

RAVEN RIDGE ASSOCIATION, INC. AMENDMENTS TO BYLAWS (2023 Final Draft - sent for homeowner approval)

This amendment reduces the number of Board members from seven (7) to five (5). It requires a yes vote of 67% of us to pass.

ARTICLE IV Board of Directors , Section1. Number. The affairs of this Association shall be managed by a Board of five (5) directors, who need not be members of the Association.

This is a fiscal management amendment that provides more detail about our operating and reserve fund management and conditions required for unplanned (emergency) spending. This amendment change to our Bylaws requires a 67% vote of the homeowners.

Article VII, Section 1. Powers. The Board of Directors shall have the power to:

(a) Manage the funds of the association in the following ways:

- i. Operating Fund - This is the checking account set up for paying association expenses. It is funded at the beginning of each fiscal year in July from the Reserve Fund for the exact amount of the homeowner-approved budget. The board may make necessary adjustments to the budget to redistribute funds from one category to another as necessary, provided the total is not exceeded and the modifications have been authorized by resolution of the board. Ten per cent (10%) of the operating budget shall be kept as an additional 'Miscellaneous Expense' line item in the annual budget, to be used for unforeseen or extraordinary expenses as determined by the Board. At the end of the budget year, all unused funds will be transferred to the 'Reserve Fund'.
- ii. Reserve Fund - This is a savings account of accumulated unused funds from previous years, fees, dues, interest, penalties and special assessments. It is used for funding the budgeted Operating Fund and future unexpected and/or inevitable repairs and updates that don't occur on an annual basis. The goal for a fully funded Reserve Fund is equal to or greater than 12 months of operating expenses. Use of the Reserve Funds for unbudgeted expenses requires a two-thirds vote of homeowners both for the expenditure and for the plan for repayment, except in the case of an Emergency Declaration by the Board.
- iii. Line Of Credit - The HOA Board may choose to maintain a Line of Credit. Use of the Line of Credit requires a two-thirds vote of homeowners both for the expenditure and for the plan for repayment, except in cases of an Emergency Declaration by the Board.
- iv. Emergency Declaration - The HOA Board may declare an emergency when an event occurs, or condition exists, which:
 - a. Poses a significant threat to the safety, health, or property of the community members, and
 - b. Requires immediate action to prevent, repair or mitigate damage, and
 - c. Is not covered by the existing budget and cannot be responsibly delayed until the next scheduled meeting of the membership.
 - d. In the event of an 'Emergency Declaration', the Board may use Reserve Funds or Line of Credit funds as necessary to resolve the emergency, but must provide a plan for how and when the funds will be paid back to the Reserve Funds or Line of Credit, as soon as reasonably possible.