

1960870 MASON CO WA

08/02/2010 03:14 PM MISC
PARADISE SHORES ASSOCIATES #39530 Rec Fee: \$73.00 Pages: 12



Name and

Return Address

PSA / Merrisue Steinman, Pres
20 E. Mason Pl.
Grapeview, WA 98546

DOCUMENT TITLE (S)

PSA Board Rules + Guidelines Approved as of 5/2010

REFERENCE NUMBER (S) of related documents

Additional Reference #'s on page _____

GRANTOR (S) Last, First and Middle Initial

Paradise Service Associates, Inc.

Additional Grantors on page _____

GRANTEE (S) Last, First and Middle Initial

Public documents for Paradise Service Associates,
Inc.

Additional Grantees on page _____

LEGAL DESCRIPTION (Abbr. Form: quarter/quarter, section, township & range, plat, lot, & block)

Public documents for Paradise Service Associates, Inc

Additional Legal Descriptions on page _____

PARCEL NUMBER

Part A – Rules and Guidelines to Support Board Actions

1. PSA Board of Directors Meta Rule – Rule Filing

a. All rules adopted during the Association operating year (The second Saturday in July through the following year second Friday in July) must be recorded with the Mason County Auditor within 30 days of the annual Association meeting. This is accomplished by the current PSA Board president and secretary, or the PSA Board vice president and treasurer. Rules adopted in the interim will be kept on file with the PSA Board Secretary as well as being distributed to the community through our Communications Committee. Rules are adopted and enforced as of date of Board approval.

2. Rules for Executive Session

a. **Executive Sessions** may be called by any Board member, but especially pertain to a call by one or more Board officers.

b. A quorum consists of 6 Board members. The Board must have a quorum to qualify as a legitimate Executive Session.

c. “Except as provided in this subsection, all meetings of the board of directors shall be open for observation by all owners of record and their authorized agents. The board of directors shall keep minutes of all actions taken by the board, which shall be available to all owners. Upon the affirmative vote in open meeting to assemble in closed session, the board of directors may convene in closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the governing documents of the association, and matters involving the possible liability of an owner to the association. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The board of directors shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the board of directors, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirements of this subsection shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.” RCW 64.38.035 - Association meetings — Notice — Board of directors.

3. **Committees and Committee Chairs** – New committees are chartered by a PSA Board Resolution. Existing committees are required to produce sufficient documentation such as the nature of their charter, their purpose and goals that can be passed on to new committee chairs when prior committee chairs resign or are removed. The Communications Committee may be instrumental in suggesting

appropriate documents that ensure smooth transition of any chairperson responsibilities as well as for those documents that provide a historical record of prior committee decisions and recommendations to the PSA Board.

4. **Check Signing** - All checks are to be signed only by PSA Board officers, and designated representatives as detailed in our Bylaws Article V Section F. Execution of Documents. Checks exceeding \$999 will require two Board officer signatures.
5. **Annual Employee Performance Reviews** - PSA Board officers in conjunction with Committee chairs (when applicable) will provide salaried employees with annual performances reviews. These reviews will be accomplished in January of each year.
6. **Regular Board Meeting Q&A** - Regular and Special Board meetings will allow a question and answer period at the end of each meeting. Each member will be allowed 2 minutes to ask questions relevant to the Board agenda. Also questions will be allowed regarding unresolved Committee actions on a given issue if the committee and Board have not already made a ruling. If so, and unresolved member issues may be addressed to the Board in writing and will be recorded as PSA Board business. If the question and answer period exceeds the time allocated for a given meeting, members are invited to submit additional questions or concerns in writing to the Board for deliberation.
7. **Annual Board Meeting Q&A** - Annual Board meeting question and answer periods also operate in the same way as regular Board meetings. Each member will be allowed 2 minutes to ask questions relevant to the Board agenda for that meeting. Also questions will be allowed regarding unresolved Committee actions on a given issue if the Committee and Board have not already made a ruling. Considering the number of participants, however, the Board may limit the total question and answer time to a reasonable period, such as 30 minutes total for all questions. Any unresolved issues may be addressed to the Board in writing following the meeting.
8. **Payment Authorization** - Any work performed on behalf of PSA is subject to the approval of the Committee chair, or delegate authorizing and supervising the work as directed by the PSA Board. The Committee chair must verify that work is accomplished in a satisfactory manner before any payments are made to those companies authorized to do the work. All such invoices are reviewed and accepted by the Committee chair and forwarded to Board officers for payment. Board officers perform a second level verification, conferring with the Board when necessary, before completing payment to said companies.
9. **Payment/Work Adjustments** - Any significant changes in contract amount or in work to be performed must be brought to the PSA Board for resolution and endorsement. The Committee chair may make interim decisions to expedite work that do not significantly impact cost or project work. Miscellaneous cost adjustments not to exceed 10% may be authorized at the Committee level. Rationale and justification will be reported at the next Board meeting.

10. **Rationale:** Each member of our Association has a right to participate in our decision making process. For a variety of reasons some members may not be able to attend (vacation, work-conflict, family event, etc.), but still have an interest in Association business. Providing for proxy ballots only favors residents who have regular contact with other Association members. Absentee ballots offer EVERY member equal opportunity for participation in Association business. As Directors we have a special responsibility under our Code of Ethics – Standard of Care – to provide this standard of care “in a manner he or she believes to be in the best interest of the Association...” Our current rules do not define the below process.

Voting Clarification – Annual and Special Membership Meetings – Article II D. Meetings – provides general guidelines under item 7 – Ballots, and under item 8 – Majority for voting procedures. To further clarify this process, absentee ballots will be accepted to gain representation from all interested Association members. Absentee ballots must be received by the Wednesday prior to the annual meeting in order to allow time for counting of ballots prior to the meeting. Counting of absentee votes and tabulation will be done by Board Officers and other delegated Association members. Two Board Officers and two Association members will constitute a valid quorum for this purpose. Officers up for re-election will not be eligible to participate in this process. Results will not be revealed to ANYONE other than those sanctioned to record the absentee vote until votes from the membership meeting are received and counted. The total membership count will then be posted on the community bulletin board for all members to review.

If absentee voters choose to remain anonymous regarding their voting position, they may place their ballots in an unmarked envelope. This unmarked envelope must then be placed in another envelope that clearly identifies the owner and lot # for tabulation purposes. When the vote is received and verified as valid, then the internal envelope will be placed, un-opened, in a ballot “box”, or other container for later counting and tabulation. When all absentee votes are received and verified, then absentee votes will all be counted at the same time and the results tabulated for inclusion with the votes cast during the annual or special membership meeting.”

11. **Annual Meeting Ballot Procedure** – Members will receive ballots after signing in. Each member will receive two envelopes. After voting, the completed ballot will be placed in the smaller blank envelope. This envelope will then be placed in the larger envelop, which must be signed by the member, and include printed name and lot number(s). This double envelope system will ensure anonymity and accuracy. The completed ballot will then be place in the ballot box. Once all ballots are received, Board officers and delegated Association members will tabulate the results and post the results on the community bulletin board the same day that the annual meeting takes place. If a person is found to have voted twice, neither vote will be counted as valid. Any votes whose validity is in question may be verified at the Board’s discretion. Disputes must be resolved within two weeks of when the vote was originally counted.

12. PSA Board Committee Reports and Consent Agenda – To expedite PSA Board meetings, each committee will submit written committee meeting reports to the PSA president or designee for inclusion in the next PSA Board minutes. These reports will be distributed to each Board member by the Wednesday prior to the Saturday Board meeting. These committee reports will become part of the BOD minutes and will be accepted by the Board by way of a consent agenda. Any action items will be noted on the committee reports for Board discussion. This process will eliminate verbal committee reports at our Board meetings, and will allow the Board to focus on action items, motions, and new business.

Part B – Rules and Guidelines to Support Community Actions

1. Dues & Special Assessments

A. Each member, by accepting an ownership interest in any lot within the development, agrees to pay all assessments imposed by the Association.

B. Assessments as defined herein shall constitute a personal obligation of each member. In addition, they shall constitute a lien as specified herein, whether this lien is reduced to writing and recorded, or not. A “lot” for assessment purposes means any lot as shown on the original plats of Paradise Service Associates. The effective date of each such lien shall be the date of recordation of the applicable protective covenant.

C. Members have the obligation to pay assessments, but the Association recognizes that individual members often face financial difficulties. The Association shall diligently collect all accounts. When an account becomes delinquent, the Association shall make reasonable efforts to work with the member to bring the account current, including readily accepting reasonable payment plans, supported by a promissory note, where such plans provide for payment in full of all delinquencies, and specify that all future assessments will be paid on time.

D. When reasonable collection efforts are not successful, and if appropriate in the judgment of the Association, assessment liens may be foreclosed, in the general manner of foreclosure of real property mortgages, with adaptations where reasonable in the judgment of the Board of Directors; provided, that a revised deficiency judgment may be entered after confirmation of sale, crediting the sale proceeds, and any payments or other credits, and debiting any post-judgment assessments, costs and attorney fees; the member may stay the proceedings at any time, prior to sale, by payment to Paradise Service Associates of the full amount due, as defined below; and if a lot has been improved and abandoned, as defined by state law, upon request, a court may order no redemption period as well as a deficiency judgment.

E. The lien of Paradise Service Associates for payment of all assessments as defined herein is prior to any other lien, mortgage, deed of trust, or any other encumbrance, regardless of filing date of notice of the same. However, as to any lot, this lien shall be automatically subordinated to one mortgage, deed of trust, or other financing encumbrance in favor of an institutional lender, which is undertaken for the sole purpose of purchase of the lot, construction (or remodeling) of improvements to the lot, or refinancing of the same; provided that the Association account with respect to any such lot is not delinquent at the time of recordation of the encumbrance, and that a copy of such encumbrance is delivered personally, evidenced by a receipt for the same, or sent by certified or registered mail; and received at the office of Paradise Service Associates within sixty days of its execution. The burden of proving receipt is on the lender.

F. In addition, Paradise Service Associates may choose to subordinate its lien to any other encumbrance, when in the best interests of the Association, and consistent with the purposes of Paradise Service Associates as set forth herein.

- Payment Guidelines:
 - Bylaw information – Article VIII – Assessments – paragraph A “Each member, by accepting an ownership interest in **any lot** within the development, agrees to pay all assessments as provided herein or otherwise by law.” – Paragraph B – “Assessments as defined herein shall constitute a personal obligation of each lot owner. In addition, they shall constitute a lien as specified herein, whether this lien is reduced to writing and recorded, or not. **A ”lot” for assessment purposes means any lot as shown on the plats of Paradise Shores Estates.”**
 - Note: Combining lots by way of boundary line removal does not change the original lot plat of Paradise Shores Estates and, therefore, does not eliminate or reduce lot assessment responsibility.
 - Assessments constitute liens as specified above. Unpaid assessments may trigger remedial action including foreclosure unless delinquency is satisfied. For detailed action steps refer to Article VIII - Paragraphs C through G.
 - Fees – See Assessment Details
 - Interest will not exceed 12% per annum
 - Expenses – Reimbursement of Board/Association collection expenses
 - **Assessment Details:**
 - Annual dues are due on **January 1st**, whether you receive a notice or not. Notice will be sent out by mid November. Special Assessments will be due as stated on separate billings, and sent out in advance of due dates.
 - Special assessments and any other billings will be handled in the same manner for payments past the due date.
 - Each lot on the original Paradise Shore Estates plot is assessed individually whether they are combined or not.
 - Loss of ”Member in Good Standing” status: Loss of park privileges, including moorage, voting rights and rights to serve on the board and on any board sponsored position when 60 days or more in arrears.
 - Moorage: Any dues or assessments in arrears 60 days or more will result in revocation of park privileges regardless of whether you have paid for a moorage slip or not. If you have a boat in the water

you will be asked to remove it until dues and/or assessments are paid in full.

- Landlord-owners: As the owner, you are responsible for the payment of dues and assessments. As stated above, dues not paid by January 1st will keep your tenant or you from using the park. Effective May 1, 2002, if we do not have a current Landlord Form on file, we will not allow your tenants to use the park. Please renew these annually.
- Changes: Addresses, phone numbers, e-mail address, and ownerships, should be mailed or e-mailed to the secretary. Secretary@paradiseshoreestates.org
- Partial payments will be accepted. However, requirements for full payment will be treated the same regarding park privileges.
- Penalties and/or interest will not be removed except when dues, penalties and interest are paid within 7 days of the billing date of said bill.
- Miscellaneous re-billing fees and interest that are outstanding, with all other fees paid, but not in lien status, will be turned over to a collection agency unless payment is received within 30 days after notification is received to pay such fees.
- Billing grievances of any kind must be addressed to the Board in writing. All Board decisions are final.
- Dues calendar:

January 1st Annual Dues are to be paid in full on or prior to this date

January 2nd **Second notice**

- \$10 re-billing fee added to balance.

February 1st **Third notice (30 days past due)**

- \$10 re-billing fee added to balance.

March 1st **Final notice (60 days past due)**

Loss Park privileges

\$10 re-billing fee added to balance.

- Certified letter will be sent
- Loss of park privileges
- \$10 re-billing fee added to balance
- 12% annual interest assessed from first day past due added to balance.
- Letter with bill, stating:

“If not paid by April 1st, a lien will be applied to property with a lien fee of \$125.00, plus interest. Water will be shut off, appropriate disconnect and reconnect fees will be added.”

April 1st Lien (90 days past due)

- Certified letter will be sent
- Lien will be applied, and
- Water will be shut off.
- Interest will continue until entire balance is paid.

2. Marina Rules and Moorage Rules and Fees

- Moorage fees will be determined annually and the information posted in our PSA Board newsletter as well as on our PSA Information Bulletin Board.
- The amount charged is for a single slip for this season. The season is designated as April 1st through October 31st of each year. Fees will be accepted in advance starting March 15 – May 14th. No one would be able to book a second slip during that period. If there are moorage slips still available by May 15th, then lot owners would have the opportunity to book a second slip for the season for an additional fee. Single boats requiring two slips, or an oversized slip, will be charged a fee equal to two individual slips.
- At PSA’s discretion unoccupied boat and personal water craft slips may be rented out on a daily basis for members, family and friends. Fees for such use will be determined annually.
- The Association is not responsible for any water craft or associated items at any time, but especially those items left in the park after the season ends on October 31st.
- All moorage fees will be dedicated to pay for marina improvements, including, but not limited to: moorage slip modifications and upgrades, moorage slip and dock maintenance, and marina channel improvements including bank restoration and improvement.
- Moorage of any kind may not be rented out by members for use by non-members. Moorage is available only to owners, for use by owners and their immediate families.

3. Marina use:

- Marina season: April 1st through October 31st
- Reasonable use – Reasonable use is determined by PSA. If use is deemed unreasonable, moorage privileges may be suspended by written notice to the individual.
- Water craft responsibilities – Refer to Mason Lake Boating Rules and Washington State Safety Regulations. Documented rules and safety violations may result in loss of marina privileges.
 - Gas and gas containers – Please use caution when gassing up your water craft. Use spill prevention containers if possible. Each of us has a responsibility to keep our lagoon pollution free.
- After season use penalties
 - \$125 a month fee. As of November 1st of each year a monthly fee will be assessed for any water craft or associated equipment left in the marina area. Failure to pay this fee will result in suspension of marina privileges until such fees are paid.
 - Owner liability statement – Each member, and other authorized individuals who use the marina facility will be required to sign a personal liability statement that exempts PSA from any liability incurred during any use of the marina.
- Off season day use of the marina is permitted by prior arrangement with the caretaker.

4. Water Leak Reporting Guidelines

- Member discovers a leak
- Member calls NWS. The phone number for any water maintenance issues is 1-888-881-0958.
- NWS will then call a PSA member representative to ascertain the location of the leak. Current volunteer members are to be called in to below order. If the first person cannot be reached the next will be contacted, and so on.
 1. Bill Davies
 2. Larry Pazaski
 3. George Young
 4. Ron Moon
 5. Jack Fisher
- The PSA member contacted may choose to investigate the leak and try to determine if the leak is on the community side, or the homeowners side. If our committee person does the investigation, they are to report their results back to NWS as quickly as possible.
- NWS will then decide if the committee person will notify the homeowner or if NWS will. NWS may have the committee person ask the homeowner if they want them to turn the water off, for example.
- If the leak is on the community side, NWS is authorized to complete the repairs.

- All such repair costs will be tracked separately, and reported as line items in Water System Maintenance in our financial reports.
- Regarding known water leaks on member property, PSA, as its discretion, may turn off water until the property owner can be contacted.
- Mason County code requires water shut-off valves to any residence. It is homeowner responsibility to control water flow to their residence. The Association is not responsible for any water supply, or shut-off issues on any member property. Any damage or impairment to the PSA owned shut-off valve and or metering system caused by the property owner are also the responsibility of the property owner.

5. Park Use

- Swimming Area Safety – Each Association member is responsible for not only their own personal safety, but for the safety of anyone using our swimming and dock areas. Please remind each other that swimming off the ski dock or diving in the area of the ski dock is dangerous. Do so at your own risk. Also refrain from swimming out into the lake from our swimming area. Operators of boats and personal water craft can not see you – swim safely.
- Reserving the covered picnic area – No one person or group can reserve the entire picnic area for an event. Events may be reserved 30 days in advance and all reservations must be posted on the community information board for member view. Reservations are first-come first-served and the park caretaker has the right to determine the limit on simultaneous use of the picnic area. Contact the caretaker for an information form to fill out.
- Special Needs – Accommodations will be provided for members with special needs. These would include, but not be limited to the following:
 - Guide Dogs
 - Use of golf carts to transport individuals to and from picnic and swimming areas (parking of carts in designated areas only).
- Dog Control – During boating season, dogs are allowed access to boats, but not picnic, sports court or swimming areas. Off season (November 1st – March 31st) dogs will be allowed in picnic and swimming areas, but not on the sports court. Dogs must be kept on leashes at all times and owners are responsible for picking up all feces and depositing them in refuse containers. Failure to comply will result in loss of the privilege of walking your dog in the park.
- Park privileges may be revoked for inappropriate behavior which includes, but is not limited to the following:
 - Offensive and vulgar language
 - Physical or verbal abuse
 - Drunk in public
- No bicycles may be ridden in the park other than in the vehicle parking area. The exception is the use of bicycles and roller skates by children 10 years old and under only with the direct supervision of an adult in the sports court

area, in a way that does not interfere with use by other members using the sports court.

6. **Work Safety** – At times The PSA Board authorizes work to be performed by professionals hired by the Association. To insure safety of our Association members no PSA members, or renters should approach any work site. If anyone has questions about the work being performed they should contact the designated Committee chair, or the PSA president for information. Unauthorized persons distracting or interfering with contracted workman can cost our community added labor charges when work is stopped to answer questions. Furthermore, there are insurance liability and safety issues for both the contracted workers and the individual(s) interrupting the scheduled work. Though most of this work is being conducted in the public right of way, and on public streets, PSA's Franchise Agreement with Mason County places these construction zones off limits to the public while repair/upgrade work is under way.
7. **Member Ideas and Concerns** - PSA members are to bring ideas and issues of interest or concern to the Committees responsible. Ideas and, or issues must be brought before the relevant Committee and the Committee will address the issue and bring recommendations to the Board for any required actions.

The Board will not respond directly to new issues or concerns during Board meeting question-and-answer time unless the issue or concern has already been brought to the committee, and the committee as responded to the initial query.

8. **Civil Disobedience** – Report any domestic disputes to your Block Watch captains. Do your best to resolve any disputes and complaints directly with your neighbors. If this situation escalates to the point of a safety or endangerment issue, contact the Mason County sheriff's office. If this becomes a recurrent situation that involves neighbors, said neighbors may file an "Anti-Harassment Order" with the sheriff's office.