

CANTERWOOD STEP SYSTEM ASSOCIATION

Minutes of Meeting of the Board of Directors

Date: August 23, 2018

Board Members Present: Ed Caudill, Dan Lott, Charles Pruitt and Ken Sadoian (Chairman)

The meeting was called to order by Chairman Ken Sadoian at 1:00 p.m.

Approval of Minutes. The minutes of the meeting held on July 5, 2018 were approved.

Resignation of Director Brice Bledsoe. Mr. Bledsoe notified the Board via email that he resigned from the Board effective immediately for personal reasons. Ed Caudill agreed to serve as Acting Treasurer until a replacement for Mr. Bledsoe is appointed to the Board.

Financials.

Because of the surprise resignation of Treasurer Brice Bledsoe, there was no formal review of the latest financial reports prepared by the Association's manager, Kalles Community Management.

The Board informally reviewed the list of delinquent accounts and determined that no action is required at this time.

During the meeting, Harold Kalles of Kalles Community Management spoke by phone with the Board. Mr. Kalles reported that he had on this date filed the annual report due on July 30, 2018 with the Washington Secretary of State, thereby curing the nonprofit corporation's delinquent status. The Board and Mr. Kalles also discussed various ways that his company can improve its service to the Association.

Operations. The Board reviewed the conclusions and recommendations set forth in Parametrix's final report. After discussion, Mr. Sadoian was authorized to solicit bids from 2 or more reliable contractors to carry out the recommendations regarding upgrading the chemical injection system and repairing any corrosion of system manhole lids

Other Matters.

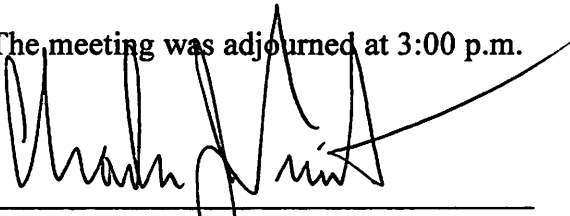
The Board reviewed its relationships with Susan Anderson and Eva Hill, both of whom have provided incidental assistance to the Association from time to time while they were serving Canterwood Development Corporation ("CDC"). That latter entity is, the Board has been informed, being liquidated. The Board discussed options for continuing to engage certain

professional services from these women, being mindful to maintain at all times their independent contractor status with the Association.

The Board spoke by telephone with Eva Hill, who notified the Board that CDC, as part of its liquidation, would like to transfer to the Association various residual rights and obligations it may still have in property affecting the STEP system. The Board and Ms. Hill discussed options for the Board to accommodate CDC in this matter.

Eva Hill also provided the Board with recommendations for revising the procedures whereby new homes can be connected to the STEP system. The Board took the matter under advisement

The meeting was adjourned at 3:00 p.m.



A handwritten signature in black ink, appearing to read 'Charles J. Pruitt', is written over a horizontal line. The signature is stylized and includes a long, sweeping flourish that extends to the right.

Charles J. Pruitt, Secretary