

# Sun Ranch Owners Association Newsletter

## May 2011

### **ANNUAL MEETING:**

The annual Sun Ranch Owners Association Meeting will be held on Saturday, June 25<sup>th</sup>, at Ranch Headquarters, at 1183 Aeneas Valley Rd, Tonasket, WA.

The potluck will begin at 11 AM, followed by the Meeting at 12 PM. Please bring a chair so that you'll be comfortable for the meeting. The Association will provide assorted soft drinks, hamburgers, hot dogs, buns, condiments, plates, utensils, and napkins.

Please bring a side dish or dessert to share with your neighbors.

If you want to speak, please identify yourself by name and lot number(s) and keep your comments to no longer than 5 minutes. We should be able to conclude discussion, voting, and elections by 4 PM.

Agenda topics for our next annual meeting include but are not limited to the following:

- Introduction of Board Members and Officers
- Treasurer's Report
- Discussion of and Vote on Proposed 2011 Budget
- By-Laws Committee Update
- Roads Report
- Frontier Church use of the care taker cabin
- Cape Labelle Cattle Lease renewal due end of year 2011
- Fezzy Lawsuit
- Open Forum (5 Minutes per Speaker)
- Election of New Board Members

There are 5 Board of Director positions that will be voted by the membership at the Annual Meeting. These are non-paid positions.

Please consider running for one of the Director positions or serving as an appointed officer. The Association is only as strong as the people who serve it.

Current Board Members: Chuck Bettis, Monte Keating, John Grods, Lucky Leide, and Jan Moyer.  
Current Officers: Chuck Bettis, President; Lucky Leide, Vice-President; Debbie Keating, Treasurer; Tina Dennis, Secretary

If you want to run for a Board position, please send please send a note or email, including your lot number, so that your name can be included on the ballot. We'll need to receive candidate information no later than Tuesday, May 31st, at the following address, or you can send it electronically to the SROA website at [www.sunranches.org](http://www.sunranches.org).

If you are interested in one of the appointed positions, Secretary and Treasurer, please notify the current Board of Directors in the same manner. Both positions will be filled by the newly elected Board at their first meeting following the June 25<sup>th</sup> annual meeting.

The email address is [sbower@sunranches.org](mailto:sbower@sunranches.org).

Sun Ranch Owners Association  
PO Box 407  
Tonasket, WA 98855

Anyone can declare their intent to run for a Director position at the Annual Meeting, too, but you'll have to be a write in candidate on the ballot.

**VOTING:**

Your Association dues must be paid in order for your vote to be counted. You must be at the Annual Meeting to cast your ballot. If you choose to give your Letter of Proxy to another person, that person will receive a ballot to cast for you at the Annual Meeting.

**LETTER OF PROXY FORM:**

If you decide to designate another person to vote for you, instead of attending the Annual Meeting, that person must be present for the Annual Meeting. In order for your Proxy vote to be counted, you must complete the Letter of Proxy Form (last page of the Newsletter) and mail it to the SROA PO Box no later than June 17<sup>th</sup>, or your designate can present it at the annual meeting.

**PROXY FORMAT CHANGE:**

The proxy form has been changed to show either a write in designee or the Secretary of Sun Ranch Owners Association. This was done because some proxies in the past have been returned signed by the lot owner by no designee was entered on the form, making the proxy unusable. If you name someone as your designee on the proxy form, please line through the Secretary entry.

**BY-LAWS:**

**Action required for very important by-law change proposals!**

The by-laws committee has prepared and the Board of Directors have approved two by-law change proposals for consideration and approval by members at the annual meeting on June 25, 2011. Over 50% of **total** qualified membership vote is required to pass these special resolutions (to qualify for a vote all assessments must be paid). If everyone is current on their dues 169 votes would be required to pass these resolutions. **Thus, it is very important that those of you who cannot attend the meeting personally need to send in their proxies to register your vote and pass these important resolutions.** **Special Resolution 1** deals with membership issues, primarily dealing with streamlining of membership administration.

Proposed changes in the By-laws of  
**SUN RANCH OWNERS' ASSOCIATION**  
As they pertain to membership

*Explanation.* These proposed by-law changes are administrative, mainly dealing with the removal of requirement for membership certificates and cards, and streamlining the administration for maintenance of membership register of the SROA (Articles III and IV, and portions of Articles VI, VII and IX). With current information technology there is no need for the costly printing and issuance of membership certificates and cards. Other changes of special note are:

- (1) The currently required \$25.00 membership transfer fee has not been collected from new members for at least a decade, so it was removed.
- (2) With the removal of the transfer fee a clear procedure for recording membership transfers has been added.

- (3) Definition of Members in multiple ownership situations was modernized, and a provision for corporate and trust ownerships added.
- (4) Some paragraphs are now numbered for clearer reading and reference, and punctuation marks added. Also, some terminology has been changed to be consistent with terminology in other sections of these bylaws.
- (5) The Subdivision developer is no longer a factor in SROA operation since 1975, so references to his membership have been removed.

### Special Resolution 1.

According to Article X of the bylaws of the Sun Ranch Owners' Association be it resolved that the below numbered bylaws be amended as follows: (Changes from the current bylaws are denoted as: **highlighted, underlined italics for deletions** and **bold Arial for additions**. The amended bylaws shall read as the combination of the existing normal Times New Roman Font and **bold Arial font**):

### ARTICLE III (Membership)

**Section 1. Classes.** There shall be two (2) classes of membership in the Association, i.e., members and associate members.

**Section 2. Members.** Membership shall be appurtenant to lots (as the same are defined herein) in the Subdivision, and all persons who become owners thereof shall, by reason of such ownership, become and hereby are made members of the Association. **The Subdivision developer shall be a member by reason of its inventory of unsold lots.**

**(a)** Members shall be limited to the owners of not less than one (1) lot (as the same is defined herein) in the Subdivision. Only one (1) of any number of co-owners of a lot shall be a member. **A lot held by a husband and wife in any form of joint ownership, including Community property, shall qualify the owners for one (1) membership only, to be issued in the name of the husband, unless otherwise directed.** **Where there is more than one (1) registered owner of a lot, the first person on title carries the membership in respect to that lot, unless all registered owners on title designate another of their number to hold that membership, in writing, to the Secretary of the Association.**

**(b)** Ownership of more than one (1) lot shall entitle the owner to all the rights and privileges of membership and shall subject such owner to all the liabilities and duties thereof that are attendant to the ownership of each lot separately; provided however, **that the Association may issue a single certificate or other evidence of membership relating to all of such lots; and provided further** that the owner of more than one (1) lot shall be considered as a single member only for purposes of notice and determination of associate memberships.

**(c)** A member shall be entitled to one (1) vote for each lot in the Subdivision owned by such member.

**Section 3. Associate Members.** The following shall be entitled to associate membership in the Association:

- (a) Co-owners of any lot;
- (b) The spouse and/or children of a member who also have the same residence as the member;
- (c) Any person who is a tenant or regular occupant of any unit in a multi-family residential building or guesthouse, inn or hotel facility within the Subdivision. **;** and

**(d) Officers and directors of the Association not otherwise a member by reason of lot ownership pursuant to Section 2 of this Article III.**

Persons qualifying under more than one (1) of the above categories shall, nevertheless, be entitled to only a single associate membership.

Associate members shall have no vote or right to notice of any meeting of members, regular or special. Associate members shall not be required to pay an annual **charge assessment** but shall be entitled to enjoy all the other privileges of membership, subject, however, to their observance of all rules and regulations governing the conduct of members.

Associate membership shall cease automatically upon the termination of the status giving rise to such membership.

**Section 4. Lot Defined.** For purposes of these by-laws, “lot” or “lots” shall be defined as consisting of: **(a) All all** subdivided lots described and set forth in unit maps of the Subdivision from time to time recorded in the office of the County **Recorder Auditor** of Okanogan County, Washington. **;** and  
**(b) Each unit of any multiple-family residential building or guesthouse, inn or hotel facility within the Subdivision.**

**Section 5. Privileges.** Members and associate members, and guests of each, shall have the use of streets and parks in the Subdivision and any other property or facilities from time to time owned by the Association, subject to the provisions of the restrictive covenants of the various units of the Subdivision from time to time recorded and such other rules **and regulations** for the use of the streets, parks or other property or facilities as may be adopted by the Board of Directors of the Association.

**ARTICLE IV (Evidence of Membership and Transfer)**

**Section 1. Membership Certificates.** **Certificates of membership in the Association shall be issued to members only. They shall be in such form as the Board of Directors shall designate and shall be issued over the signature of the President or Vice President and Secretary or Assistant Secretary. A certificate book shall be maintained in which shall be shown the name of the member, the certificate number, date of issue and a sufficient description of the lots giving rise to such membership. Membership of the Subdivision developer need not be evidenced by certificates of membership.**

**Membership Roster. A membership roster shall be maintained in which shall be shown the name of the member, address of record, date of record**

**(see Article V Section 1 and Article IX Section 6) and a sufficient description of the lots giving rise to such membership.**

**The member shall notify the Secretary of the Association of any change in his address of record.**

**Section 2. Transfer.** Membership in the Association is transferable only upon the conveyance of the lot giving rise to such membership and any other attempted transfer or assignment of membership shall be null and void. Transfer of record, which occurs by reason of conveyance of any lot subsequent to the initial conveyance from the Subdivision developer, shall be subject **to a fee of \$25.00 and** to the payment of all indebtedness to the Association of the member whose membership is transferred **and a written notification to the Secretary of the Association by the new owner to whom the membership is transferred. If the new owner is a legal entity (such as a trust, corporation, etc.), other than individual or multiple owners of a lot, it shall designate in writing to the Secretary of the Association the name of a person who will represent the membership.**

**Section 3. Issuance.** Members shall be entitled to exercise all the rights and privileges of membership, and they shall be subject to all the obligations and liabilities thereof, **without the actual issuance and possession of certificates of membership;** provided, however, that the Association shall incur no liability for failure to give adequate notice to members not of record.

**Section 4. Membership Cards. The Association may issue cards to members and/or associate members from time to time as the Board of Directors may deem necessary to assure proper control and identification, In any event, a roster of associate members shall be kept sufficiently current to assure proper identification and control.**

## ARTICLE VI (Directors)

### Section 1. Powers

(c) To change the **principle principal** office for the transaction of the business of the Association from one location to another within the same county as provided in **ARTICLE I, Section 2**, thereof; to designate the place for the holding of any members' meeting or meetings; and to adopt **and** make use of a corporate seal **and to prescribe the forms of membership certificates and/or membership identification cards, from time to time,** as in their judgment they may deem best;

## ARTICLE VII (Officers)

**Section 6. Secretary.** The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board of Directors may order, a book of minutes of all meetings of directors and members, or a duplicate thereof, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of memberships present or represented at members' meetings, and the proceedings thereof.

The Secretary shall keep or cause to be kept, in any form permitted by law, at the principal office or such other place as the Board of Directors may order, a membership register, or a duplicate thereof, showing the names of the members and their addresses **of record**, the description and number of lots, if more than one, upon which

the membership is based, **the number and date of membership certificates issued, and the number and date of cancellation of membership certificates surrendered for cancellation.**

The Secretary shall give, or cause to be given, notice of all the meetings of the members and of the Board of Directors required by these by-laws or by law be given, and shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors, the President or these by-laws.

#### **ARTICLE IX (Miscellaneous)**

**Section 1. Record Date.** The Board of Directors may fix a time in the future as a record date for determination of the members entitled to notice of and to vote at any meeting of members. The record date so fixed shall not be more than sixty (60) days prior to the date of the meeting. When a record date is so fixed, only members of record on that date shall be entitled to notice of and to vote at the meeting, notwithstanding any transfer of **or issuance of membership certificates** membership on the books of the Association after the record date. **A member must be in good standing, all indebtedness to the Association paid, to vote at any meeting.**

Proposed Changes in the By-laws of  
**SUN RANCH OWNERS' ASSOCIATION**  
As they pertain to Assessments and Meetings of Members

**Explanation.** Current by-laws at annual meetings provide Members only with the power to elect Directors. The Board of Directors has all other powers, including the power to determine and levy annual assessments, without recourse to membership approval. The main purpose of these proposed by-law changes is to add the power for Members to be included in overall financial decision making: to consider budgets and vote on annual assessments. Most non-profit association by-laws include this membership power, which limits the Board of Directors financial power to what is approved by the Membership.

When Members gain the power over finances the restrictions in assessment limits can be addressed. (The present limits were probably put in place as a check on Board powers.) The \$12.00 - \$24.00 limits (Article VIII, Section 2.) established in 1969 is grossly inadequate for today's needs, due to expected services and the inflation of the dollar. By using the U.S. Bureau of Labor Statistics data on inflation the 1969 dollar amounts translate to \$71.30 - \$142.60 in 2010 dollars. With the current economic climate it can be safely concluded that inflation will continue, requiring more inflated dollars to finance any expected level of S.R.O.A. operation. Considering this, and the new proposed power of membership to regulate assessments, the upper limit of the assessment can be safely removed. The \$24.00 maximum level of annual assessment in the current by-laws is barely enough to cover basic administrative costs, such as taxes and insurance, with no funds to cover road maintenance, snowplowing or keeping the headquarters shower facility open. The lower limit can be set at a barely minimum, but unsustainable level of \$60.00 that has been assessed over the past number of years.

Other proposed changes herein are administrative, coordinating the above two main changes,

removing redundant items, improving meeting procedures, and for clarification. Of special note are:

- (1) A clear outline for the business to be conducted at an annual meeting.
- (2) The requirement for the number of Members to call a Special Meeting is reduced from 40% to 15%. 55 Members should be sufficient to do so.
- (3) Clarification of quorum requirements. The current wording declares any Member who shows up (even if only one) is a quorum. Most organizations have a 10% minimum quorum requirement. 35 Members is a round number just under that.
- (4) The lien enforcement provision (Article VIII, Section 6.), allowing the foreclosure sale of delinquent property, is removed from the by-laws.

### **Special Resolution 2.**

According to Article X of the bylaws of the Sun Ranch Owners' Association be it resolved that the below numbered bylaws be amended as follows: (Changes from the current bylaws are denoted as: **highlighted**, **underlined italics for deletions** and **bold Arial for additions**. The amended bylaws shall read as the combination of the existing normal Times New Roman Font and **bold Arial font**):

### **Article V (Meetings of Members)**

**Section 2. Annual Meeting.** The annual meeting of the members of the Association **for the election of Directors whose term has expired and** for the transaction of such other business **ans as** may properly come before the meeting, shall be held between June 8<sup>th</sup> and July 31<sup>st</sup> **of each year. , beginning in the year 1974 as shall be determined by the Board of Directors.** **The Board of Directors shall determine the time and place of the meeting. The business transacted at the annual meeting shall include:**

- a. Adoption of rules of order;**
- b. Approval of the agenda;**
- c. Approval of minutes from the last annual or special meeting;**
- d. Consideration of financial statements;**
- e. Consideration of annual assessment;**
- f. Report of the Directors;**
- g. Election of Directors whose terms have expired;**
- h. And other business that, under these by-laws, ought to be conducted at an annual meeting, or business that is brought under consideration by the report of the Directors issued with the notice convening the meeting.**

**Section 3. Special Meetings.** Special meeting of the members for any purpose or purposes whatsoever may be called at any time by the President, or by a majority of the Board of Directors, or by one or more members holding not less than **40% fifteen percent (15%)** of the voting power of the Association. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for annual meeting of members. Notices of any special meeting shall specify, in addition to the place, date and hour of such meeting, the general nature of the business to be transacted.

**Section 5. Quorum.** Wherever in these By-Laws the word "Quorum" appears, the phrase, sentence or paragraph and previous or subsequent phrases, sentences or paragraphs which are directly or indirectly related, shall be reconstituted such that with modification or elimination the meaning of "Quorum" is and shall be "A simple majority" of those members

present in person, or by proxy, allowing **A quorum shall be 35 or more Members present in person or represented by proxy. A simple majority of those members present in person, or by proxy, may conduct** any and all business to be transacted in the meeting, and that business may continue to be done on the same majority basis until adjournment, notwithstanding the subsequent withdrawal of members.

**Section 8. Proxies.** Every member entitled to vote or execute consents should have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such member or his duly authorized agent and filed with the Secretary of the Association; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless the person executing it specifies therein the length of time for which such proxy is to continue in force, which in no event shall exceed seven (7) years eleven (11) months from the date of its execution.

#### **Article VIII (Annual Assessment)**

**Section 1. General.** Each year the Board of Directors shall consider the current and future needs of the Association and, in the light of those needs, shall fix by resolution **propose** the amount of the annual assessment to be levied against each lot in the subdivision **for the next fiscal year**, which amount shall be **presented for adoption by a majority of Members in good standing represented at the next Annual Meeting.** **The adopted annual assessment per lot** shall be debt of the owner thereof at the time such charge is made. **The fiscal year is defined as running from June 1<sup>st</sup> of the year defined to May 31<sup>st</sup> of the following year.**

**Section 2. Amount.** The annual assessment to be so levied shall not be less than Twelve Dollars (\$12.00) Sixty Dollars (\$60.00) nor more than Twenty-four Dollars (\$24.00) per lot.

**Section 3. Notice.** Commencing in 1974 2012 the Secretary shall mail to each member, at such member's record address, written notice of each **proposed** annual assessment **for the upcoming fiscal year** on or before June 1<sup>st</sup> of each **such** year. , and such **The annual assessment adopted at an Annual Meeting** shall then become due and payable on June 15<sup>th</sup> of said year **15 days after adoption.**

**Section 3a. Delinquency.** Assessments remaining unpaid on October November 15<sup>th</sup> (approximately 120 days after becoming due and payable) will be referred by the Treasurer for immediate action by the Board of Directors in filing liens on any property such with an assessment unpaid.

**Section 4. Lien.** The amount of such annual assessment, plus any other charges thereon such as interest when delinquent and costs of collection (including attorney's fees), if any, shall constitute and become a lien on a lot so assessed or on the underlying real property (in the case of units in a multi-family residential building or guesthouse, inn or hotel facility) when the Board of Directors causes to be

recorded with the County **Recorder Auditor** of the Lot's County a notice of assessment which shall state the amount of such assessment and such other charges, a description of the lot or other real property which has been assessed, and the name of the record owner thereof. Such notice shall be signed by the Secretary of the Association in behalf of the Association. Upon payment of said assessment and charges in connection with which such notice has been so recorded, or other satisfaction thereof, the Board of Directors shall cause to be recorded a further notice stating satisfaction and the release of the lien thereof. The authority to levy such assessment upon lots in the Subdivision is granted to the Association by the Declarant of the recorded declarations of restrictions imposed and to be imposed by it from time to time upon the various units comprising the Subdivision.

**Section 6. Lien Enforcement. The lien provided herein may be enforced by sale by the Association, its attorney or other person authorized to make the sale, after failure of the responsible party to pay the annual assessment in accordance with its terms. Such sale shall be conducted in accordance with the provisions of the laws of the State of Washington, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law.**

**2011 DUES:**

The Board has set the 2011 dues at \$60.00. An invoice for dues payment is enclosed.

**LAWSUIT:**

The lawsuit brought by one of our members has reached a conclusion favorable to SROA. Summary Judgment in Fezzey v. Sun Ranch was awarded in favor of Sun Ranch and all counts were dismissed. As part of the judgment, the judge in the case awarded 75% of the costs to Sun Ranch. This award was fulfilled by the defendant on December 10th in the amount of \$10,905.00. This left you, the members of Sun Ranch, responsible for roughly \$5000.00 of the legal costs.

Your Sun Ranch officers and board are pleased to have this legal hurdle behind us and hope to now be able to focus on areas that you, the members, have told us that you see as priorities: road maintenance, snow removal/plowing, clarification of SROA written guidelines, and, not surprisingly, a greater awareness of and enforcement of the covenants of Sun Ranch. As members, you are to be commended for your patience while this legal matter was resolved.

**CAPE LABELLE CATTLE LEASE RENEWAL:**

At annual meeting held in June 2010, attendees indicated they wanted a voice in whether the SROA cattle leases with Dal Dagnon and Kenny Montanye should be renewed prior to the Board of Directors entering into negotiation with the cattlemen. The Cape Labelle Lease is due for renegotiation and renewal at the end of 2011. Keep in mind that most of the eastern border of Cape Labelle, where it abuts state land, is not fenced. Not having a lease with the cattlemen will not prevent cattle from coming onto Sun Ranch land.

**INCOME SROA FISCAL YEAR 6/1/2010 THROUGH 5/06/11:**

	Amounts	Total
2010 SROA dues collected	\$18,204.00	
Cape Labelle Cattle Lease for 2011	\$880.00	
Lymon Lake Cattle Lease for 2011	\$2,900.00	
Repayment of legal fees from lawsuit	\$10,905.00	
Income from frontier Church for utilities at Head Quarters	\$377.00	
Total Income		\$33,266.00

**PROPOSED BUDGET FOR FISCAL YEAR 2011**

	Amounts	Subtotals
Current year dues owed SROA	\$21,660.00	
Cape Labelle Cattle Lease - 2012	\$880.00	
Rainy day fund established in 2011	\$2,500.00	
Lymon Lake Cattle Lease - 2012	\$2,900.00	
Income from frontier Church for utilities at Head Quarters @ \$40.00 per moth	\$480.00	
Subtotal Income		\$28,420.00
Expenses		
Association State Fee	\$10.00	
Board of Director Expenses		
Milage	\$100.00	
Subtotal Board Expenses		\$100.00
Insurance	\$2,317.00	
Legal	\$2,000.00	
Miscellaneous		
Food for 2012 pot luck	\$200.00	
Office		
Bank Fees	\$15.00	
Office Supplies	\$100.00	
Lien Filing Fees - \$124.00 for each filing and release	\$744.00	
Newsletter ( 2 newsletters per year)	\$300.00	
Postage	\$500.00	
PO Box	\$56.00	
Subtotal Office		\$1,715.00
Property taxes	\$981.00	

Rainy day fund - approval of 3 Directors needed to spend	\$2,500.00	
<b>Roads</b>		
Weed spraying - Cape Labelle & Lymon Lake	\$1,500.00	
Road work - Cape Labelle	\$2,764.00	
Road work - Lymon Lake	\$2,763.00	
Snow removal - Cape Labelle - 6 clearings - 5 hrs per at \$80.00 per hour	\$2,400.00	
Snow removal - Lymon Lake - 6 clearings - 8 hrs per at \$80.00 per hour	\$3,840.00	
Subtotal Roads		\$11,767.00
<b>Shower House</b>		
Cleaning (\$120.00 per month) & filter		
Maintenance (\$10.00 per month)	\$1,560.00	
Garbage	\$100.00	
Misc - supplies & mowing	\$350.00	
Propane	\$1,200.00	
Repair	\$500.00	
Utilities	\$1,500.00	
Subtotal Shower House		\$5,210.00
<b>Webmaster</b>	\$120.00	
Total ALL expenses		\$28,420.00

Sun Ranch Owners' Association  
Letter of Proxy

The undersigned does hereby appoint either:

- 1) \_\_\_\_\_
- or -
- 2) the Secretary of Sun Ranch Owners Association

As an agent for me and in my name and place and stead to vote as my proxy at the annual meeting of the Sun Ranch Owners' Association to be held at Sun Ranch Headquarters, 1183 Aeneas Valley Rd, Tonasket, WA, on June 25, 2011.

Note: If you decide to name a designee, line through the Secretary designation shown above.

The said designee is entitled and authorized to act for me in my name and stead at said meeting of the members for any and all business at said meeting as I could act if I were present.

IN WITNESS WHEREBY, I have hereunto set my hand:

This \_\_\_\_\_ Day of \_\_\_\_\_, 2011.

Signed \_\_\_\_\_

Registered Owner of Lot(s): \_\_\_\_\_