

“Assessment Period” Report
(esp. as related to an annual assessment raise notice)
5/13/18

Authored by Kirk Johnson

Question: Regarding the BOD's authority, per CCRs Article IV section 3, to raise the annual assessment rate up to 10% per year, what constitutes proper notice and implementation to the membership about such a raise?

Potential Answer (according to this author and two independent attorneys): notice is 30 days in advance of June 1 in order to make the increase implementable in the coming new June 1 fiscal year assessment billing. In order to properly support the April 6, 2018 10% assessment raise made by the BOD, two independent attorneys were individually hired by separate association members who also concurred with this interpretation.

- See one interpretation at <http://assuredcomputer.com/kirk/crandall1.pdf>
- See the other interpretation at <http://assuredcomputer.com/kirk/richard2.pdf>

Explanation:

Starting with the Bylaws, Article VII:

- Section 2: “It shall be the duty of the Board of Directors to do, in their discretion...”
- Section 2(c): “as more fully provided in the Declaration, to do as follows:”
- Section 2(c)(i): “fix the amount of the annual assessment against each Lot at least (30) days in advance of each annual assessment period;”
- Section 2(c)(ii): “send written notice of each assessment to every Owner subject thereto at least (30) days in advance of each annual assessment period;”

The critical operative phrase in the language above is “annual assessment period”; what/when is the “annual assessment period”? Is it a calendar year (January 1 – December 31) or some other one year period starting and stopping on other dates than the calendar year?

The phrase “assessment period” is not directly defined in any 9MR governing document so we are left trying to derive its inferred meaning. At Bylaws Article XI, Section 2 it states, “... in the case of any conflict between the Declaration [CCRs] and these Bylaws, the Declaration shall control”, so we will give higher precedent to the CCRs as we discover forward here.

First, what *is* an “assessment”? We can all likely understand that a “period” is a defined length of time but what is an assessment? Depending on the context within which it is used, “assessment” can mean different things. Within the context of the CCRs, the inferred meaning of the word “assessment” can be seen throughout each of the 11 sections in Article IV as being a monetary '*charge*' that is due and payable. So we could rephrase it and look at it like this: what is the annual charge period? When is the charge made?

- Regarding when the annual monetary charge is made, there is only one¹ section in the CCRs that gives an indication about this: Article IV, Section 9 states that the “Due Dates of Annual Assessments” is “...the first day of July for each calendar year.”

So that is Key Observation #1: Holding the thought that July 1 is the annual assessment *due* date, and given that the assessments are annual and therefore the assessment period is (1) year long, this suggests the “annual assessment period” - ie. the point at which the assessment charge is made – starts some time before July 1.

Please note now that, as both independent attorneys indicated in their interpretations, the meaning of the word “assessment” is a *fiscal* issue; ie. it is related to fiscal actions and use.

Now take notice of Bylaws Article XV: “The fiscal year of the Association shall be a calendar year, unless determined otherwise by the Board of Directors.” In the official archives of the HOA there is no official record of the date the BOD changed the fiscal year of the Association from calendar to the current fiscal year of June 1 – May 31, but it is clear from official accounting records, tax records, and at least one BOD consent agenda² that the fiscal year has been June 1 – May 31 since at least 2008. Also, many prior BOD members and current Association members recall this same fiscal period had existed for many years prior to that. These facts amount to the legal demonstration of the fiscal year of the Association indeed being June 1 – May 31; in law this is referred to as “promulgation”. **This is Key Observation #2:** the fiscal year of the Association is June 1 – May 31.

Now combine Key Observation #1 (inferring the annual assessment period starts some time before July 1) and Key Observation #2 (fiscal year of from June 1 – May 31): the “annual assessment period” is interpreted as being June 1 – May 31.

So using the annual assessment period starting on June 1, now refer again to Bylaws Section 2(c)(i): “fix the amount of the annual assessment against each Lot at least (30) days in advance of each annual assessment period;”, and Bylaws Section 2(c)(ii): “send written notice of each assessment to every Owner subject thereto at least (30) days in advance of each annual assessment period;”. This means that the BOD is required to send notices of annual assessment increases and also notice of the annual assessment rate at least (30) days prior to June 1, which is May 1 or May 2, depending on how you count 30 days backward from June 1.

1 It has been argued by some association members that CCRs Article IV Section 3 infers that the annual assessment period is established as starting on January 1. This author argues that that interpretation is incorrect, that the context within which that section assigns a connection of the date January 1 and the annual assessment has nothing to do with a period or when the charge is made. It is regarding when/if the annual assessment amount can be increased beyond \$100.00 per year. January 1 is a specific moment in time, the 'strike' of January 1; there is either *before* or *after* January 1, not 'between two dates which is a year'. Before “...January 1 of the year immediately following the conveyance of the first Lot to a Lot Owner the maximum annual assessment shall be \$100 per Lot.” So that means before that specific moment in time the maximum annual assessment cannot be more than \$100.00. Then the section immediately goes on to state, “Thereafter, from and after January 1 of the year immediately following the conveyance of the first Lot to a Lot Owner, the annual assessments may be increased...”. The word “from” is the inclusion of the day January 1, because *after* is January 2 and forward. So without the word “from” installed in the sentence, January one is lost without existence, per se. The word “from” is not a set-up of two points between which is a year; it is just a definition of a single moment in time and what comes either before or after it relative to the *amount* that the annual assessment can be. This section is in no reference to a period of time or an assessment period, therefore irrelevant to the definition of the phrase “annual assessment period”.

2 May 5, 2012 BOD annual consent agenda at item #9 (seen at <http://assuredcomputer.com/kirk/conag5.5.12.pdf>), the proposed raise in annual assessment by then-BOD member Jess Wright was associated with the annual billing, being June 1.

Why did the Board recently spend HOA funds to answer certain legal questions?

Board of Directors (BOD) and Association members who are not attorneys are often in the position of making impactful decisions about complex legal rights and responsibilities, often affecting large budget items and significant individual rights.

In November 2018 the BOD resolved unanimously (all 9 Board members) to spend up to \$3000 on having an HOA attorney answer a critical core list of legal questions centered around the governance of this association. Most of these questions have been identified as needing legal clarification for the entire history of the HOA, and the answers to them are now a solid guideline for this board and all others in the future to carry forward effective, legally-durable governance. They will also be useful in allowing the association membership to better understand BOD decisions – as members choose to read the answers. They are also critical for helping the membership to be able to hold the BOD accountable henceforth to follow known legal guidelines.

The attorney answers are an important investment in the success and protection of the HOA and all Lot Owners. This will serve to uphold property values, and to provide solutions for long-time problems and 'stop gates' that all boards in our history have been challenged with.

What questions were asked?

All Association members can write the BOD at the mailing address or email and ask for access to the Q&A. Otherwise, here is a synopsis of the issues that were addressed:

- **Exactly which state laws this HOA is required to follow.** There has been much confusion and some resulting non-action in our history because of this issue, which is now settled. Many actions and rights for both the Board and the membership are clear now, and several very large fiscal expenditure issues have also been clarified. Members can know what to expect from the BOD and what the HOA is to provide to the membership.
- **Expectation for road maintenance.** Clarifications have been made that the BOD/HOA is required to achieve a minimum level of maintenance on the roads, and that, among other things, gravel must be replenished as it is being worn away. This is a somewhat 'landmark' change for the HOA because historically gravel has been allowed to wear away with only a small portion of replenishment, eventually leading to ruined or unsafe roads if that continues. It is the BOD's duty to maintain the gravel unless the membership refuses to provide the funding for this.
- **Control, use, and maintenance of roadside easements.** According to our CCRs, all 36 miles of Ranch roads have a roadside width on each side that acts essentially as 'community property', able to be used by all Lot Owners for various recreational purposes. This easement is also for road maintenance purposes, like space for placing snow when plowing the roads in the winter. But what if a Lot Owner chooses to put something in the roadside easement of their property that blocks use of the easement, and those blockages are allowed to remain for some number

of years? Does the HOA and membership lose the right over time to use the easements per the CCRs? These conditions exist in several places on the Ranch and have affected some liability issues (snow plowing and road maintenance so far), so the recent legal answers have given the Board some guidelines on how to deal with them.

Also, the answers have established that it's the HOA's responsibility – and in turn the BOD's responsibility – to remove hazardous roadside trees that exist within the easement width, whether in the road or not (this is also subject to certain private property rights of the Lot Owner). This has been an unresolved important issue whenever occasional wildfires in the area cause trees in the easements to burn and die, often becoming a falling threat to road traffic and private buildings near the hazardous trees.

- **Clarifications about CCR limitations and controls regarding renting of private residences.**
- **Clarification about the Bylaw requirement that the Board appoint at least (3) specific Board members with certain qualifications.** Previously the BOD was appointed by the developer, Lynn Barnett. As of May 21, 2018, the developer turned the process over to the membership to vote for their HOA board. One important aspect of that process needed to be settled. Bylaws Article IV, Section 4 states that the *BOD* – not Association members – shall appoint Directors who have the qualifications of “...a licensed forester... a protector of wildlife interests... a representative of the community of Oroville...”. Legal counsel has advised that this Bylaw clause is in contravention with applicable state laws and is therefore regarded void; the BOD can only appoint vacated terms of a director, and the BOD cannot set specific qualifications of Directors.
- **HOA right/responsibility to enforce CCRs even though only a limited history of enforcement exists.** Legal counsel advises that various specific facts, standard legal precedents, and HOA governing document clauses determine that enforcement of our CCRs is valid and that the BOD has a fiduciary duty to the Association to enforce the requirements of the CCRs unless, “...the Board reasonably determines, after reasonable inquiry, that an attempt to enforce a covenant would be unsuccessful, or would unreasonably consume the resources of the Association...”.
- **As per CCRs, parameter clarity about potentially establishing additional rules and/or penalties for violations of CCRs.**

Again, if you like, please write the Board at P.O. Box 332, Oroville, WA or email us at bod@9mileranchhoa.org and ask for access to actual attorney documents.

Legal Expenditure Report 5/5/19

Recently there have been some unfortunate unforeseen legal expenditures we want to make the membership aware of.

The Board of Directors has a legal responsibility to reasonably uphold the Covenants, Conditions, and Restrictions (CC&Rs). In carrying forward that responsibility, last fall the Board unanimously agreed as a first step that Board member compliance with the CC&Rs comes first. Two of our Board members – father & daughter on one Lot – are not in compliance, operating a prohibited business. These two Board members refused to comply, and informed the Board that any further communication must go through their attorney. During this process they also helped create a campaign attempting to dissolve the HOA. This campaign, supported by false and slanderous claims, also suggested having all Board members removed *except themselves*. Their legal claim to justify their non-compliance with the CC&Rs alleges that the CC&Rs have been abandoned, thus unenforceable. We and our HOA attorney believe that records clearly show no abandonment and that the offending members are indeed a violation of their own making and are not ‘victims of abandoned rules’. The issue is not yet resolved, but we are making sound progress. The Board is seeking to have all HOA attorney fees reimbursed by the offending members, approximately \$3,000 so far. Hopefully these members will choose to comply and end the issue there, however, we will keep you updated as events unfold.

In April one of these two Board members filed a restraining order against a Board member based on false claims alleging assault against her at the January Board meeting in executive session. In her affidavit with the court she named all other (6) Board members who were present at that meeting as assaulting her as well. The day before the court hearing she dropped the case, but not before costing the Association \$1,500 in attorney fees to defend the falsely accused Board member (our HOA Bylaws and Articles of Incorporation require the HOA to indemnify all Board members). We are working with the HOA insurance company to hopefully have our costs reimbursed.

Again, we regret having to inform you of these details, but we feel you should know the circumstances behind these expenses. If you have any questions or require more detailed information, please contact us through the HOA website 9mileranchhoa.org.

Clarification About Some HOA Facts

Click onto blue highlighted words for greater details.

1. **Rake purchase:** For qualified analysis about the reasons for the rake purchase please see the document entitled, “Rake Purchase Report” on the 9mileranchhoa.org website (look under the “Reports” section).
2. **All elections have been conducted validly from the most complete membership list possibly available.** The official membership list of owners of each Lot – and therefore the right to vote for each Lot – is of course the same list used to bill each and every owner for assessments. The list of owners and all billing has been controlled and maintained for over 20 years by official board members of Nine Mile Ranch and has been passed from board to board through the accounting records; the Declarant has had nothing to do with this whatsoever. The records have been kept digitally on-line since at least 2008, so the archive has not been subject to corruption or destruction in physical content. To our knowledge and direct experience, whenever a mailed yearly or other official billing is returned to the HOA as undeliverable or a past-due member is non-responsive, the official list of ownership has been constantly updated through the following ways:
 1. comparison to official county tax records, and
 2. comparison when escrow companies contact the HOA at the time of sale of a property.In fact, sales through escrows have even corrected inaccuracies *in county tax records*. Currently there are (4) Lot Owners out of the total 310 lots who are non-responsive to the addresses registered under county tax records. It is suggested that our official membership list may be more accurate than official tax records.
3. **We clearly interpret that the HOA is required to provide snow plowing on all roads.** This has also been an issue that prior Boards have come to the same study and perspective about. Every plat map for Nine Mile Ranch, all which are encumbered under the CCRs and run with the titles of all Lots, note the following words: “SNOW PLOWING WILL BE PROVIDED BY THE NINE MILE RANCH HOMEOWNERS ASSOCIATION.” Further, while there are no *specific road machining techniques* stated in the CCRs regarding maintaining roads – like grading, ditching, or gravel replenishment – it is implied that any and all measures shall be taken – including snow plowing if necessary – in order to maintain roads (Article V, Section 1), to maintain every Lot Owner's right to use the easements without interruption (Article III, Section 1), and all of this within the scope of what Owners can reasonably expect for a residential recreational development (CCRs, BACKGROUND, Section B). There are other collective implications. Please [click here](#) for greater details.
4. **All directors and officers have been duly placed according to state laws and governing documents.** There are two state laws that govern the placement of directors of our HOA – RCW64.38.025(2) and RCW24.03.100 – and there are two provisions in our Bylaws (Article IV, Sections 4 and 5). In consideration of these applicable governing clauses, and in consideration of the order of precedence of these clauses as advised and verified by HOA attorneys last year,

all directors have been [duly placed](#) since the Declarant relinquished his right to appoint directors in 2018.

5. **All director voting powers, duties and offices are held and conducted in strict accordance with applicable laws and governing documents.**
 1. No director has acted outside the power for a single vote per director on each and every Board action.
 2. No single director or officer has unilateral decision-making capacity; every decision is made by Board resolution and/or Board delegation.
 3. All officers are and have been duly elected into place by the Board of Directors.
 4. All directors have equal right and access to all HOA records at all times, including to on-line financial account records, and no director has been denied access at any time.
 5. No expenditure is ever taken without Board approval.
 6. All actions taken by committees and delegated positions are disclosed to the entire Board as they happen at any time.
 7. The Board has long-established financial internal controls and disclosure procedures that ensure ongoing mandatory oversight.
 8. There is no capacity within the Board administration and systems for any single director, officer, committee or groups of directors/officers/committees to act in self-interest without every single director being able to either know about it or have the opportunity to prevent it.

6. **The Board conducts all discussions and business in strict accordance with state laws and governing documents.** Per RCW64.38.035(4) requirements, all Board actions and deliberation are taken in open meeting or executive session with the exception of Bylaw-provided 'actions taken without a meeting' at Article VI, Section 4. Each and every action is entered into immediate meeting minutes for the record and all meeting minutes are made available to the membership within weeks. Per RCW24.03.115 and Bylaws Article IX, committees conduct work and deliberation between meetings. As stated, infrequent Board actions are taken outside of a meeting according to Bylaws Article VI, Section 4, and those actions are deliberately restricted to only what the Board unanimously regards as critical to the function of the HOA and would be detrimental to the HOA to wait until the next meeting to conduct. Per state law, HOA attorney advise, and established Board policy, all substantive Board and committee emails are kept on record.

7. **As shown by HOA records, no Board member has ever performed a paid service to this HOA nor has any been considered to be hired. There are no conflicts of interest.** In April 2018 Association member Brett Coffman offered a helpful estimate number to the prior interim Board regarding budget planning for tree felling expenses, as this kind of work was in his professional experience and knowledge. His number was used for helpful budget planning purposes only and he submitted no proposal about it. It is possible that a future Board may consider hiring him, but not while he held or holds a director position. Furthermore, it is lawful for a director to be hired to perform a non-director service (like tree trimming) as long as that director recuses themselves from voting on the issue... but as stated, no such action

has been taken or given consideration to.



9mileranchhoa.org
PO Box 332
Oroville, WA 98844

July, 2019

Important news for Lot Owners to understand what has been happening recently at 9 Mile Ranch:

Three months into being a board, in August, 2018, an anonymous website popped up; <https://ninemileranchhoath.wixsite.com/mysite> . This website focuses on dissolving our HOA and states misinterpretation of our governing documents and state law. It also works very hard to discredit the Board of Directors using mistruths and deception.

Six months into being a board there were some contentious exchanges between board members and lot owners at the January Board meeting; a direct result of a group of members promoting the 'anonymous' website misinformation. Immediately following the meeting the Board adopted a Meeting Protocol Policy which has since been read before each meeting and acted upon, so there can be a fair and decent exchange between all present at a meeting.

Following this meeting the Board became aware of a "Disclaimer", written by Board member Kate Naysnerski, and petition that was being circulated by a small group of Lot Owners, through email, mail, phone calls and door-to-door. The petition is to dissolve our HOA and remove all Board members except Kate & Wayne Naysnerski (father and daughter/two of the main contributors to this group). The "Disclaimer", and other letters/documents we have seen, stated more misinterpretation, exaggerations, and twisting of truth...essentially slander.

A month and a half later Kate Naysnerski filed assault charges against Board member Brett Coffman. In her court affidavit Kate also named all other Board members (except her father, and Susan Stewart who wasn't at the meeting) as assaulting her as well. She claimed that Brett brandished his gun at the January meeting threatening her. The truth is that Kate happened to see Brett's legally-concealed weapon from under his jacket at some point, and she exploited that into her false claim. Kate also claimed she was 'assaulted' by way of 'being spit on' which is absolutely false and ridiculous. Kate dropped the case the day before the hearing, however she forced funds to be spent unnecessarily. The HOA insurance policy covers Board members in this kind of situation, as long as the accused Board members are free of negligent fault; indemnity insurance. Our insurance company evaluated this case and determined the assault charges were unfounded and reimbursed the HOA \$1,500 for attorney fees incurred. For many reasons, two weeks prior to the hearing, the Board agreed to have our meetings at the Oroville High School. This was not chosen to protect members from the board – rather, a gun-free, no-cost venue of higher stature was seen as a benefit to all. The Board is also now having a paid non-Nine Mile Ranch "witness" at our meetings so that, if necessary, the witness can

attest about any confusions as to what took place at a meeting.

The next step taken by this group was to more or less ambush the Board at the June 15th annual membership meeting, attempting to remove all Board members through votes the Naysnerskis and this small group solicited through proxy and asking for a hand vote at the meeting. According to law, all members must be provided the opportunity to vote, and many members in the audience stated very loudly that they had not received any notice of this vote. Therefore this vote is not valid, as only some members of the HOA were given an opportunity to vote. It also takes the **majority of all Lot Owners** to affirmatively vote to remove a director(s); this did not happen. On June 27th, two weeks after the annual meeting, the Board received a letter from Kate Naysnerski's attorney asserting that we are no longer a Board and demanding the board turn all accounts and records over to her immediately. Once again, misinterpreting law and costing the HOA funds for attorney fees.

It is the Board's perspective that this toxic, bullying campaign is not about the work this Board has and is doing. It's about many in this group wanting to continue violating the CCRs - the contract we all agreed to. After the Board enforced on the Lot spoken about in the annual meeting minutes, the Board unanimously agreed that as a priority the Board members themselves need to be in compliance; this is when the smear campaign began.

The Naysnerskis are not in compliance, operating a business that is specifically prohibited in the CCRs. Through their attorney the Naysnerskis have attempted to persuade that the CCRs are abandoned so they can continue their non-compliance. Others in this group have asserted the same. It has cost our HOA roughly \$3,000 so far to defend the CCRs and have the Naysnerskis cease and desist their business. This issue is still unfolding. The Naysnerski property has makeshift dog kennels encroaching on membership easements and several complaints have been received about the noise these dogs generate. Rest assured, if your property was next to theirs, it will be worth less due to this situation. It is our fiduciary duty to uphold the CCRs so that all members benefit equally from the Ranch and the rules we all agreed to.

As stated, we are all bound by these contracts. All of us - Board members and Lot Owners - have governing documents and state law to follow. If you want change, or would like to remove directors or change the CCR's, may we suggest using the legal avenues in our governing documents and state law to make the changes you seek; the Board will assist you. Or, become elected or appointed to the Board. You can then be a part of making decisions as well as learn a deeper understanding of the issues in running our HOA.

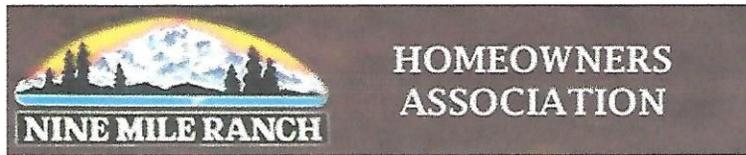
The Board has been encouraged by many members to address some of the issues this campaign has brought forth. We were told at the AMM that we have not done enough to protect the optics of this situation and we have let the rumors and lies grow rather than letting everyone know what is really going on. To be honest, we were not about to go door to door to educate people. We truly hoped that people would seek to find out the truth rather than blindly believing these falsehoods. The reason for this newsletter is to set the record straight and provide feedback around the lies that are being spread about this Board.

The following are facts refuting some of the rumors we have heard:

- No policy, intent, or act of the BOD/ACC members to trespass onto private property ever occurred, and in a single circumstance an apparently abandoned and potentially hazardous junk trailer and shed were inspected according to CCR permission and circumstances.
- No director or road manager was paid for any service, period.
- No discussion or consideration has been given at any time to purchasing a truck by the HOA.
- No person convicted of sexual assault was sought to be hired to do the HOA snow plowing (although the Board was solicited by such a person).
- No Board member commercial enterprise was approved, and no membership request for business approval was denied by this Board, although prior Boards have denied proposed businesses. Director Kirk Johnson's construction business was determined as not under the jurisdiction of the CCRs because he leaves and returns to his Lot each day, having performed his work somewhere other than on his Lot, just like any other person who has a job away from their land (ask for documents).
- This Board does listen to members input. We have had members tell us that they bought here because of the covenants and want them enforced, we also have members telling us to "live and let live" by not enforcing CCR's. We've had members tell us to raise the dues, others telling us not to. We've had members supporting Board members being reimbursed for expenses, including mileage, while others have said volunteers should pay for HOA expenses while volunteering. Just because the Board may not take action in the direction a member wants does not mean we don't listen. Through study and discussion the Board arrives at its decisions. Ask us and we can explain and/or provide documentation for you.
- The covenants have not been abandoned. The Board and HOA attorney believe it is clear that the CCRs are indeed still valid.
- The Board/ACC is not driving around, nor have plans to, looking for non-compliance. We can only guess that this rumor came from discussion by BOD/ACC members to re-create ACC records that have been lost due to a house fire and prior ACC members refusing to turn over records.
- The Board is not a 'click always outvoting' the Naysnerskis. What is true is that the Naysnerski's have voted with the Board 92% of the time which can be verified in the Board meeting minutes.
- There is not "selective enforcement" happening. HOA boards have a fiduciary duty to address non-compliance. If something is reported to us, complained about, or we know about it, we will address it. We seek to help Lot Owners comply. The Board cannot approve a direct violation of the CCRs, nor can it grant a variance for this. Compliance is being addressed uniformly, starting with the members of the Board of Directors.
- The Board has never demanded the Naysnerskis "get rid of their dogs". The Board has required the Naysnerskis to cease and desist commercially breeding their dogs while allowing for attrition; keeping their adult dogs, not to acquire new ones until population is under the allowed 2 dogs.

This Board is staffed by long-time professionals ready and willing to give their time and knowledge for the sustainability of Nine Mile Ranch, but this bullying campaign is taking away from other HOA work that needs to be done. It has also cost our HOA thousands of dollars and creating needless upheaval in the community. Please support your HOA by rejecting unproven solicitations and rumors and always question us directly if you have concerns. We want you to be informed.

This Board has also worked hard to provide transparency via newsletters and the HOA website, which has all of the information any lot owner needs to understand what the Board is doing for all 9 Mile Ranch owners. This website has numerous reports, policies and all Board meeting minutes. The information there might answer questions or concerns you may have. Otherwise, come to the Board meetings, email us, call us or send us a letter. We would love to provide you with any additional information about anything you need to understand better. But we ask you, please do not believe rumors - seek to find out the truth first



*9mileranchhoa.org
PO Box 332
Oroville, WA 98844*

July 20, 2019

There has been a group on the Ranch challenging this board's intention to uphold the Ranch's Covenants, Conditions and Restrictions (CCRs) when necessary. One of these people caused a court case and then dropped the case the day of the court date which is a waste of all of our time, effort and of course, money. We have incurred legal fees that would have otherwise been spent on the roads. This is very frustrating, disappointing and altogether a totally useless way to go about doing the simple business at 9 Mile.

We hope that the future holds a brighter prospect, one where all or at least most members are stepping up to volunteer their time to get to the know the Ranch issues, come to the board meetings, read the website information and overall support the volunteer efforts of the 9 Mile Ranch board. We need collaboration from the members to help us fund our roads and support our CCRs, not waste our money waging battles against that.

Attached you will see the most recent expenditure and attorney communications the board was forced to make in order to serve this community better.

The Board of Directors



June 26, 2019

Mr. Nicholas Bergh
2006 South Post Street
Spokane, WA 99203-2049
nick@gnbergh.com

RE: Nine Mile Ranch Homeowners Association

Dear Mr. Bergh,

Saturday, June 15, 2019, the Nine Mile Ranch Homeowners Association held an annual meeting. As required under Article III, Section 4 of the HOA bylaws, there was a quorum of members entitled to cast 20% of the Association votes. The voting was held in person and by proxy as required under Article III, Section 5. Those members called a vote pursuant to Article IV, Section 5 for the removal of Directors. This section provides:

Resignation and Removal. Any Director elected by the membership (or selected by those elected Directors) may be removed from office with or without cause at any time if Lot Owners owning a majority of the Lots vote to remove such Director. However, this right of removal applies only to Directors elected by the members, and Directors appointed by Directors elected by the members. This right of removal does not apply to Directors appointed by Declarant. Any Director may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any time later specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

It is my understanding that all Directors elected by the members and Directors appointed by Directors elected by the members were removed by vote. I understand the former Board of Directors refused to acknowledge the vote, but that does not make it any less effective.

My client requests that you ask the former Directors to mail all of their post office box keys to Kate Naysnerski at 9 Canyon Spur Rd., Oroville, WA 98844.

Pateros (Main Office)

P.O. Box 637
110 Lakeshore Drive
Pateros, WA 98846

P 509.689.3471 | F 509.689.3472

Seattle

701 5th Avenue, Suite 4200
Seattle, WA 98104

P 206.262.7900 | F 206.262.8001

www.thomasonjustice.com

alex@thomasonjustice.com



Please confirm your agreement in this regard.

Sincerely,

A handwritten signature in dark blue ink. It starts with a large, rounded loop on the left, followed by a smaller loop, and then a long, thin horizontal stroke extending to the right.

ALEX THOMASON
Attorney at Law

LAW OFFICE OF G. N. BERGH

REAL ESTATE/BUSINESS LAW

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509-624-4295
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June 28, 2019

Alex Thomason
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PO Box 637
Pateros WA 98846

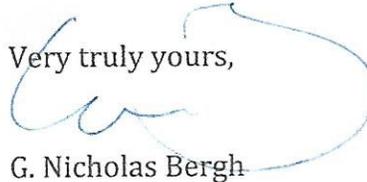
Re: Nine Mile Ranch HOA

Dear Mr. Thomason:

I am in receipt of your letter dated June 26, 2019 relating to the attempted removal of the Board by your clients. Based on information provided by my client, the procedures utilized by your clients in their attempt to remove the Board are so fundamentally flawed I cannot conceive of any circumstance in which a court would uphold the purported result. While I do not wish to waste the Association's funds by enumerating the many, many problems with your clients' actions, I would point out that under RCW 24.03.470, all persons who act as a corporation without authority are jointly and severally liable for all resulting debts and liabilities. These debts and liabilities would include, at minimum, attorney fees and costs incurred by the Board in contesting your client's actions. Additionally, I find myself wondering, if the entire Board was voted out of office, as you assert, by what authority does Ms. Naysnerski, one of the Board members, retain any authority to act on behalf of the Association?

If you have any evidence that the vote to remove the Board was properly conducted in accordance with law and the Association's governing documents, please provide it to me. Until the evidence is provided, evaluated and found to be proper, the Board will not recognize the action asserted by your clients or take the actions demanded by you or your clients.

Very truly yours,



G. Nicholas Bergh

Law Office of GN Bergh

2006 South Post Street
 Spokane WA 99203-2049

Phone: (509) 624-4295

E-Mail: nick@gnbergh.com

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Bill To:

Nine Mile Ranch Homeowners Association
 Stacey Johnson
 stacey@wandabean.net

Invoice

Invoice #: 1114

Invoice Date: 7/18/2019

Due Date: 8/17/2019

Terms: Net 30

Account: 10125-1002

Matter:

Naysnerski

Date	Description	Hours	Rate	Amount
6/27/2019	Review governing documents and corporate law requirements for meeting and removal of director, draft letter to Thomason	2.75	250.00	687.50
Total				\$687.50
Payments/Credits				\$0.00
Balance Due				\$687.50