

PSA Annual Meeting
July 10, 2004

Present:

Darryl Stephens- 1-051, Archie Cook-Lot 2-229 and 230, Jim and Betti Cook- Lot 1-60, Jack and Doris Fisher- Lot 1-101-102, John and Jan Roney- Lot 2-215, Bob Howry-Lot 2-221, Al Morris- Lot 2-219, Jim Sims- Lot 2-052, Theresa Collins-Lot 2-032, Robert Johnson- Lot 2-039, Bob and Dodie Miller- Lot 1-118, Norm Coselman – Lot 2-209, Lee Rice- Lot 1-11, Dee Ann Kline- Lot 1-77 and 78, Don Glenn- Lot 1-79, Rick Galvin- Lot 2-228, Robert and Cathy Waite- Lot 1-038, Jeff Bergerson and Timothy Vack- Lot 1-014, Larry Pazaski- Lot 2-233 and 2-234, Gary Steinman (proxy by Larry Pazaski)- Lot 2- 203 and 204, 54, Seabee Sapp (proxy by Larry Pazaski)- Lot 2-226, Maggie and Don Foran – Lot 2-043, Steven Schoos- Lot 2-40, Jerry and Connie Scherer- Lot 1-085, George and Veanna Young- Lot 2-01, Ron and Jan Moon- Lot 2-242 and 243, **Steve Bittner- Lot 69**, Anne Purcell-Lot 2-231, James Ross- Lot 2-220, Betty Lamberto- Lot 1-40, Maida Bowers- Lot 1-36, Pat Workman- Lot 1-62, Ruth and Jerome Straus- Lot 2-218, Helen Kinne- Lot 1-33, Sharon Hay- Lot 1-022, Susan Lord- Lot 1-90, Diane Ellis- Lot 1-008, Mack and Judy Oberg- Lot 1-100, John Vitzthum- Lot 1-068, Attendance of 39 lot owners certified by John Roney. 18 members are required to hold a meeting. 36 are required to vote for directors.

Called to order 2:12pm by President Ron Moon.

1. Opening Remarks. Ron Moon welcomed everyone to the 2004 annual meeting.
2. Approval of minutes of last annual meeting – July 12, 2003

Action:

Jack Fisher. Move to accept minutes of last minute
Sharon Hay: Second
Unanimous

3. State of the Association- Ron Moon

A lot of people turned out for the work party. Approximately 25 people working on different projects. The first part of ski dock was repaired. The 2nd part will be finished in another 2 weeks. Once all repairs are complete, the dock can be used again for skiing. We purchased flotation devices and lumber to make 12 more fingers. 2 of the flotation devices need to be returned. We will need extra help to get that work done when the devices arrive.

The hut repairs were finished but it still needs a coat of paint.

The women's bathroom was repaired and a new toilet installed. A new mirror was installed in the men's bathroom.

We cannot do any more burning at the burn site. New State Fire Marshall regulations don't allow material from one site to another for the purpose of burning. The maximum

fire size is 3x3 feet and water must be available. Additionally, Paradise Estates is in a restricted smoke zone. The Board has been getting bids to build a fence around the lot. They are considering allowing limbs and brush to be taken up there. A small fee will be charged and when there is enough accumulated we could rent a chipper. The county wide burn ban started at 8:00am this morning (July 10).

Moon reported he is building a new enclosed display case to post regulations and legal notices. Caretaker responsibilities will be posted.

4. Financial report /Spending Guide- Rick Galvin

100% of dues were paid in 2003.

An issue came up last year as to why we were developing budgets that posted a deficit. We did not want to draw from general funds. The \$25 increase in dues is the first increase in years. The \$15 charge is a one-time charge to pay for costs associated with revising the Articles of Incorporation, by-laws and CCRs.

\$4,000 for the generator has been a carryover for 3 years, but we will probably purchase the generator this year. We continue to make contributions to the water fund.

Action:

Jack Fisher: Move to accept financial report

Al Mooris: Second

Unanimous

4. Facilities Report- Bob Waite

Ron Moon covered most of the facilities improvements in his report. We apologize that fingers did not get done. We'll try to get a party together to work on them sometime this summer. Thanks to everyone who showed up for the work party and who contributed to the luncheon.

The moorages are full this year. This is the first year in a long time that they have all been rented.

Action:

Sue Lord: Move to Accept facilities report

Jack Fisher: Second

Unanimous

5. Water Report- Jack Fisher

Jack thanked George Young, Ron Moon, Buck Killinger, Owen Craighead and Bob Miller for all of their help.

We are getting bids to powerwash and paint the water tanks. Two bids have been received: one for \$8,500 and the other for \$3,800. 3-4 years ago a group from community painted the small tank. The crew that did the painting is getting older and not wanting to get up on the ladders.

Try to water lawns just once a week to conserve water. We have a good amount in the well, but never know what might happen. If we had a fire, the water would be depleted pretty quickly. 119,000 gallon of water were used during the July 4th weekend.

We are getting bids on putting in a 3rd well. Based on projected use, we will need to have it drilled by 2010.

If there are any concerns or suggestions for the water system- please send it in writing to the board. The system is in very good shape but we would like some suggestions for future.

Comments:

John Roney: Painting the tanks is not in this year's budget. We should get pre-approval so that Jack wont have to go back to the membership with an amended budget.

John Roney: Move to preapprove funds to paint the tanks.

John Vitzhum: Second

Unanimous

5. CCCR/By-laws. Dee Ann Kline and CCR/By-laws revision committee.

At the 2003 annual meeting, the board was asked to proceed with revising the CCR.

A survey was sent to members. Thank you to all who responded. **Approximately 50 % of respondents thought the CCR should be revised and approximately 30 % felt that responsibility for enforcement should reside with the Board. Kline was appointed chairman of the committee and the board suggested several possible committee members.**

The committee of Dee Ann Kline, Al Morris, George Young, Ron Moon, Bob Howry and Fred Warbington met several times this year to review the by-laws. The by-laws are very outdated and need to be brought up to current RCW code. The PSA attorney was consulted and he recommended making a change to the Articles of Incorporation to expand board responsibilities to include the welfare of the community. He will rewrite the by-laws with content/responsibility changes that are approved by the committee.

Al Morris led a discussion of the proposed changes to the Articles of Incorporation and By-laws.

Definition:

- Articles of Incorporation:- The document that outlines the name of the corporation, purpose, stock, capitalization. They can be changed at any time.
- By-Laws: The document that enforces the articles of incorporation. These can be changed at any time.
- CCR:-Covenants, Conditions and Restrictions that we write to control Paradise Services Area. These can change every 10 years. The next opportunity for change is Jan 2007.

We are in the process of setting the basis for changing the CCR by amending the articles of incorporation and by-laws.

RECOMMENDATIONS:

1. Articles of Incorporation

Article V, paragraph 22.

Currently Reads:

This corporation also shall have the following powers:

- (a) To lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested.
- (b) To conduct its affairs, carry on its operations, and have offices and exercise the powers granted by statute in any State, Territory, District or possession of the United States or in any foreign country.
- (c) To elect or appoint offices and agents of the corporation, and define their duties and fix their compensation.
- (d) To make and alter by-laws, not inconsistent with its articles of incorporation or with the laws of this State, for the administration and regulation of the affairs of the corporation.
- (e) To make donations for the public welfare or for charitable, scientific or education purposes; and in time of war to make donations in aid of war activities.
- (f) To indemnify any Trustee or Officer or former Trustee or Officer of the corporation, or any person who may have served at its request as a Trustee or Office of another corporation, against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such Trustee or Officer, except in relation to matters through members in a representative suit, against the officers or trustees of the corporation for exceeding their authority.
- (g) In a proceeding by the Attorney General, as provided by statute, to dissolve the corporation, or in a proceeding by the Attorney General to enjoin the corporation from performing unauthorized acts, or in any other proceeding by the Attorney General, to take such action as may be deemed by its officers as necessary in the premises.

The attorney representing PSA recommends the following amendment to the Articles of Incorporation Article V Section (d). Addition in bold print.

- (d) To make and alter by-laws, not inconsistent with its articles of incorporation or with the laws of this State, for the administration and regulation of the affairs of the corporation, **thereby to further the purposes set forth herein, and the community welfare and the properties within the Paradise Shores Estates development.**

No community comment.

2. By-laws

Article IV. No. 1. Board of Trustees

Currently reads: The number of Trustees shall be ten who shall be elected at an annual meeting of members. Each Trustee shall hold office for the term for which he is elected or appointed and until his successor shall have been elected or appointed and qualified. Each Trustee shall hold office for two years or until his successor shall have been elected and qualified.

Committee recommendations:

- Change number of trustees from 10 to 9.
- Change term from 2 to 3 yr
- Strike “and until his successor shall have been elected or appointed and qualified.”

Community comment: Morris: The first year a board member is new, the second year they are acclimated and by the third year they know what to do.

Question: How would this take place. Morris: The Board would design the transition.

Article IV. No. 2. Power of Trustees

Currently reads: The Board of Trustees shall have power to do all things which this corporation is empowered to do by the laws of the State of Washington and which shall be consistent with the Articles of

Incorporation and the By-Laws of this corporation, and to said extent make all rules and regulations which they deem necessary.

Committee recommendations:

• Change “shall have the power” to “shall have the power and responsibilities”

Add “Responsibilities of the Board of Trustees include”:

- Develop a slate of candidates prior to each annual meeting.
- Develop a budget based upon historical and projected costs.
- Provide avenues for communicating with community members.
- Develop rules and regulations and policies and procedures to support and enforce by-laws and CCRs.
- Facilitate compliance with existing county and state laws.
- Hire employees.
- Contract for services.
- Develop and implement long range plans.
- Set up and oversee committees.

Community comment: John Roney Need to decide if the powers and responsibilities are limited to or inclusive of.

Article VI. Committees of Trustees No. 1

Currently reads: The Board of Trustees, by resolution adopted by a majority of the Trustees in office may designate and appoint one or more committees, each of which shall consist of one or more Trustees and one or more from the general membership, if and as deemed advisable by the Board, which committees, to the extent provided in said resolution, shall have and exercise the authority granted by the Board of Trustees and shall report its findings and accomplishments to the Board of Trustees as directed. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Trustees, or any individual Trustee, of any responsibility imposed upon it or him by law.

Committee recommendations

Change “and one or more from the general membership” to “ and may include one or more from the general membership”.

No community comment

Article X. Revenue

Currently reads: The Board of Trustees may determine from time to time the amount of dues, service charges or other form of assessments, if any, that shall be payable to the corporation of its members for the purpose of defraying its expenses, maintenance or other obligations while performing the duties for which the corporation was organized.

Committee recommendation:

Add: “ Increases or decreases in dues are justified by budgets.”

No community comment

Article XIV. Regulations. No. 2

Currently reads: Each member of this corporation shall be entitled to water service and/or recreational service and/or electrical service and/or any service provided by this corporation, in proportion which his lot, or lots, in Paradise Shore Estates bear to the total number of lots in Paradise Shore Estates as comprised herein, which shall be an equitable distribution of water produced and said services as each lot bears to the total lots served or that may request these services. The Board of Trustees shall be empowered to apportion; to deny service in part, or in whole, when abuses and/or shortages prevail in their opinion and /or failure of the member to comply with the rules, regulations and charges set by the by-laws or Board of Trustees of this corporation.

Committee recommendations

Add “and to levy fines” to the sentence “The Board of Trustees shall be empowered to apportion.....”

Community Comment:

Oberg: Is it legal to turn off water? Response: we consult with attorney before proceeding.

Larry Pazaski: Lovelace property has been sold and all back fines paid.

The Williams property has not been cleaned up so Health Dept has not given approval to sell/rent. Moon really stayed on top of this and he is the reason we recovered on the Lovelace property. There is still drug activity going on. Asked people to be alert and contact Board member of sheriff if something is suspect.

Sue Lord: With regards to levying fines. Would the property owner get out of them by selling? Response: No: We take first position. Once we file a lien, we have first position.

Sue Lord: **Does General Membership vote? Response : Yes. The board will determine if it will be a mail, special meeting or general meeting vote.**

Theresa Collins: Where is the \$3000 going. Response: Primarily to attorney fees. Some mailing costs.

John Roney: Note that the CCR fund is a separate line item.

Questions and comments from lot owners:

Al Morris: Asked for round of applause for Ron Moon for all the work he has done in the park and the community and Milfoil eradication. Vice- chairman of Lake Management District. It is a tax generating district. The committee also receives grants.

Ron Moon: Lovelace property has been cleaned and authorized for habitation. The Williams property has not. The health dept controls the work. We can get the debris in the driveway hauled away. However, unless the owner decides to start work, we can't do anything..

Ron Moon: We will be working with Benson and Mason Lake to set up a Neighborhood Watch committee.

Schoos. Car was broken into and caused \$400 in damages/ Juveniles did it . The county would not prosecute. Collins: Daughter's car also broken into.

Theresa Collins: Asked why have basketball hoops not been put up? She volunteered to organize committee to put up the hoops. She uses the park a lot and would like to see green grass. She has witnessed three toddlers injured on teeter totters. Suggests that the board consider safer toys for young kids.

Rick Galvin: Board funded part of the flagpole. People can still donate to flag pole fund.

Betty Cook (read by Dee Ann Kline): I would like to make a motion or suggestion that in regards to any new plantings of trees, shrubs etc., that the existing covenant be enforced or exercised- in that they be maintained at the 20-30 feet maximum height so that views are not obscured more that they currently are.

Don Glenn: CCR protect the homeowners. If trees are too high, and cannot be trimmed down, then should be removed.

Morris: There are many tall trees. It would look terrible to top them all.

Galvin: Be a good neighbor.

Issue was referred to the board.

George Young: Could we open the park for fireworks. Comments: One year the dock caught on fire. People were shooting towards the boats. Having fireworks would be a liability. We have talked about banning fireworks but there is no way to enforce.

Rick Galvin:

I propose that we formalize ideas of how to address positive change within the park. Need to remove black top and put in concrete slab or put in sand and volleyball net. Then put concrete slab in upper part with tennis/basketball court. Start thinking about the future families.

Al Morris: Would people be interested in having their dues raised to support these projects?

Bob Waite: If they don't want dues raised, then they need to volunteer.

Action:

Rick Galvin: Move to create a volunteer group to break up the black top and fund the sand and the beginning of a volleyball court. Further allow the board to draw a design and bid proposals for upper basketball court. Bring the motion to next annual meeting.

Collins: Second

Discussion:

Sue Lord: Why wait?

John Roney: Are there restrictions on using the property?

Ron Moon: Can't park in the upper park. Can't asphalt. A permit required for everything that is done.

Strauss: It is obvious that amount of preparation involved with this cannot be decided today.

Al Morris: Pointed out that Articles of Incorporation give the board the authority to levy assessments. Suggest that the responsibility for these decisions be left with the board.

Robert Cook: May take some time to come up with a satisfactory plan for the park. At least put up the basketball hoops as an interim solution.

Scherer: Just keep it as a basketball court for now.

Action:

Collins: Withdraw second

Galvin: Withdraw motion

Action:

Rick Galvin: Move that a volunteer group install 2 existing basketball hoops this summer and that over the course of the winter the board will start design and request for bid for a second court that would be primarily a basketball court. Construction will start in the spring. This would allow the existing court to be turned into a volleyball court.

Dawn Foran: Second

Don Glenn: Why not keep the current court. Response: It is too small.

Bob Waite: These are professional hoops. Would like to see them permanently installed. 4 feet deep concrete and 2 feet diameter. Recommend just repairing the existing hoops.

Bob Howry: Can backboard and hoop go onto current pole?

Question called

Motion failed: Voice vote

Morris: This is a board activity.

Johnson: Need to plan first

Moon: Still need to permit.

Galvin: Don't think this is entirely a board function, as the board should not spend up to \$15,000 without approval by the community.

Moon: Can send a mailed ballot.

Nomination:

Don Foran

Ron Moon

Jack fisher

Dee Ann Kline

Rick Galvin

Bob Howry

Nominations close

Don Foran 20

D Kline 32

Ron Moon 25

Bob Howry 23

Rick Galvin 22

Fisher 30

