment or fine shall bear interest at 12% per annum from its due date through the date of its payment. The corporation shall be entitled to recover, in addition to all other available legal remedies, its actual costs of collection, including reasonable attorney's fees.

f. The Board of Directors may in its discretion and on such terms as it deems in the corporation's best interests employ a person or firm as the corporation's "managing agent," empowering the appointee to perform any of the record keeping functions identified in RCW 64.38.045, and also empowering the appointee to act for the corporation in collecting delinquent assessments and fines, and all related remedies. ~~In~~ At the Board's discretion the appointee may be, but need not be, an owner or a member of the Board of Directors.

Executed by the Incorporator January 13th, 1997

D. REN MARTIN

Amended XXXXXXXXXXXXXXXX

(Signature and title)