

August 10, 2020

Dear Owners,

It has come to the attention of the Board of Directors that certain elements of the voting package delivered to all owners on August 6 have come under question. The Board would also like to remind all owners that it welcomes any questions or concerns owners may have, and owners may send their questions or concerns to the Board via the Association email account: dprvoa@gmail.com or to any Director in person.

This message provides responses to owner questions (in blue font) received as of August 10:

[Why hasn't the Association been moved under Washington State Code RCW 64.38 \(Homeowner's Associations\)?](#)

As a reminder to all lot owners, the Spokane RV Resort Owners Association was established under Washington State RCW 64.34 – Condominium Act. Additionally, the sale of our Amenities and Common Elements last year, did not result in a change to the structure of the Association under the Act. The following paragraph and sentence highlighted in bold font is excerpted from Section 64.38.010 that specifically dictates that Associations under chapter 64.34 such as ours, are not covered by RCW 64.38.

*(11) "Homeowners' association" or "association" means a corporation, unincorporated association, or other legal entity, each member of which is an owner of residential real property located within the association's jurisdiction, as described in the governing documents, and by virtue of membership or ownership of property is obligated to pay real property taxes, insurance premiums, maintenance costs, or for improvement of real property other than that which is owned by the member. **"Homeowners' association" does not mean an association created under chapter 64.32 or 64.34 RCW.***

[How can the owners be sure that Grapevine 7 will allow the Association to use some of their property adjacent to the NE Corner Association property for use in the expanded dog park?](#)

In discussions with Grapevine 7, they have agreed to give the Association a no cost land use easement to allow Association dog park expansion onto their property. This easement agreement will be recorded against the affected Grapevine 7 property and will run indefinitely with the land.

[If approved will the expanded dog park be available for use for only the lot owners in the Association?](#)

Grapevine 7 and the Board of Directors have agreed that any future improvements to the Association NE Corner Property are intended to be used only by residents and guests of the 66 lots in the Association. Signage will be added to alert users to these restrictions. Similarly to the easement agreement mentioned above, this agreement will be documented in writing between the Association and Grapevine 7, and shall be binding on both parties.

[Why did the Board recommend in Paragraph 7.6, approval of annual CPA audit waiver, from 60% waiver owner approval, to a 25% quorum based majority owner vote?](#)

Since January of 2020, custodianship of the Association financial records and bank accounts are held by Odynski Accounting Services, a local CPA firm in Deer Park. As mentioned in the voting proposal accompanying this recommended Declaration change, the Board is recommending a 25% quorum based owner vote to waive the annual CPA audit required in Paragraph 7.6. This change is intended to allow the owners to vote in our annual meeting to waive the requirement with a quorum based majority vote as opposed to the 60% vote required in the Declaration today. Since our finances are now overseen by a CPA firm, and our total expense and revenue requirements have been reduced significantly by the sale of our Amenities and Common elements to G7, the Board believes a lower threshold for waiver of the annual audit is prudent. Conversely, the 25% quorum vote also makes it easier for owner voters to require an annual audit, as past Association history has demonstrated that many prior annual meetings did not have a 60% private owner participation in the meetings.

[Why aren't lot owner for sale signs allowed on an owner lot under the proposed changes to the Declaration?](#)

The Ad Hoc committee assigned to identify conflicts and make recommendations for changes to our Declaration suggested allowance of owner placed for sale signs. The Board of Directors discussed this recommendation with 3 Ad Hoc committee volunteers in attendance. In lieu of lot owner placed signage, and with Grapevine 7's participation, the Board intends to implement a different approach to owner placed for sale signs.

At the entrance to Park B (Association private lot owned property) there is currently signage notifying guests in the RV Resort that they are entering a private lot ownership area. Adjacent to the current private lot ownership signage, a "Owner Lots for Sale" sign will be erected with instructions for interested parties to visit the Resort Office whereby a "lots for sale" listing will be provided and interested parties will be accompanied to the listed lots by a Park Host or other member of the Grapevine 7 staff.

The Board believes that this will provide better visibility of lots for sale to prospective buyers as well as adding a level of security that would be missing if interested parties are touring our Association properties unaccompanied. Also, Grapevine 7 staff will be able to notify the selling lot owner that they have someone interested in viewing their property and can coordinate proper visitation at the lot owners convenience.

[Why should Grapevine 7 who owns 16 lots in the Association be able to vote in all elections with 16 votes? Aren't they a Dealer?](#)

This question had been previously asked by one of our owners, which along with other questions regarding Board activities were reviewed by a local attorney located in Spokane. In his written response to this question the attorney gave this reply:

"See Section 7 of the Declaration."

That language is provided as follows in Paragraph 7.3.1, sentence 2:

"The total number of votes available to all Owners shall be one vote for each parcel owned...."

It should be noted that prior to April of this year, there were several private lot owners in

addition to G7 who owned multiple lots and could have voted for each parcel they owned.

Why is the Board of Directors composed of 5 people instead of the minimum of 3 set in the Declaration?

The Declaration in Paragraph 8.B.ii states: *“The Owners shall elect a Board of Directors of at least 3 members, a majority of whom must be Owners.”*

The Board was expanded to 5 members during the prior Alwine LLC majority control tenure as required by Paragraph 8.B.i which states:

“Prior to the termination of the period of Declarant control, Declarant or a person appointed by the Declarant may appoint and remove, officers and members of the Board. However, not later than sixty (60) days after Conveyance of twenty-five (25%) percent of the Parcels which may be created to owners other than Declarant, at least one member and not less than twenty-five (25%) percent of the Members of the Board must be elected by owners other than Declarant. Not later than sixty (60) days after Conveyance of sixty (60%) percent of the Parcels which may be created to Owners other than Declarant, not less than thirty-three and one third (33.33%) percent of the Members of the board must be elected by Owners other than Declarant.”

As private ownership in the Condominium grew, the Alwine LLC followed the Declaration requirements and expanded the Board from 3 Directors to 5, including two minority lot owners. Subsequently, the Board has continued to have 5 members which results in a broader representation of owner interests on our Board and for some people, is a good thing. In the future, by owner member vote, the Board may be reduced to 3 members, if the Association owner members believe 3 Directors are a more proper Board representation level.

Shouldn't the ballot collection box or collection of votes be kept at an independent third party for collection and independent validation of the vote tallies?

There is no requirement in our Declaration of Bylaws or the RCW to require an independent vote custodian. In fact, and as many of our current owners know, prior annual meeting elections have been conducted in the annual meeting through a show of participant hands. That said, the Board will deliver all voting materials to our CPA firm in Deer Park for vote tally and certification purposes.

Why weren't the proposed amendments split up to allow for voting on each one individually?

The Board, and with the work developed by the AD Hoc committee, has spent many hours reviewing and developing the proposed language distributed to the members for vote approval. To amend our Declaration and to ensure we are following proper recording processes, the Association has since its inception, used the expertise of a qualified attorney to ensure legal and Spokane County recording requirements are properly followed. The Board intends to use an attorney to review and record the recommended amendment language currently out for owner approval. The potential for multiple amendment recording actions, could result in significant increases to legal expenses due to multiple recording instances that the Board believes can be avoided.

The Board recommended amendment language has been distributed as a group because the Board believes all of the proposed changes need to be approved collectively, to bring our controlling document into alignment with current community practices across our Association. If approved for amendment, the Board believes that these changes will result in a solid governance foundation for use in our community going forward.

Board of Directors
Spokane RV Resort Owners Association