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Vote Counting Information and Procedure
Annual Membership Meeting
June 15, 2019

Information for Voting Procedure

Two Oroville citizens have volunteered to tally (count) the ballots:

- Clyde Andrews: Manager of Camaray Hotel, prior member of Oroville City Counsel and Chamber of Commerce.
- Dwayne Birmingham: Manager of Akins Foods and an Oroville School Board member.

Ballots must be signed and dated to be considered valid.

For this election all Lot Owners who have been notified by the Board of violations of the CC&Rs, and all Lot Owners with unpaid assessments, have their voting rights suspended and their ballots will not be counted. CC&Rs Article III, Section 1 (b): “The right of the Association to suspend any Lot Owner’s voting rights...”

Article III, Section 4. Quorum: “The presence at the beginning of any meeting of members entitled to cast twenty percent (20%) of the votes of the Association shall constitute a quorum.....” Base number is 311 lots. Twenty percent of 311 is 63: A minimum of 63 valid ballots will confirm a quorum to be able to continue counting of the ballots.

Procedure for counting ballots:

- Envelopes will be opened by counters.
- Piles will be made of ballots, checks, and other miscellaneous envelope content. (As all envelopes are not opened prior to counting there may be contents other than ballots in envelopes.)
- Ballots will be reviewed for signature and date by voting Lot Owner.
- Valid ballots will then be counted to confirm quorum.
- Counters will compare ballots to membership list checking off voting members to verify one vote per Lot. Those with suspended voting privileges will be set aside and not counted.
- A counter will read votes, from valid ballots, to other counter to mark on tally sheet. Names of voters will not be read out-loud.
- Process will be reversed for second counting.
- Tallies will be totaled.
- A “certification of ballot count” form will be filled out and signed by counters, and handed to the President.
- President will announce outcome of vote.
- Upon completion of above, all ballots will be place in a sealed envelope.



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CERTIFICATION OF BALLOT COUNT
Nine Mile Ranch HOA Annual Membership Meeting June 15, 2019
Independent Financial Audit and Election of One (1) Director

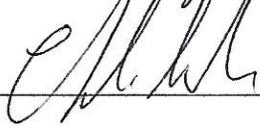
The below-listed persons served as official 'tellers' to count the votes regarding whether to conduct a financial audit and election of a Director of the Board of Directors for Nine Mile Ranch HOA, and hereby certify as follows:

1. Any invalid ballots were not included in the counting of the votes.
2. The basis for determining invalid ballots included:
 - Ballots were not signed and/or dated.
 - Duplicate votes from the same Lot (in which case, only one of the ballots was counted).
 - Any votes by Lot owners who's right to vote had been suspended by the date of the election.
3. The votes were tallied (counted) twice in order to confirm the results.
4. The following were results of the voting:

Financial Audit: Yes (to waive/not have) 55 No (to not waive/have) 57

<u>Name of Candidate</u>	<u>Number of Votes</u>
Charlene Dima:	<u>63</u>
Chris Wolle	<u>42</u>

Dwayne Birmingham  Date: 6-15-19

Clyde Andrews  Date: 6-15-19



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CERTIFICATION OF BALLOT COUNT

Nine Mile Ranch HOA Special Meeting August 31, 2019
Special Assessment Vote

The below-listed persons served as official 'tellers' to count the votes regarding Special Assessment put forth to the membership and hereby certify as follows:

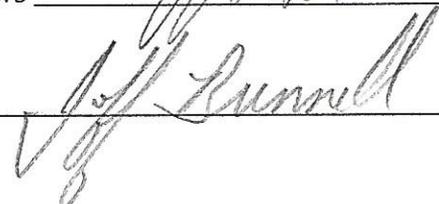
1. Any invalid ballots were not included in the counting of the votes.
2. The basis for determining invalid ballots included:
 - Ballots were not signed and/or dated.
 - Duplicate votes from the same Lot (in which case, only one of the ballots was counted).
 - Any votes by Lot owners who's right to vote had been suspended by the date of the election.
3. The votes were tallied (counted) twice in order to confirm the results.
4. The following were results of the voting:

First counting: Yes 102 No 58

Second Counting: Yes 102 No 59

Clyde Andrews 

Date: 8-31-19

Jeff Burnell 

Date: 8/31/19



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Vote Counting Information and Procedure **June 20, 2020**

Due to Covid-19 state protocol, and so the HOA can continue with business at hand, the ballots were counted prior to the indefinitely postponed Annual Membership Meeting in the following manner:

Counters were:

- Sandy Andrews: Non-HOA member, Manager of Camaray Motel in Oroville.
- Stacey Johnson: Board member and Treasurer for Nine Mile Ranch.

Counting took place at the Camaray Motel.

The HOA is in a unique situation because of the virus. We cannot have our meeting on schedule as Washington State Phase Opening allows only 5 people to gather at a time. Not knowing how this situation would unfold the Board made sure that all needed official business was on the ballot. The Board chose to move forward with the counting of the ballots, without the Annual Membership Meeting, so the HOA can continue business at hand; appoint our new directors, confirm the budget for the new fiscal year we are now operating in, and know whether we need to budget in an audit this year.

Procedure for counting ballots:

- Ballots are counted to verify quorum. *
- Ballots are reviewed for voting Lot Owner's proper signature and date.
- Ballots are compared to current membership list checking off voting members to verify one vote per Lot. Those with suspended voting privileges will be set aside and not counted.**
- A counter will read votes, from valid ballots, to other counter to mark on tally sheet.
- Process will be reversed for second counting.
- Tallies will be totaled.
- A "certification of ballot count" form will be filled out and signed by counters.
- Upon completion of above, all ballots will be placed in a sealed envelope.
- Result will be posted to the website ASAP.

* Bylaws, Article III, Section 4. Quorum: "The presence at the beginning of any meeting of members entitled to cast twenty percent (20%) of the votes of the Association shall constitute a quorum...." Base number is 311 lots. Twenty percent of 311 is 63: A minimum of 63 valid ballots will confirm a quorum to be able to continue counting of the ballots.

**All Lot Owners who have been notified by the Board of violations of the CC&Rs, and all Lot Owners with unpaid assessments, have their voting rights suspended and their ballots will not be counted. CC&Rs Article III, Section 1 (b): "The right of the Association to suspend any Lot Owner's voting rights..."

Voting Outcome Summary

- 128 ballots were received. This is the largest amount of participation in voting an HOA vote!
- We have two new Board Members: Don Charnholm and Pam Lewis
- A CPA Audit will not have to be conducted this year.
- The budget was not rejected by the membership.



128 total ballots
1 suspended

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CERTIFICATION OF BALLOT COUNT

Counting of the Ballots on June 20, 2020

The below-listed persons served as official 'tellers' to count the votes regarding new directors, whether to waive an audit of 2019/2020, and to have members reject/or not reject the 2020/2021 budget.

1. Any invalid ballots were not included in the counting of the votes.
2. The basis for determining invalid ballots included:
 - Ballots were not signed and/or dated.
 - Duplicate votes from the same Lot (in which case, only one of the ballots was counted).
 - Any votes by Lot owners who's right to vote had been suspended by the date of the counting.
3. The votes were tallied (counted) twice in order to confirm the results.
4. The following were results of the voting:

First Counting:

Directors Vote: Don Charnholm 86 Pam Lewis 76
Financial Audit: Yes (to waive/not have) 87 No (to not waive/have) 37
Budget: Yes (approval) 101 No (not approve) 20

Second Counting:

Directors Vote: Don Charnholm 88 Pam Lewis 77
Financial Audit: Yes (to waive/not have) 89 No (to not waive/have) 36
Budget: Yes (approval) 101 No (not approve) 19

Sandra
Clyde Andrews *Sandra Andrs* Date: 6-20-20

Stacey Johnson *Stacey Johnson* Date: 6/20/20

Sheet1

Nine Mile Ranch HOA BOD Directors and Terms as of June, 2020

<u>2018 Election</u>	<u>Term</u>	<u>Changes</u>	<u>2019 Election</u>	<u>Changes</u>	<u>2020 Election</u>	<u>Current Term Expiration</u>
Carol Sanderson	3 year – 2021	Resigned = **S. Johnson				2021
Kirk Johnson	3 year – 2021					2021
Rick Lewis	3 year – 2021					2021
Susan Stewart	3 year – 2021					2021
Brett Coffman	3 year – 2021					2021
Ron Hess	3 year – 2021	Resigned = **B. Rabe				2021
Leo Culloo	3 year – 2021	Resigned	Chris Wolle	Resigned		2021 (vacancy)
Kate Naysnerski	2 year – 2020				D. Charnholm	2023
Wayne Naysnerski	1 year – 2019		C. Dima	Resigned	P. Lewis	2022

**BOD Appointed to fill vacancy



P.O Box 332 / Oroville, WA / 98844
9mileranchhoa.org

2021 Nine Mile Ranch VOTER'S PAMPHLET

Dear fellow Lot Owners and neighbors,

You can go to 9mileranchhoa.org and find this document on the front page, where you can click onto the blue highlighted words within the document to discover the linked reports/information...

Where We've Been the Last Three Years

Through the diligent work of (8) board members and (5) other committee members contributing over 7000 volunteer hours, here is a recap of what your HOA assessment funds have provided since 2018:

- 3 years of (volunteer) comprehensive road analysis and administration of services
- 170+ truck loads of gravel spread on community roads
- 40+ miles of road raked and graded
- all ditches and culverts cleared and maintained
- 15 eroded areas repaired
- 9 emergency repairs done
- 339 hours of snow plowing to clear roads
- 168 miles of road sanded
- \$38,186 worth of county and CCR-required weed and growth control performed
- all administration costs for the HOA website, road marking materials, road assessment mileage reimbursement, insurance and licensing, accounting and auditing services and subscriptions, state-required reserve study fees, meeting expenses, legal fees, etc.
- constant sources for informing about all HOA activity, including regular published newsletters and a website full with updated meeting minutes, road and financial reports, and access to all HOA records
- actions to uphold the protective covenants in our CCRs
- all the above working to uphold our property values

Though we've made great accomplishments toward compliance in maintaining our community roads as laid out in the CC&R's, there is more work to be done. The following Voter's Pamphlet lays out several Voting Items to continue the momentum of the work that has been started. If we are forward thinking and responsibly prepare a 5-year plan to gather the funding, this will spread out the assessment to more manageable annual payments for all Lot Owners rather than being hit with a large one-time special assessment in the future when the issue becomes even more dire.

It's Your Vote About Funding

The Board is asking Lot Owners to vote on various funding options - your vote is your voice. HOA records show there has been a shortfall of overall funding for a long time. 26 years ago the developer set the assessment rate arbitrarily low at \$100 per Lot annually, which worked well for him as a sales tool, but not for the Ranch. Also, the increase in development and Lot use over the years is causing greater HOA funding needs. Here are some basic observations, as shown by HOA records:

- Since 2008: on average approximately 11 – 12% more has been spent each year than was taken in, that extra money coming from prior 'savings' long before 2018 and then from recent strong successes in collecting past-due accounts and associated interest fees and late charges since 2018 (and we've still been short on needed road maintenance funds throughout all these years).
- Since the early 2000's: every year (except 2018) has been substantially short on placing replenishment gravel; in other words, our original roads have been wearing away faster than we have been able to maintain them through annual income.
- Since the beginning of Nine Mile Ranch: some Lot Owners have access problems to their Lots due to road inadequacies that the HOA has not had funds to improve/repair.
- Since the beginning of Nine Mile Ranch: the original inadequate annual assessment rate has only barely kept ahead of inflation while traffic wear has increased multifold.

The cash-flow advantages of excess savings and past-due collections discussed above are gone now. The HOA's current \$58,000 per year to gravel, grade, ditch, repair, improve, weed spray, snow plow, and sand 32+ miles of roads – and provide all administrative and insurance expenses – is simply too little.

As the comprehensive [MASTER Annual Assessment and Reserve Fund and Study Report](#) created recently by two qualified committee members shows, there are three general areas of HOA expenses that need specific calculated additional income: annual averaged and adjusted expenses, critical road capital improvements, and other fund items related to traffic increase. The proposed increases for each of these individual categories for a 5-year schedule are discussed below as Voting Items #1, #2 and #3. There are no 'extras' in the calculations; everything is based on HOA historical maintenance and accounting data and thorough inspections/analysis of all Ranch roads and expenses for many years, all in conformance with CCR requirements... and the results are very reasonable.

You are also being asked to vote on two individual one-time special assessments – Voting Items #4 and #5 below – which address other critical current HOA issues.

So each of the “Voting Items” (VI) below can be chosen individually, like shopping at a store; add any or all of the items to your 'shopping cart' that you choose in favor of raising assessments for. However, please remember all items need funding! The Voting Items are each described in detail further below but here is a total per Lot cost chart of all five Voting Items:

<u>fiscal year</u>	<u>VI#1</u>	<u>VI#2</u>	<u>VI#3</u>	<u>VI#4</u>	<u>VI#5</u>	<u>total, if all chosen</u>
22/23	270.68	186.71	16.00	38.55	35.37	\$547.31
23/24	277.45	165.22	18.78	n/a	n/a	\$461.45
24/25	284.38	108.98	21.43	n/a	n/a	\$414.79
25/26	291.49	107.71	24.71	n/a	n/a	\$423.91
26/27	298.78	97.78	28.00	n/a	n/a	\$424.56

VOTING ITEM #1: 5-Year Assessment Rates for Regular Annual P&L Expenditures
(would become effective June 1, 2022)

This Voting Item addresses needed annual funding for regular consistent annual expenses for the accounting categories shown in the ['profit and loss' statements](#); in essence, the typical yearly expense categories the HOA has encountered through history, averaged and then adjusted to meet actual needs¹. The annual assessment rate is proposed to be raised to the following schedule:

- fiscal year 2022/23: \$270.68
- fiscal year 2023/24: \$277.45
- fiscal year 2024/25: \$284.38
- fiscal year 2025/26: \$291.49
- fiscal year 2026/27: \$298.78

A Note To Absentee Lot Owners:

Even if you rarely use or visit your property there are still basic services that need to be performed on the road to your property, and the proposed annual average rate of \$285.00 is far less than if you had to pay for the services yourself:

- *controlling of noxious weeds and road overgrowth, some of which is required by county law, and when a person doesn't drive on a road regularly the growth is far worse and presents a fire hazard to drive on most of the year.*
- *snow plowing, just to keep the road clear for even one visit to your property in the winter!*
- *ditch clearing and culvert cleaning, because water runoff and erosion happens even when you're not there.*

	HOA Fee	Cost w/o the HOA Per Mile
Noxious Weed/Growth Control	included	\$468
Snow Plowing	included	\$558
Ditch/Culvert Clearing	included	\$227
TOTAL ANNUAL	\$285	\$1,253

(The average road mileage to access each Lot on Nine Mile Ranch is 1 mile)

¹ Please see the [“Averaged & Adjusted Annual P&L Expenditure Categories”](#) report for calculation details.

VOTING ITEM #2: 5-Years Assessment Rates for Critical Capital Improvements
(would become effective June 1, 2022)

The additional rates below, per Lot, are to fix a variety of [road sections](#) that are **currently inadequate** to allow Lot access at certain times of the year or that aren't adequate for some basic traffic aspects²; the HOA inherited these issues from the developer and they have never been addressed. In other words, some Lot Owners are and have been denied their property rights because the road sections are too steep, boulder-laden and/or narrow to maintain winter passability and in certain circumstances hinder access in regular seasons for certain regular traffic needs. This is also therefore a pressing legal liability for our HOA.

As the [MASTER Annual Assessment and Reserve Fund and Study Report](#) shows, the proposed additional rates also include annual deposits for 5 years into the HOA reserve fund for similar substandard road sections that are not currently depriving any Lot Owner of reasonable Lot access but are projected to become failures and legal liabilities in some years beyond 5 years from now, so the expenses for those items are required³ to be accumulated over a number of years.

- fiscal year 2022/23: \$186.71
- fiscal year 2023/24: \$165.22
- fiscal year 2024/25: \$108.98
- fiscal year 2025/26: \$107.71
- fiscal year 2026/27: \$97.78

VOTING ITEM #3: 5-Years Assessment Rates for Required Fund Items
(would become effective June 1, 2022)

This Voting Item is for additional rates to accomplish some road maintenance expense items that are either new to our HOA or have been neglected being accomplished because the HOA has not had the funds. These items are:

- securing funds for additional annual gravel wear⁴ anticipated for the next 5 years due to the growing traffic rate on our roads,
- funds for required culvert and ditch maintenance related to private driveways that connect to Ranch roads within HOA easements⁵, and
- catch-up on required replenishment road gravel for years 2018-2021⁶, which has only been partially accomplished due to lack of existing funding.

2 The HOA CCRs, at Article III, Section 1 gives every Lot Owner “a right and an easement of enjoyment in and to any easement...”. The key words are “easement of enjoyment”, regarding which one internet definition states, “Full enjoyment of the easement means that the owner of the easement is able to exercise all the benefits of the easement that are described in the document that created the easement.” So given the CCRs provide easements for recreational and residential use one would assume that all roads would be required to allow Lot Owners to conduct activities on the easements commensurate with residential and recreational uses, including driving autos and having delivery trucks and trailers, etc associated with residential activity in a development of this stature and location. And that if nothing else all Lots should have equal use of this nature compared to each other.

3 See [CCRs, Article IV, Section 4](#).

4 See Section I.2 in the report entitled, “[VOTE ITEM 3 – Fund Items](#)”.

5 See Section I.3 in the report entitled, “[VOTE ITEM 3 – Fund Items](#)”.

6 See Section I.5 in the report entitled, “[VOTE ITEM 3 – Fund Items](#)”.

The proposed additional per-Lot rates for a 5-year schedule are:

- fiscal year 2022/23: \$16.00
- fiscal year 2023/24: \$18.78
- fiscal year 2024/25: \$21.43
- fiscal year 2025/26: \$24.71
- fiscal year 2026/27: \$28.00

Again the items above are all obligations the HOA owes all Lot Owners under the CCRs.

VOTING ITEM #4: *One-Time Special Assessment: Winter Sanding Facility*
(would become effective August 1, 2021)

Summary: \$38.55 per Lot, one time, which would pay for itself based on averages within 8 years.

As was explained in the February 2021 HOA newsletter, years of experience shows that the HOA's capacity to sand icy winter roads has become very inadequate and more costly than it could otherwise be if we do a little smart investing. This is now important to consider; we can't keep up with sanding needs at times, and what we can do costs too much.

[This report](#) shows the specifics of the proposed investment, involving setting up a local sand storage and loading facility; the scenario keeps our HOA's investment and liability as low as possible, having local contractors reliably provide equipment and sand storage space... its really an ideal situation for us.

Please also see page 2 of the [February 2021 HOA Newsletter](#) for added descriptions of the scenario, the background reasons for this proposal, and the benefits it would bring our HOA.

VOTING ITEM #5: *One-Time Special Assessment: CCR Enforcement*
Against Lot 47, Division 1
(would become effective August 1, 2021)

Summary: \$35.37* per Lot, one time, estimated as needed to pay for a complete CCR-required court arbitration process in this circumstance.

Lot Owners have been informed of this situation in official Newsletters and Board meeting minutes for 2 years now, regarding violations of a Lot Owner. Significant potential consequences exist for the HOA and all Lot Owners if the violations are not enforced upon, including:

- Lot Owners' loss of use of an HOA easement section,
- lowering of surrounding Lot values or hampering of resale,
- hampered winter road maintenance on a Ranch road section,
- and precedence-setting erosion of the force of the protective covenants of Nine Mile Ranch.

- In other words, if the HOA does not legally challenge the violations it may have the effect of causing some legal abandonment of the validity of our CCRs.

The Board has taken every action possible at its disposal so far – except file legal suit – to cause compliance regarding the Ranch's most significant CCR violations issue, which involves business operation not allowed under our CCRs (commercial dog breeding), excess dogs, and also illegal HOA easement encroachment/possession. The Board has also levied fines against the violating Lot Owner, pursuant to the CCRs and state HOA laws. As a good-faith measure the Board more recently [offered to the violator](#) to eliminate the accrued fines if he came into compliance with the CCRs; the Board received no response."

Readers can view the chronology of official communications about the 'business and dogs violations' at [this link](#), and the official communications about the 'easement encroachment/possession' at [this link](#).

In essence, all out-of-court options have been exhausted and the 'case' has been mostly sorted out by attorneys and taken to the point of being mostly ready for legal action if Lot Owners supply the funds to proceed. HOA legal counsel has advised that, per HOA CCRs, arbitration is the required legal path of enforcement, and counsel has opined they feel the HOA's case is solid. Arbitration is a *far less expensive* litigation option than proceeding in a civil court case, and the judgment from it is legally binding.

The Lot Owners persistent violations have cost the HOA approximately \$4000.00 in legal fees so far.

Under our CCRs and state law, the prevailing party in an HOA litigation of this nature is awarded 'attorneys fees and costs', so it is possible we could see this money come back to the HOA. Legal counsel has advised that while laws do state that, it is not guaranteed that one party will be awarded all costs. Nonetheless, the goal of the special assessment is to:

- protect property values,
- protect the future enforceability of the CCRs,
- reclaim Lot Owners' use of an easement section, and
- guarantee successful winter maintenance of a road section.

* \$2500.00 for a professional land survey of relevant property and easement boundaries, plus \$6000.00 for HOA attorney fees, plus \$2000.00 for court arbitration fees (the Lot Owner would have to also pay the same fee or otherwise automatically suffer forfeiture... judgment against him), plus \$500.00 for other costs = \$11,000.00 divided by 311 lots = **\$35.37 per Lot**

VOTING ITEM #6: Vote Whether to Waive a CPA Audit of Fiscal Year 2020/21

Per HOA RCW 64.38.045 (3) “...*The financial statements of associations with annual assessments of fifty thousand dollars or more shall be audited at least annually by an independent certified public accountant, but the audit may be waived if sixty-seven percent of the votes casts by owners, in person or by proxy, at a meeting of the association in which a quorum is present, vote each year to*

waive the audit." (bold added)

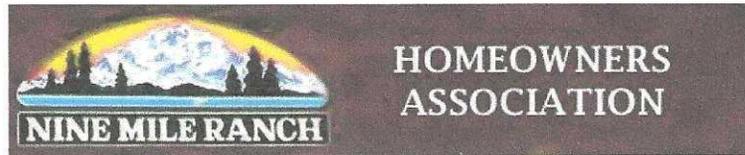
In other words, Washington State Law is written to give HOA members the right to choose whether to spend funds on a yearly audit of their HOA financials. This vote will take place every year. Although the majority of the audit will be looking at our accounting books and practices, it also reviews Board actions including proper disclosure of funds spent, proper meeting minutes, and internal controls. This audit would be regarding one (1) fiscal year: June 1, 2020 through May 31, 2021.

Last year the membership voted to waive (not have) the audit performed. For fiscal year 2018-2019 the membership voted to have the audit, and that audit was conducted. It was determined by the auditors the HOA's standards of accounting practices are "in conformity with accounting principles generally accepted in the United States." The auditors found no irregularities or issues (audit report is available upon request).

The cost of an audit is currently \$2,700.00. If the membership votes to have the audit waived (not have the audit this year) then the \$2,700 will be spent on road maintenance instead.

VOTING ITEM #7: *Vote for Directors for a 3-Year Term*

There are a total of 7 director positions on our HOA Board of Directors; in this election Lot Owners need to elect 7 directors to positions that will become vacant in June. There are (18) candidates who have submitted for election and you can view their bios in the following pages. Please vote for only 7 or less. Voting for more than 7 will invalidate your candidate vote.



President's Statement Summarizing June 19, 2021 Ballot Counting and Annual Meeting

6/20/21

This statement is written by Kirk Johnson, who was the sitting HOA president through to the end of the Ballot Counting and Annual membership meeting on 6/19/21. As of the end of those meetings yesterday Kirk Johnson is no longer a director or president.

Attached to the end of this statement are the actual Counters' certified counting results.

Ballot Results Summary

- Total valid ballots counted by counters: 182
- Vote Item #1: "5 – Year Annual Assessments Increase" **passed** with 90 yes votes (required minimum was 78).
- Vote Item #2: "5 – Year Assessment Rates for Critical Capital Improvements" **failed** with 70 yes votes (required minimum was 78).
- Vote Item #3: "5 – Year Assessment Rates for Required Fund Items" **passed** with 89 yes votes (required minimum was 78).
- Vote Item #4: "One-Time Special Assessment: Winter Sanding Facility" **passed** with 87 yes votes (required minimum was 78).
- Vote Item #5: "One-Time Special Assessment: CCR Enforcement Against Lot 47, Division 1" **passed** with 98 yes votes (required minimum was 78).
- Voting Item #6: "To Waive, or not, the CPA Audit of Fiscal Year 2020/21": vote was TO HAVE the CPA audit (by a failure of enough votes cast in favor of waiving it).
- Directors voted on to the Board for the (7) open positions:
 - Jeff Click (110 votes)
 - Brett Coffman (107 votes)
 - Susan Stewart (101 votes)
 - Brian Rabe (98 votes)
 - Drew Sawchuk (97 votes)
 - Richard Lewis (96 votes)
 - Ryan Man (81 votes)

Ballot Count Meeting Summary

The original venue for the counting and open observation of it was to be at Rancho Grande restaurant in Oroville; 20 minutes before the scheduled 10:00AM counting the president relocated the meeting to America's restaurant in Oroville because the owner of Rancho Grande failed to show up for the agreed-upon meeting at his restaurant. The owner of America's restaurant – Luis Perez, who was also

an official counter – graciously spontaneously allowed the counting and observers to relocate to his restaurant. A sign was posted upon Rancho Grande's front door informing the change, and a volunteer HOA member manned the door until 10:37AM to send observers to the new counting venue.

At approximately 10:10AM HOA fiduciary Tamara Porter delivered the sealed box containing the mail-in ballots to the HOA secretary at America's restaurant; this 'chain of custody' transfer from independent fiduciary to HOA secretary was observed by all those present. The secretary then handed the sealed box to the non-interested volunteer counters (Luis Perez and Chris Wood) for them to commence counting procedures. In the audience present to observe the counting (at 10:37AM) were HOA members Rick Lewis, James Mathis (and an associate), Pam Lewis, Letitia Jeter, Gary McNulty, Todd Besaw, Nancy and Kirk Gilbertson, Richard and Rose Ostafin, Kim and Leo Culloo, Laree and Jeff Click, Larry and Vivian Swaren, and Kirk and Stacey Johnson. All members were present for the entire counting except for when stepping out momentarily for personal reasons, and to the best of my recollection all members were present in the room when counter Luis Perez read aloud the official final counting results. I witnessed that the secretary and at least one other observing HOA member audio recorded the counting and announcement of results. It is acknowledged that the entire membership was prior noticed that, due to CV19 restrictions, a limit of up to (25) members could observe the counting, and in fact less than that number did attend the observance of the counting; in other words, no one who wanted to observe the counting was turned away.

The counting and validating process, from start to finish, took more than 5 hours, which was far more time than expected or planned for. All HOA-required/sanctioned ballot counting and validation procedures were carefully and strictly followed by the counters using secretary-supplied official registered voter list. One aspect of the official counting procedure that did not get completed was this: at the end of the first counting of the ballots (the 5 hour mark) the counters stated they were unwilling to spend the time on this date to perform the second 'verification' counting of the ballots, which would have taken another 2.5+ hours. The counters then filled out and signed all official ballot tally and validation sheets and thereafter ceased procedures. In conformance with the HOA bylaws, the secretary then gathered possession of all ballots and envelopes and will now hold them securely until the newly elected BOD directs her to transfer the ballots/papers to the next secretary once such secretary is appointed into office by the newly elected BOD.

The counters expressed they were willing to perform the second 'verification' counting of ballots for the HOA at a later date.

Annual Membership Meeting Summary

People representing (69) HOA Lot votes, in person or by proxy, joined into the Zoom-only annual membership meeting by approximately 1:30PM, which was due to come to order after the ballot counting meeting completed. At that time both the president and the secretary were still administering the ballot counting meeting in person. At approximately 2:15PM it became apparent that ballot counting would need to continue for a substantial amount of time and therefore cause an even further large delay in the starting of the annual meeting. Upon this realization the president joined by phone live with the annual meeting Zoom administrators and members in attendance to

explain circumstances and seek resolution with the membership. It was informally resolved, by a feedback vote of all members via Zoom and at the ballot counting meeting by a vote of 63 to 23, to postpone the annual meeting until another date for as soon as practically possible, and as a result the meeting was not officially called to order today. The date for the new meeting will therefore be set by the newly elected BOD and the meeting will be chaired by the new president who will be duly appointed by the newly elected BOD. The following are some other impactful items and questions that were informally discussed between the Zoom members and the president at the time of the live Zoom interaction:

- It was clarified that the HOA secretary will hold the ballots and other tally information and certification forms, per HOA Bylaws.
- The president advised that it appeared, according to the tally results, that there was a clear indication of who at least a minimum quorum worth of directors was just duly elected, and that they along with the existing sitting (2) directors are more than enough valid directors to conduct HOA business form here forward. In other words, even without a second 'verifying' count by the counters the current single tallying appears clear enough to establish who the newly elected directors are because the victory margins are well beyond the amount of possible human error that may have occurred in the two volunteers counting the first time.


Kirk Johnson

date 6/20/21

First Count on 6/19/21



PO Box 332
Oroville, WA 98844
9mileranchhoa.org

Tally Totals and Certification of Ballot Count on June 19, 2021

Chris Wood and Luis Perez volunteered to be the HOA's official Counters for the ballots cast and counted on June 19, 2021. Mr. Wood and Mr. Perez are non-interested, non-Nine Mile Ranch, Oroville business owners.

Votes were tallied (counted) twice to confirm the results. The following were results of the ballot voting count at Rancho Grande in Oroville, WA. Note that additional ballot votes may be added to the above count outcome due to members voting at the Annual Membership Zoom Meeting. Counting was done in an open viewing forum with Association members attending. Votes tallied were from ballots received through mail to the independent fiduciary's PO Box and ballots received through the Secretary, and given to the Counters, directly from Association members.

Total Valid Ballot Cast: 182

Voting Item #1: 5-year Annual Assessment Rates: Vote passes with 25% (78) of the membership voting "yes".

Number of "Yes" votes: 90
Number of "No" votes: 84

Voting Item #2: 5-year Rates for Critical Capital Improvement: Vote passes with 25% (78) of the membership voting "yes".

Number of "Yes" votes: 70
Number of "No" votes: 104

Voting Item #3: 5-year Assessment Rate for Required Fund Items: Vote passes with 25% (78) of the membership voting "yes".

Number of "Yes" votes: 89
Number of "No" votes: 85

Voting Item #4: One-Time Special Assessment: Winter Sanding Facility: Vote passes with 25% (78) of the membership voting "yes".

Number of "Yes" votes: 87
Number of "No" votes: 92

Voting Item #5: One-Time Special Assessment: CCR Enforcement Against Lot 47, Division 1: Vote passes with 25% (78) of the membership voting "yes".

Number of "Yes" votes: 98
Number of "No" votes: 79

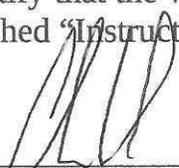
Voting Items #6: To Waive, or not, the CPA Audit of Fiscal Year 2020/21: Per RCW 64.38.45 (3) the audit can be waived (to not have) if 67% of the votes cast vote to waive the audit.

Yes (to waive) 101
No (to not waive) 75

Number of Votes for Director Candidates

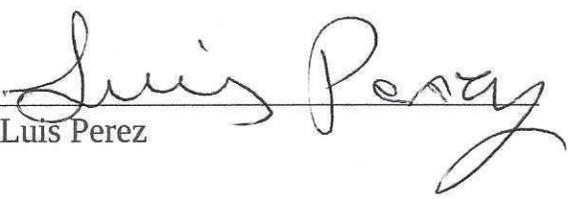
Lauri Beaudry	<u>55</u>
Dennis Blaire	<u>66</u>
Ginetta Carnevale	<u>60</u>
Jeff Click	<u>110</u>
Brett Coffman	<u>107</u>
Nancy Gilbertson	<u>59</u>
Eldon Hunt	<u>59</u>
Richard Lewis	<u>96</u>
Ryan Man	<u>81</u>
James Mathis	<u>62</u>
Gary McNulty	<u>66</u>
Kate Naysnerski	<u>10</u>
Wayne Naysnerski	<u>16</u>
Brian Rabe	<u>98</u>
Drew Sawchuk	<u>97</u>
Susan Stewart	<u>101</u>
Marianne Walker	<u>30</u>
Deana Wirth	<u>68</u>

I certify that the vote tally is correct and that I performed my accounting according to the attached "Instructions for Ballot Counter: June 19, 2021".



Chris Wood

6/19/21
Date



Luis Perez

6/19/21
Date

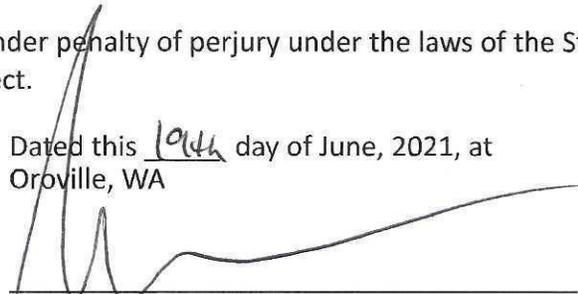
Declaration of Tamara Porter

I, Tamara Porter, performed the following fiduciary duties for the Nine Mile Ranch Homeowners Association (HOA) in support of their June 19, 2021 election:

1. On April 13, 2021 I leased the United States Postal Service PO Box 2030 to be used solely for receipt of HOA election ballot envelopes. No person other than myself has had the PO box key nor collected any envelopes from the PO box.
2. Between May 3, 2021 and 9:10 am (time) on June 19, 2021 (date) I collected all the ballot envelopes that were delivered via USPS into said PO Box (in addition to this please see #5 below).
3. After the time/date shown in #2 above I counted all envelopes received, completed this Declaration, placed all the envelopes and this Declaration in a sealed container, sealed the container with high-adhesion tape, wrote my name, date and signature upon the tape, and hand delivered the sealed container to Stacey Johnson on the morning of June 19, 2021.
4. The number of ballot envelopes I received and placed in the sealed container and delivered to Stacey Johnson was 174, plus the envelopes described in #5 below. I have no knowledge of what is inside of each envelope, I did not open any envelopes, and I delivered the envelopes to Stacey Johnson in the condition received.
5. In addition to the above I experienced the following anomalous events and took subsequent actions:
 1. On June 18, 2021 between 10:00AM and 11:00AM two ballot envelopes were delivered apparently by hand to my secretary at my place of business (Sun Lakes Realty in Oroville, WA).
 2. On June 18, 2021 I retrieved a 'USPO Priority Mail Express' notice from the 2030 PO box and subsequently retrieved a 'USPO Priority Mail Express' envelope with unknown contents in it.
 3. I placed the envelopes described in 5.1 and 5.2 above in the same sealed envelope described in #3 above.

In accordance with RCW 9A.72.085, I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Dated this 19th day of June, 2021, at
Oroville, WA


signature



PO Box 332
Oroville, WA 98844
9mileranchhoa.org

Tally Sheet for Ballots Envelopes

June 19, 2021

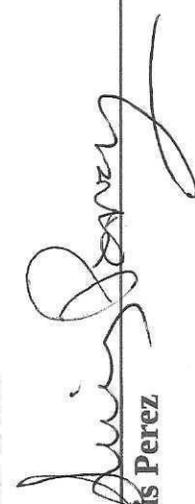
Number of Ballot Envelopes received in container through the Secretary from Tamara Porter: 176.

Number of Ballot Envelopes received through the Secretary directly from members: 6

Total Number of Ballot Envelopes Received: 182

Signatures of Counters:


Chris Wood


Luis Perez

6/19/2021

Date

6/19/2021

Date



PO Box 332
Oroville, WA 98844
9mileranchhoa.org

Secretary Notes for Ballot Count on June 19, 2021

The following figures were communicated to the Secretary from the Ballot Counters. This form is to facilitate any questions that may arise regarding the ballot count.

Number of ballot envelopes containing more than one ballot: 3
Names of Member:

Number of invalid/rejected Ballot Envelopes: 3
Not filled out properly: _____
Voted more than one ballot: _____
Suspended voting privileges: 2
Other: 1 sold

Number of invalid/rejected Ballots: 0
Voted yes and no for same voting item: _____
Voted for more than 7 Directors: _____
Other: _____

Number of Votes Cast a Zoom Meeting following the in-person Ballot Count: 0/A



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Oroville, WA 98844
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Instructions for Ballot Counters: June 19, 2021

1. **Count ballot envelopes:** (initials: LA LA)
 - Count number of ballot envelopes received through the Secretary from Tamara Porter. Write number counted on "Tally Sheet for Ballot Envelopes" provided.
 - Count number of ballot envelopes received through Secretary directly from members. Write number on "Counters' Tally Sheet for Ballot Envelopes" provided.
 - Total and sign "Counters' Tally of Ballot Envelope Sheet" provided.
2. **Validate Ballot Envelopes:** (initials: LA LA)
 - Confirm envelope is dated and signed properly, and
 - Using provided Master Member List, check off name of member on List. Set aside envelopes that:
 - are not signed and dated properly,
 - members that have cast more than one ballot,
 - members who have their voting privileges suspended (yellow highlighted on master member list)
 - *Write on rejected envelopes reason why envelope is rejected. Place in separate pile.*
3. **Open Envelopes:** (initials: LA LA)
 - Make two separate piles: one for validated envelopes and one for ballots to be counted.
 - If more than one ballot is in an envelope notify the Secretary so this can be recorded. After you notify the Secretary place said ballots in pile with other ballots to be counted.
4. **Tally Ballot Votes:** (initials: _____ LA)
 - Tally votes on provided "Tally Sheet for Ballots".
 - Counting will be performed twice. Counter One will read vote out loud to Counter Two who will make vote on Tally Form. Reverse Counters to repeat tally thus counting twice.
 - Total Tally Forms.
 - Set aside invalid Ballots during counting process. Invalidation would include:
 - Voting both "yes" and "no" for a voting item.
 - Voting for more than 7 Directors
5. **Complete "Tally Total and Certification of Ballot Count" Form** (initials: _____ LA)
 - Complete, sign & date "Tally Total and Certification Ballot Count" provided.
6. **Place All Envelopes and Ballots in Container** (initials: _____ LA)
 - Bundle the following and place in container:
 - Validated envelopes
 - Validated, counted ballots
 - Rejected envelopes
 - Rejected ballots
 - Seal container with tape, sign and date the tape with marker provided.
7. **Read Out Loud Results from "Tally Total and Certification of Ballot Count Form".**



President's Statement Summarizing August 6th, 2021 Second Ballot Counting 8/14/21

This statement is written by Drew Sawchuk, who is the sitting interim HOA president at the time of the second Ballot Counting August 6th, 2021. .

Attached to the end of this statement are the actual Counters' certified counting results. Though the results are not identical to the first counting, the overall outcome is unchanged.

Ballot Results Summary

Total valid ballots counted by counters: 181

- Vote Item #1: "5 – Year Annual Assessments Increase" passed with 91 yes votes (required minimum was 78)
- Vote Item #2: "5 – Year Assessment Rates for Critical Capital Improvements" failed with 71 yes votes (required minimum was 78)
- Vote Item #3: "5 – Year Assessment Rate for Required Fund Items" passed with 91 yes votes (required minimum was 78)
- Vote Item #4: "One-Time Special Assessment: Winter Sanding Facility" passed with 87 yes votes (required minimum was 78)
- Vote Item #5: "One-Time Special Assessment: CCR Enforcement Against Lot 47, Division 1" passed with 101 yes votes (required minimum was 78)
- Vote Item #6: "To Waive, or not, the CPA Audit of Fiscal Year 2020/21" vote was TO HAVE the CPA audit (by a failure of enough votes cast in favor of waiving it as only 56% of votes cast were in favor to waive where RCW 64.38.45 (3) requires 67% of votes cast in order to waive)
- Directors voted on to the Board for the (7) open positions:
 - Jeff Click (110 votes)
 - Brett Coffman (108 votes)
 - Susan Stewart (102 votes)
 - Drew Sawchuk (98 votes)
 - Richard Lewis (96 votes)
 - Brian Rabe (95 votes)
 - Ryan Man (80 votes)

Ballot Count Meeting Summary

Counting took place at 0900 at the American Family Restaurant in Oroville. Chris Wood and Rebecca Desjardins volunteered to be the HOA's official Counters for the second counting of the ballots that were cast on June 19th, 2021. Counting took about two hours.

Due to Covid restrictions, Brian Rabe, interim Vice President, presided as proxy for Susan Stewart, interim Secretary. Counting was done in an open viewing forum with Association members attending.

Signature

Date



HOMEOWNERS
ASSOCIATION

PO Box 332
Oroville, WA 98844
9mileranchhoa.org

Tally Totals and Certification of Ballot Count on August 6, 2021

Chris Wood and Rebecca Desjardins volunteered to be the HOA's official Counters for the *second counting of the ballots* that were cast on June 19, 2021. First count was conducted on June 19, 2021. Mr. Wood and Ms. Desjardins are non-interested, non-Nine Mile Ranch, Oroville business owners.

The following were results of the ballot voting count at Americas Restaurant in Oroville, WA on August 6, 2021. Counting was done in an open viewing forum with Association members attending. Votes tallied were from ballots received through mail to the independent fiduciary's PO Box and ballots received through the Secretary and given to the Counters, and ballots given directly from Association members at the first counting of the ballots on June 19, 2021.

Total Valid Ballot Cast: 181

Voting Item #1: 5-year Annual Assessment Rates: Vote passes with 25% (78) of the membership voting "yes".

Number of "Yes" votes: 91
Number of "No" votes: 83

Voting Item #2: 5-year Rates for Critical Capital Improvement: Vote passes with 25% (78) of the membership voting "yes".

Number of "Yes" votes: 71
Number of "No" votes: 103

Voting Item #3: 5-year Assessment Rate for Required Fund Items: Vote passes with 25% (78) of the membership voting "yes".

Number of "Yes" votes: 91
Number of "No" votes: 83

Voting Item #4: One-Time Special Assessment: Winter Sanding Facility: Vote passes with 25% (78) of the membership voting "yes".

Number of "Yes" votes: 87
Number of "No" votes: 93

Voting Item #5: One-Time Special Assessment: CCR Enforcement Against Lot 47, Division 1: Vote passes with 25% (78) of the membership voting "yes".

Number of "Yes" votes: 101
Number of "No" votes: 77

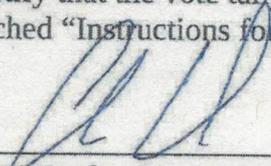
Voting Items #6: To Waive, or not, the CPA Audit of Fiscal Year 2020/21: Per RCW 64.38.45 (3) the audit can be waived (to not have) if 67% of the votes cast vote to waive the audit.

Yes (to waive) 100
No (to not waive) 70

Number of Votes for Director Candidates

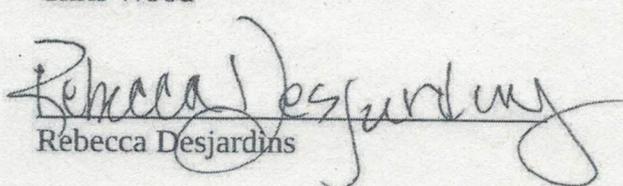
Lauri Beaudry	<u>55</u>
Dennis Blaire	<u>65</u>
Ginetta Carnevale	<u>60</u>
Jeff Click	<u>110</u>
Brett Coffman	<u>108</u>
Nancy Gilbertson	<u>59</u>
Eldon Hunt	<u>59</u>
Richard Lewis	<u>96</u>
Ryan Man	<u>80</u>
James Mathis	<u>62</u>
Gary McNulty	<u>68</u>
Kate Naysnerski	<u>8</u>
Wayne Naysnerski	<u>17</u>
Brian Rabe	<u>95</u>
Drew Sawchuk	<u>98</u>
Susan Stewart	<u>102</u>
Marianne Walker	<u>30</u>
Deana Wirth	<u>63</u>

I certify that the vote tally is correct and that I performed my accounting according to the attached "Instructions for Ballot Counter: August 6, 2021".



Chris Wood

8-6-2021
Date



Rebecca Desjardins

Aug 6-2021
Date