

**BYLAWS  
OF THE  
GREEN MOUNTAIN PHASE 1 HOMEOWNERS ASSOCIATION**

**ARTICLE 1  
DEFINITIONS**

1.1 "Association" means and refers to the Green Mountain Phase 1 Homeowners Association, a Washington nonprofit corporation.

1.2 "Governing Documents" means the Articles of Incorporation, these Bylaws, the Declaration of Covenants, Conditions, Restrictions, and Easements for the Green Mountain Phase 1 subdivision referred to in Article 3 ("Declaration"), Rules and Regulations of the Association, those documents defined in RCW 64.38.010(10), and other written instruments by which the Association has authority to exercise any of the powers provided for by law or to manage, maintain, or affect the property under the jurisdiction and control of the Association, as may be amended or restated.

1.3 All other terms not otherwise defined in these Bylaws have the meaning assigned to them in the Declaration referred to in Article 3, or the Washington Nonprofit Association, Chapter 24.03 RCW, and to the extent applicable, the Washington Homeowners Association Act, Chapter 64.38 RCW (Acts). Member and Owner are interchangeable terms.

**ARTICLE 2  
OFFICES**

2.1 Principal Office. The principal office of the Association will be that of the current President serving the Association.

2.2 Registered Office/Agent. The registered office and the registered agent located at that office is identified in the Articles of Incorporation of the Association, or any amendment filed with the Washington Secretary of State.

2.3 Other Offices. The Association may also, where necessary or convenient to the accomplishment of its purposes, maintain offices or facilities elsewhere within the State of Washington at locations selected by the Board of Directors.

**ARTICLE 3  
ASSOCIATION JURISDICTION**

The jurisdiction of the Association includes all of the Property described in the Declaration recorded on May 31, 2017, with the Clark County Auditor under their File No. 5408166, as amended or otherwise supplemented.

## **ARTICLE 4 PURPOSES**

The purposes for which the Association is formed are those described in its Articles of Incorporation as may be amended and to do all other things incidental, necessary, convenient, or expedient for the attainment of the purposes identified in the Articles and for the accomplishment of the duties and responsibilities imposed upon the Association by the Acts and these Bylaws.

## **ARTICLE 5 MEMBERSHIP**

5.1 **Members.** The members of the Association and their qualifications are described in the Association's Declaration and Articles of Incorporation.

5.2 **Membership Meetings.**

5.2.1 **Annual Meeting.** An annual meeting of the members of the Association must be held at a date, time, and place designated in the notice for the meeting. After the Turnover Date defined in Sections 1.9 and 6.7 of the Declaration, and at each subsequent annual meeting, a Board of Directors will be elected in accordance with Section 6.7 of these Bylaws unless elected by mail or e-mail pursuant to Section 5.8. The members may also transact other business as may properly come before the meeting as specified under the Acts, in the Governing Documents, or upon referral by the Board of Directors. In the event that an annual meeting is omitted by oversight or otherwise, a special meeting may be called in lieu of the annual meeting, and any business transacted at that meeting will have the same force and effect as if transacted or held at the annual meeting.

5.2.2 **Regular Meetings.** The Board of Directors by resolution may set a schedule for regular meetings, including the annual meeting, of the members for the ensuing year. Notice of regular meetings will be given as described in Section 5.3.

5.2.3 **Special Meeting.** Special meetings of the members may be called by the President, a majority of the Board of Directors, or by Lot Owners having 33% of the Total Voting Power of the Association. The Total Voting Power as used in these Bylaws after the Turnover Date is the sum of all votes in the Association based on one vote per Lot. Notice of special meetings is to be provided in accordance with the requirements in Section 5.3.

5.2.4 **Place of Meetings.** Meetings of the membership may be held at any suitable place convenient to the members as may be designated by the Board of Directors and identified in the notices of the meetings. The meetings of the members may be held by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

5.3 Notice of Member Meetings. For any meeting of the members, the President or other officer of the Association specified in these Bylaws must cause notice of the meeting to be provided according to the procedures in Section 12.1 of these Bylaws. The notice must be given not less than 14 days or more than 50 days in advance of any meeting. The notice must state the time and place of the meeting, the purpose for which the meeting is called, and the business to be placed on the agenda by the Board of Directors for a vote by the members, including the general nature of any proposed amendment to the Declaration, Articles of Incorporation, Bylaws, any budget or changes in the previously approved budget that result in a change in Assessments, or any proposal to remove a director.

5.4 Quorum. Except for voting by mail-in or electronic ballots under Section 5.5.2.1, or the election of directors pursuant to Section 6.7.3, the quorum necessary for conducting business at any meeting of the members of the Association is 20% of the Total Voting Power of the Association represented by the members in person or by proxy at the beginning of the meeting. Even if a quorum is present at a meeting, some actions require approval by more than a majority of the quorum as specified in the Declaration, Articles or these Bylaws, such as a percentage of the Total Voting Power of the Association. Unless otherwise provided in the Association's Declaration, Articles, or these Bylaws, action taken at a meeting in which a quorum was not initially present will be void and of no effect unless all members of the Association consent in writing to the action within 30 days after the date of the meeting.

5.5 Voting.

5.5.1 Total Voting Power. The Total Voting Power and voting rights are described in Section 6.5 of the Declaration. At each meeting of the members, each Lot may be represented by one member, either in person or by proxy executed in writing by the member (or if more than one member then by all of the members), by the member's duly authorized attorney-in-fact, or by mail-in or electronic ballot as described in Section 5.8 (the "voting member"). An attorney-in-fact, executor, administrator, guardian, conservator or trustee may vote, in person or by proxy, at any meeting of the Association, or by mail-in or electronic ballot, with respect to any Lot owned or held by such person in such capacity, whether or not the same shall have been transferred to such person's name, provided that such person has satisfied the Secretary of the Association that such person is the attorney-in-fact, executor, administrator, guardian, conservator or trustee of the Lot Owner.

5.5.2 Voting by Members-General. Except as provided in Section 5.5.2.1 and except for the election of directors pursuant to Section 6.7.3, when a quorum is present at the beginning of a meeting and at the time a vote is taken, the vote of a majority of the voting members represented in person or by written proxy at the meeting may decide any question brought before such meeting. This vote will be binding on all members, unless the question is one upon which, by express provision of the Acts or any Governing Document, a different vote is required, in which case the express provisions govern and control the decision of the question.

5.5.2.1 If a vote of the membership is taken by mail-in or electronic ballot, then the affirmative vote of a majority of the Total Voting Power entitled to be cast will decide a question presented in the ballot, or greater percentage if a greater percentage than a majority is required by the Acts, the Declaration, Articles, or Bylaws.

5.5.2.2 Lot Owners may vote at a meeting in person, by absentee ballot or by a proxy as further specified in these Bylaws.

5.5.2.3 When a vote is conducted without a meeting, Lot Owners may vote by ballot pursuant to subsection 5.5.6 of this section.

5.5.3 Methods of Voting. At a meeting of the Lot Owners the following requirements apply:

5.5.3.1 Lot Owners or their proxies who are present in person may vote by voice vote, show of hands, standing, written ballot, or any other method for determining the votes of Lot Owners, as designated by the person presiding at the meeting.

5.5.3.2 If only one of several Lot Owners is present, that Lot Owner is entitled to cast all the votes allocated to that Lot. If more than one of the Lot Owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Lot Owners, unless the Declaration expressly provides otherwise. There is a majority agreement if any one of the Lot Owners casts the votes allocated to the Lot without protest being made promptly to the person presiding over the meeting by any of the other Lot Owners of the lot.

5.5.4 Absentee Ballots. Whenever proposals or Board members are to be voted upon at a meeting, an Lot Owner may vote by duly executed absentee ballot if: (i) the name of each candidate and the text of each proposal to be voted upon are set forth in a writing accompanying or contained in the notice of meeting; and (ii) a ballot is provided by the Association for such purpose. When an owner votes by absentee ballot, the Association must be able to verify that the ballot is cast by the owner having the right to do so.

5.5.5 Proxy Voting. Except as provided otherwise in the Declaration or organizational documents, the following requirements apply with respect to proxy voting:

5.5.5.1 Votes allocated to a Lot may be cast pursuant to a directed or undirected proxy duly executed by a Lot Owner in the same manner as provided in RCW 24.06.110.9.

5.5.5.2 If a Lot is owned by more than one person, each Lot owner of the Lot may vote or register protest to the casting of votes by the other Lot Owners of the Lot through a duly executed proxy.

5.5.5.3 A Lot Owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the Secretary or the person presiding over a meeting of the Association or by delivery of a subsequent proxy. The death or disability of a Lot Owner does not revoke a proxy given by the Lot Owner unless the person presiding over the meeting has actual notice of the death or disability.

5.5.5.4 A proxy is void if it is not dated or purports to be revocable without notice.

5.5.5.5 Unless stated otherwise in the proxy, a proxy terminates eleven months after its date of issuance.

5.5.6 Voting by Ballot. Unless prohibited or limited by the Declaration or organizational documents, the Association may conduct a vote without a meeting. In that event, the following requirements apply:

5.5.6.1 The Association must notify the Lot Owners that the vote will be taken by ballot.

5.5.6.2 The notice must state:

(i) The time and date by which a ballot must be delivered to the Association to be counted, which may not be fewer than 14 days after the date of the notice, and which deadline may be extended in accordance with subsection 5.5.6.7;

(ii) The percent of votes necessary to meet the quorum requirements;

(iii) The percent of votes necessary to approve each matter other than election of Board members; and

(iv) The time, date, and manner by which Lot Owners wishing to deliver information to all Lot Owners regarding the subject of the vote may do so.

5.5.6.3 The Association must deliver a ballot to every Lot Owner with the notice.

5.5.6.4 The ballot must set forth each proposed action and provide an opportunity to vote for or against the action.

5.5.6.5 A ballot cast pursuant to this section may be revoked only by actual notice to the Association of revocation. The death or disability of a Lot Owner does not revoke a ballot unless the Association has actual notice of the death or disability prior to the date set forth in subsection 5.5.6.2(i).

5.5.6.6 Approval by ballot pursuant to this subsection is valid only if the number of votes cast by ballot equals or exceeds a majority of the Total Voting Power of the

Association or greater percentage if required by the Acts, Declaration or other Governing Documents.

5.5.6.7 If the Association does not receive a sufficient number of votes to approve the proposal by the date and time established for return of ballots, the Board may extend the deadline for a reasonable period not to exceed eleven months upon further notice to all members. In that event, all votes previously cast on the proposal must be counted unless subsequently revoked as provided in this section.

5.5.6.8 A ballot or revocation is not effective until received by the Association.

5.5.6.9 The Association must give notice to Lot Owners of any action taken pursuant to this subsection within a reasonable time after the action is taken.

5.5.6.10 When an action is taken pursuant to this subsection, a record of the action, including the ballots or a report of the persons appointed to tabulate such ballots, must be kept with the minutes of meetings of the Association.

5.5.7 Association Lots. In any vote of the Lot Owners, votes allocated to a lot owned by the Association must be cast in the same proportion as the votes cast on the matter by Lot Owners other than the Association.

5.6 Waiver of Notice. Any member may, in writing, waive notice of any meeting before, at, or after the meeting, and this waiver will be deemed equivalent to the giving of notice of the meeting. Attendance by a member at any membership meeting, whether in person or by proxy, will be a waiver of notice of the time and place of the meeting, except where a member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any objection must be made at the beginning of the meeting and the objection will be waived if the member votes on any action at the meeting.

5.7 Consent to Actions Without Meeting. Whenever the vote of the members is required, the meeting and vote of the members may be dispensed with if all members who would have been entitled to vote upon the action consent in writing to the action being taken, and, unless otherwise provided in the consent, the action will be effective when the last member signs the consent.

5.8 Mail-In and Electronic Ballots. Whenever the vote of the members is required, the vote may be taken by electronic mail or mail-in ballot in lieu of a meeting if full instructions for the electronic or mail-in ballot are described in the notice for a meeting established for the actions upon which the ballots will be cast, the instructions are not in contradiction to any provisions contained in the Acts or Governing Documents, and if all members receive either a mail-in or an electronic ballot. The members' consent to receive electronic ballots must be obtained pursuant to Section 6.28. In order to be counted, all electronic or mail-in ballots must

be sent to the Secretary of the Association and returned ballots must be received no later than the date and time identified in the balloting instructions.

5.9 Electronic Meetings. Meetings of the Association may be conducted by telephonic, video, or other conferencing process, if: (a) the meeting notice states the conferencing process to be used and provides information explaining how Lot Owners may participate in the conference directly or by meeting at a central location or conference connection; and (b) the process provides all Lot Owners the opportunity to hear or perceive the discussion and to comment.

## ARTICLE 6 DIRECTORS

6.1 Initial Board of Directors. The initial Board of Directors named in the Articles of Incorporation, or replaced and appointed by the Declarant, will serve until their successors are elected after the Turnover Date as defined in the Declaration.

6.2 Removal of Directors by Declarant. The Declarant may remove any member of the Board of Directors it has appointed with or without cause.

6.3 Number of Directors. Except for the Initial Board of Directors, a Board of Directors consisting of three directors will manage the affairs of the Association. The number of directors may be increased or decreased from time to time by a majority vote of the members of the Association but a decrease will not have the effect of shortening the term of any incumbent director.

6.4 Qualification. Except for the Initial Board of Directors or successors in office prior to the Turnover Meeting, all directors must be Lot Owners.

6.5 Restricted Authority of the Board. The Board of Directors has all of the powers of the Association set forth in the Acts and Article 4 of the Articles of Incorporation except that the Board of Directors does not have the authority to act on behalf of the Association in the following matters, which authority is reserved to the members:

- 6.5.1 To amend the Articles of Incorporation and Bylaws;
- 6.5.2 To take any action that requires the vote or approval of the Lot Owners;
- 6.5.3 To terminate the Association;
- 6.5.4 To elect members of the Board of Directors;
- 6.5.5 To determine the qualifications, powers, duties, and terms of office of the members of the Board of Directors except that the Board of Directors may fill vacancies in its membership of the unexpired portion of any term; and

6.5.6 Any other powers reserved to the members by the Governing Documents of the Association or by law.

6.6 Duties of Board of Directors. All Common Areas located within the jurisdiction of, and serving the -Association are to be managed by the Board of Directors. To that end, it is the duty of the Board of Directors to:

6.6.1 Cause to be kept a complete record of all its acts and corporate affairs and to present a statement of these acts to the members at the annual meeting of the members, or at any special meeting when a statement is requested in writing by 33% of the Total Voting Power;

6.6.2 Supervise all officers, agents, and employees of this Association and to see that their duties are properly performed;

6.6.3 Establish, levy, assess, and collect Assessments or other charges referred to in the Declaration and these Bylaws as applicable to the Association; and to send written notice of each Assessment to every Lot Owner or contract purchaser subject to Assessments;

6.6.4 Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate stating whether any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of a certificate. The certificate will be conclusive evidence of any Assessment stated in the certificate to have been paid;

6.6.5 Procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association, if any;

6.6.6 Cause all officers and employees having fiscal responsibilities to be bonded, as it may deem appropriate;

6.6.7 Cause any Common Areas and Improvements owned, managed or administered by the Association to be repaired and maintained;

6.6.8 Where reasonably prudent, delegate duties and responsibilities to an officer or committee upon the affirmative resolution of the Board of Directors; and

6.6.9 Carry out all other duties required or permitted by the Acts.

6.7 Election of Directors and Term.

6.7.1 Initial Directors. The initial Board of Directors named in the Articles of Incorporation, or their replacements appointed by the Declarant, will serve until the Turnover Meeting described in Section 6.7.1.1.

6.7.1.1 Declarant, or the managing agent, shall call a Turnover Meeting for the purpose of turning over administrative control of the Association from Declarant to the Members within a reasonable time after the earliest<sup>6</sup> of the following dates:

i. The date on which the last Lot in the Green Mountain Phase 1 subdivision has been sold and conveyed to a Lot Owner other than Declarant; and

ii. The date on which Declarant delivers to the managing agent written Termination of Declarant Rights.

Declarant, or the managing agent, shall give notice of the Turnover Meeting to each Lot Owner as provided in these Bylaws. If Declarant does not call such meeting as required under this Section, any Lot Owner may do so.

At the Turnover Meeting, Declarant shall relinquish control of the administration of the Association and the Lot Owners shall assume such control, and must elect the Board in accordance with Section 6.7.2 of these Bylaws. Additionally, Declarant shall deliver to the Association all business and financial records, together with all Association bank accounts, funds and other Association contracts unless already in possession of the managing agent. The Turnover Meeting may not be conducted by mail-in or electronic ballot.

6.7.2 Subsequent Directors. At the Turnover Meeting, the members must elect 3 directors by ballot. An officer or employee of a corporation, the trustee of a trust, or the personal representative of an estate may serve on the Board if the corporation, trust or estate owns a Lot.

In each succeeding year, elections must be held each year at the annual meeting of the members unless a vacancy occurs prior to the normal expiration of that director's term, in which instance the procedure described in Section 6.11 applies. Each member will serve for a one-year term. Each term will commence on the date the director is elected and continue until the following annual meeting at which their successors are elected. Each year, the Board of Directors will hold an Annual Board meeting after the election of new directors, if any, to appoint officers, set a regular meeting schedule, and conduct other business.

6.7.3 Annual Election Voting. Voting for the annual election of directors by the members may be accomplished at the annual meeting or by ballots delivered, mailed or e-mailed to the Secretary of the Association. Each member may cast the member's vote for each position that will become open on the Board of Directors. There will be no cumulative voting in the election of directors in that no member may cast more than the member's vote for any one nominee for each open position. Once the Board has given notice of the nominees for Board positions, and if the voting for directors is to be accomplished by mail or e-mail, the Secretary will mail or e-mail ballots to all members listing the nominees for election as directors. The ballots must have a return deadline of 30 days from the date of mailing. A quorum for the purpose of electing directors at a meeting or by ballot in lieu of a meeting consists of receipt of ballots representing a majority of the Total Voting Power. If insufficient ballots to achieve a

quorum are received by the deadline, the officers must solicit the return of additional ballots. At the deadline, meeting, or a later time as a quorum is achieved, the results will be determined and described in a certificate by the Secretary sent to the Lot Owners.

6.8 Removal of Directors. Any one or more of the directors elected by the membership may be removed, either with or without cause, at any time by a majority vote of the Total Voting Power of the Association represented in person or by proxy at a meeting of members called for that purpose at which a quorum is present. At this meeting, a successor may immediately be elected to fill the vacancy upon the vote of a majority of the Total Voting Power represented in person or by proxy at this meeting. The successor will serve for the unexpired term of the director. Any director whose removal has been so proposed will be given an opportunity to be heard at the meeting.

6.9 Absent Directors. If an elected director is absent from three or more consecutive regular meetings of the Board of Directors, the remaining directors may declare the position of such director vacant and fill the position under Section 6.11.

6.10 Resignation of Directors. Any director may resign at any time by delivering in person or by certified mail a written notice of the resignation to the Association's President or Secretary.

6.11 Vacancies. For elected Board members, vacancies (except for vacancies caused by the removal described in Section 6.8) must be filled by a majority vote of the remaining directors of the Board at a regular or special meeting of the Board. The person so chosen will hold office until their successor is elected and qualified according to these Bylaws.

6.12 Remuneration. No stated salary may be paid to directors, as such, for their services, but by resolution of the Board of Directors, directors may be reimbursed for expenses incurred in carrying out their duties on behalf of the Association.

6.13 Loans. The Association may not loan money or credit to its directors.

6.14 Disbursement. The Association may not make any disbursements of income to any director for the director's service on the Board of Directors.

6.15 Meetings of Board. Members must be notified of the date, time and place of all Board meetings in any reasonable manner as determined by the President, including electronically subject to the provisions in these Bylaws.

6.15.1 Annual Board Meeting. The first meeting of the Board of Directors following the annual election of directors by members will be known as the Annual Board Meeting. After notice is given by the Secretary of the results of the election of directors by the members, the President must call the Annual Board Meeting, and the Secretary will give notice to all directors of the date, time, and place thereof.

**6.15.2 Regular Meetings.** At the Annual Board Meeting, the Board may set a schedule of regular meetings of the Board. Notice of regular meetings will be given according to the provisions in Section 6.16.

**6.15.3 Special Meetings.** Special meetings of the Board of Directors may be called at any time by the President or upon written request by a majority of directors currently in office. Special meetings will be held at the principal office of the Association or at another place or places that the directors may designate in the notice.

**6.15.4 Open and Closed Meetings.**

**6.15.4.1** All meetings of the Board of Directors must be open for observation by all Lot Owners of record and their authorized agents, except that, upon a motion duly made and seconded and the affirmative vote of the directors present in open meeting to assemble in closed session, the Board of Directors may convene in closed executive session to consider the following matters:

- a. To discuss personnel matters;
- b. To consult with legal counsel or consider communications with legal counsel;
- c. To discuss likely or pending litigation;
- d. To discuss matters involving possible violations of the Governing Documents of the Association; and
- e. To discuss matters involving the possible liability of a Lot Owner to the Association.

**6.15.4.2** The motion must state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session must be included in the minutes. The Board of Directors must restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No motion or other action adopted, passed, or agreed to in closed session may become effective unless the Board of Directors, following the closed session, reconvenes in open meeting and votes in the open meeting on the motion or other action which is reasonably identified. The requirements of this subsection may not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

**6.16 Notice of Board Meetings.**

**6.16.1 Regular Board of Directors Meetings.** The schedule of regular Board meetings will be published in the minutes of the meeting at which the schedule was set and distributed to members. Further individual notice to directors or members is not necessary.

6.16.2 Special Board of Directors Meetings. Notice of all special meetings of the Board of Directors will be given to each director by 24 hours service of the notice by letter, telephone, facsimile, electronic mail, or personal delivery. The Board will take reasonable steps to notify members of the time and place of special Board meetings at which the Board will discuss Association business and expect to take action.

6.17 Quorum. A majority of the Board of Directors constitutes a quorum for the transaction of business. If a quorum is not present, a lesser number may adjourn the meeting to a day not more than 10 days later.

6.18 Chairperson. At all meetings of the Board of Directors, the President of the Association, or in the President's absence, a member of the Board chosen by the directors present, will preside as Chairperson.

6.19 Voting. A majority of directors present at a meeting at which a quorum is present must concur any time the Governing Documents, the Acts or a Board resolution calls for Board action. Each director possesses one vote in matters coming before the Board.

6.20 Deadlock. If the directors are unable to reach a decision or achieve a quorum, the directors must appoint a temporary director from the Association membership for a limited time and for the limited purpose of assisting to resolve the question before the Board. If the directors are unable to agree on a temporary director, each director must select a temporary director from the Association membership. The temporary directors must then select one other temporary director from the Association membership, and these temporary directors must assist for a limited time and for the limited purpose of assisting to resolve the question.

6.21 Registering Dissent. A director who is present at a meeting of the Board of Directors at which action on a matter is taken will be presumed to have assented to the action unless his dissent is entered in the minutes of the meeting, or unless he or she has filed his or her written dissent to the action with the person acting as the Secretary of the meeting, before the adjournment of the meeting. The right to dissent does not apply to a director who voted in favor of such action.

6.22 Minutes. The Board of Directors must keep minutes of all actions taken by the Board, which must be distributed to all members.

6.23 Approval of Public Positions – Loans. Any proposal (i) that the Association take a public position on an issue of importance to the members, or (ii) that the Association borrow money or become a maker on a promissory note or other evidence of indebtedness for borrowed money, may be approved only if it receives the affirmative vote of all of the directors then in office.

6.24 Waiver of Notice. Attendance of a director or a Board committee member at a meeting in person constitutes a waiver of notice of the meeting, except where a director or a committee member attends for the express purpose of objecting to the transaction of any

business because the meeting was not lawfully called or convened. A waiver of notice signed by the director or directors, whether before or after the time stated for the meeting, will be equivalent to the giving of notice.

6.25 Action by Directors Without a Meeting. Any action required by law or by these Bylaws to be taken at a meeting of the directors, or at a meeting of a Board committee, or any action which may be taken at a meeting, may be taken without a meeting if a consent in writing, describing the action taken, and must be signed by all of the directors or committee members entitled to vote with respect to the subject matter. The consent will have the same force and effect as a unanimous vote.

6.26 Actions of Directors by Other Communications Means. Directors may participate in a meeting of directors by means of a telephone or video conference or similar communications equipment by means of which all persons participating in the meeting can communicate each other at the same time and participation by these means will constitute presence in person at a meeting.

6.27 Standard of Care for Directors. The Board of Directors shall act in all instances on behalf of the Association. In the performance of their duties, the officers and members of the Board of Directors are required to exercise the degree of care and loyalty required of an officer or director of a corporation organized under chapter 24.03 RCW.

6.28 Notice by Electronic Transmission. Notice in an electronic transmission as allowed for any purpose in these Bylaws must be provided as follows:

6.28.1 "Electronic transmission" or "electronically transmitted" as used anywhere in these Bylaws mean any electronic communication not directly involving the physical transfer of a writing in a tangible medium, as that term is defined in chapter 64.38, but that may be retained, retrieved, and reviewed by the sender and the recipient of the communication, and that may be directly reproduced in a tangible medium by a sender and recipient.

6.28.2 Notice to the Association, the Board, or Lot Owners by electronic transmission is effective only upon those who have consented, in writing, to receive electronically transmitted notices and have designated the address, location, or system to which such notices may be electronically transmitted, provided that such notice otherwise complies with any other requirements of applicable law.

6.28.3 Notice under this subsection includes any materials that accompany the notice.

6.28.4 Lot Owners who have consented to receipt of electronically transmitted notices may revoke this consent by delivering a revocation to the Association in writing. The consent of any Lot Owner is revoked if the Association is unable to electronically transmit two consecutive notices and this inability becomes known to the Secretary of the Association or any

other person responsible for giving the notice. The inadvertent failure by the Association to treat this inability as a revocation does not invalidate any meeting or other action.

6.28.5 Notice to Lot Owners who have consented to receipt of electronically transmitted notices may be provided by posting the notice on an electronic network and delivering to the Lot Owner separate notice of the posting, together with comprehensible instructions regarding how to obtain access to the posting on the electronic network.

6.28.6 Notice is effective as follows:

6.28.6.1 Notice provided in a tangible medium is effective as of the date of hand delivery, deposit with the carrier, or when sent by fax.

6.28.6.2 Notice provided in an electronic transmission is effective as of the date it (i) is electronically transmitted to an address, location, or system designated by the recipient for that purpose; or (ii) has been posted on an electronic network and separate notice of the posting has been sent to the recipient containing instructions regarding how to obtain access to the posting on the electronic network.

6.28.6.3 The ineffectiveness of a good faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.

6.29 Managing Agent. The Board may employ a managing agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 6.6 of these Bylaws. Any such management contract must be cancelable without penalty upon 30 days' written notice. Any management contract entered into by the Declarant before the Turnover Meeting may be canceled by the Board of Directors elected at the Turnover Meeting upon 30 days' written notice given not later than 60 days after the Turnover Meeting.

## ARTICLE 7 COMMITTEES

7.1 Designation and Qualification. The Board of Directors, by resolution adopted by a majority of the directors, may designate and appoint one or more Board committees, each of which will consist of at least two directors, any number of members of the Association and nonmembers. The designation and appointment of any committee and the delegation of authority may not operate to relieve the Board of Directors or any individual director of any responsibility imposed upon it or the Board or director by law. By resolution adopted by a majority of the directors in office, the Board may remove from any committee a member of a committee and may fill any vacancy on any committee, whether the vacancy is caused by resignation, removal, or otherwise.

7.2 Authority of Committees. Board Committees, to the extent provided in the Board resolution, may exercise the authority of the Board of Directors in the management of

the Association except, no such committee has the authority of the Board of Directors in reference to:

- 7.2.1 Amend, alter, or repeal the Bylaws;
- 7.2.2 Elect, appoint, or remove any committee member or any director or officer of the Association;
- 7.2.3 Amend the Articles of Incorporation;
- 7.2.4 Adopt a plan of merger or adopt a plan of consolidation with another corporation;
- 7.2.5 Authorize the sale, lease, or exchange of all or substantially all of the property and assets of the Association not in the ordinary course of business;
- 7.2.6 Authorize the voluntary dissolution of the Association or revoke proceedings for a dissolution;
- 7.2.7 Adopt a plan for distribution of the assets of the Association;
- 7.2.8 Amend, alter, or repeal any resolution of the Board of Directors; or
- 7.2.9 Take any action required by law to be taken or reserved by the Board of Directors.

7.3 Committee Chairperson. The Chairperson of each committee is responsible for adhering to the guidelines set by the Board.

## **ARTICLE 8** **OFFICERS**

8.1 Designations. The officers of the Association are a President, Secretary, and Treasurer, all of whom must be appointed by the Board of Directors at the Annual Board Meeting, to hold office until the next Annual Board Meeting, subject to provisions relating to vacancy and removal. The officers must be members of the Association, but need not be a director. The officers have the powers described in these Bylaws but will at all times be subject to the authority and direction of the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary unless the Initial Board of Directors consists of one person.

8.2 Initial Officers. The initial officers will be appointed by the initial Board of Directors at its organizational meeting after incorporation of the Association, and will hold office until their successors are appointed and qualified by the first elected Board of Directors at the first Annual Board meeting.

### 8.3 Officer Designations.

8.3.1 President. The President is the chief executive officer of the Association. The President will preside at all meetings of the members and the Board of Directors. The President will have all the general powers and duties that are usually incident to the office of the chief executive officer of an Association, including, but not limited to, the power to appoint committees from any Association members as the President may decide are appropriate to assist in the conduct of the affairs of the Association.

8.3.2 Secretary. The Secretary has the following duties:

8.3.2.1 Issue notices for all meetings, if required, except the notices of special meetings of the directors which are called by the President or the requisite number of directors;

8.3.2.2 Keep minutes of all meetings, including but not limited to those persons in attendance at the meetings, motions made and votes, and other business conducted and decided at meetings;

8.3.2.3 Make reports and perform other duties as are incident to his or her office, or are properly required of him or her by the Board of Directors; and

8.3.2.4 Provide copies of meetings minutes for all officers and voting members at all meetings.

8.3.3 Treasurer. The Treasurer has the following duties:

8.3.3.1 Keep custody of all funds of the Association;

8.3.3.2 Maintain an accurate and timely accounting of all funds received and disbursed by the Association;

8.3.3.3 Deposit all funds into the accounts established pursuant to the direction of the Board and be responsible for the proper maintenance of the accounts;

8.3.3.4 Disburse the funds of the Association in payment of just demands against the Association or as may be ordered by the Board of Directors, taking proper vouchers for disbursements;

8.3.3.5 Report at all meetings on the financial status of the Association, including funds on hand, outstanding obligations, if any, and all disbursements made since the last report;

8.3.3.6 Be one of the two required signers on all checks and drafts against the Association funds;

8.3.3.7 Comply with any and all state and federal guidelines that pertain to the Association as a nonprofit corporation; and

8.3.3.8 Fulfill all functions delegated to the Treasurer by the President of the Board.

8.4 Other Officers. The Board of Directors may appoint other officers or agents as it deems necessary or expedient, who will hold their offices for the terms and exercise the powers and perform such duties as determined by the Board of Directors.

8.5 Delegation. In the case of absence or inability to act of any officer of the Association and of any person authorized to act in his or her place, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer or any director or other person whom it may select.

8.6 Resignation of Officers. Any officer may resign at any time by giving written notice to the Secretary of the Association, who, in turn, must notify the Board of Directors of such resignation. Unless otherwise specified, written notice of such resignation will take effect upon receipt of the notice by the Association's Secretary.

8.7 Removal. Any officer may be removed, with or without cause, by an affirmative vote of a majority of the Board of Directors whenever in their judgment the best interest of the Association will be served.

8.8 Vacancies. The Board of Directors may fill vacancies in any office arising from any cause at any regular or special meeting of the Board for the unexpired term of the vacated office.

8.9 Loans to Officers. The Association may not loan money or credit to any officer.

8.10 Disbursement. The Association may not make any disbursement of income to any officer, except for reimbursement of expenses incurred in carrying out their duties on behalf of the Association upon approval by the Board of Directors.

8.11 Bonds. The Board of Directors may, by resolution, require any of the officers to give bonds to the Association, with sufficient surety or sureties, conditioned for the faithful performance of the duties of their respective offices, and to comply with other conditions as may be required by the Board of Directors.

## ARTICLE 9

### FISCAL POLICY

9.1 Record-Keeping.

9.1.1 The Association or its managing agent must keep financial and other records sufficiently detailed to enable the Association to fully declare to each Lot Owner the true statement of its financial status. All financial and other records of the Association, including but not limited to checks, bank records, and invoices, in whatever form they are kept, are the property of the Association. Each managing agent of the Association must turn over all original books and records to the Association immediate upon termination of the management relationship with the Association or upon such other demand as is made by the Board of Directors. An Association managing agent is entitled to keep copies of Association records. All records, which the managing agent has turned over to the Association, will be made reasonably available to the examination and copying by the managing agent at its cost.

9.1.2 The Association must keep, at a minimum, at its registered office, its principal office in this state, or its Secretary's office if in this state, the following:

9.1.2.1 Current Governing Documents;

9.1.2.2 Correct and adequate records of accounts and finances;

9.1.2.3 A tangible medium of all Lot Owners and their mailing addresses;

9.1.2.4 A tangible medium of officers' and directors' names and addresses; and

9.1.2.5 Minutes of the proceedings of the members, Board of Directors, and any minutes that may be maintained by committees of the Board. Records may be written, or electronic if capable of being converted to writing.

9.2 Examination of Records. All records of the Association, including the names and addresses of Lot Owners and other occupants of the Lots, must be available for examination by all Lot Owners, mortgagees, and their respective authorized agents on reasonable advance notice during normal working hours at the offices of the Association or its managing agent. The Association may not release the unlisted telephone number of any member without prior written approval by the member. The Association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the Association in providing access to records.

9.3 Financial Statement. All financial and other records of the Association, including checks, bank records, and invoices, are the property of the Association, but must be made reasonably available for examination and copying by the manager of the Association, any Lot Owner, or the Lot Owner's authorized agents upon request. At least once annually, the Association must prepare, or cause to be prepared, a financial statement of the Association in accordance with generally accepted accounting principles. If the Association has annual assessments of fifty thousand dollars or more, the financial statements shall be audited at least annually by an independent certified public accountant, but the audit may be waived if sixty-

seven percent of the Total Voting Power, in person or by proxy, at a meeting of the Association at which a quorum is present, vote each year to waive the audit.

9.4 Deposit of Funds. The funds of the Association must be kept in accounts in the name of the Association and cannot be commingled with the funds of any other Association, or with the funds of any manager of the Association or any other person responsible for the custody of the funds. The funds of the Association must be deposited in the name of the Association in a bank or trust company, as the Board of Directors designates.

9.5 Withdrawal of Funds. The Treasurer and any one of the other officers of the Association must sign all checks and drafts against the Association. Signers may not be related to each other. All committee expenditures over \$500 must be approved by a simple majority of the directors present at a Board Meeting. All financial commitments made by the Board dealing with the current year must be honored by the new Board and reflected in the new budget statement for the ensuing year.

9.6 Additional Insurance Provisions. The following provisions apply:

9.6.1 All insurance policies obtained shall be written by a company licensed to do business in Washington and holding a "Commissioner's Rating" of "B+" and a size rating of "IX," or better, by Best's Insurance Reports, or as may be otherwise acceptable to all mortgagees and directors.

9.6.2 The Board shall make every reasonable effort to secure insurance policies that will provide for the following:

9.6.2.1 Waiver of Subrogation. A waiver of subrogation by the insurer as to any claims against the Board, the officers, the managing agent, the Lot Owners and their respective servants, agents, guests and tenants.

9.6.2.2 Noncancellation for Lot Owner Conduct. A provision that the insurance policies cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual Lot Owners.

9.6.2.3 Noncancellation Without Opportunity to Cure. A provision that the insurance policies cannot be canceled, invalidated or suspended on account of the conduct of any officer, Board member or employee of the Board or the managing agent without prior demand in writing that the Board or manager cure the defect.

9.6.2.4 A provision that any "no other insurance" clause in the policies exclude individual Lot Owners' policies and not otherwise prevent such individual policies from providing coverage for damage to structures, Lots, or Common Areas.

9.6.3 The Association shall have no responsibility to procure or to assist Lot Owners or occupants in procuring property loss insurance or liability insurance other than as

expressly stated in the Declaration or the Bylaws. Lot Owners and occupants shall procure all other insurance coverage that they deem necessary or prudent for their protection, and shall be obligated to carry property insurance with extended coverage endorsements in the amount of the replacement value of such Lot Owners' property, and carry liability insurance with minimum combined limits of \$100,000 per occurrence. Insurance coverage obtained and maintained by the Association may be brought into contribution with that obtained and maintained by Lot Owners or mortgagees only in the Board of Directors' sole and unfettered discretion.

9.6.4 At least annually, the Board shall review all insurance carried by the Association, which review shall include a consultation with a representative of the insurance carrier writing the Association's policies.

9.6.5 The Board of Directors may negotiate the amount of the deductible in all Association insurance policies at such limits as are reasonable and customary under the circumstances and the deductible amount may be set at different levels for different insured risks. Any deductible under the Association's policies will be a Common Expense of the Association.

## **ARTICLE 10** **BUDGET AND RESERVE STUDY**

10.1 Authority. The Board of Directors has the power to adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect Assessments for common expenses from Lot Owners.

10.2 Reserve Study. The Association is not required to follow the reserve study requirements under RCW 64.38.025 and RCW 64.38.065 through 64.38.085 if these statutes do not apply to the Association because the cost of the reserve study exceeds five percent of the Association's annual budget, or the Association does not have significant assets. "Significant assets" means that the current replacement value of major reserve components is seventy-five percent or more of the gross budget of the Association, excluding the Association's reserve account funds. If a reserve study is required, the Board will ensure that a reserve study is prepared and annually updated unless doing so would impose an unreasonable hardship; provided however at least every three years, an updated reserve study must be prepared and based upon a visual site inspection conducted by a reserve study professional, if required by law. Any reserve study must include the components listed in RCW 64.38.070. Monetary damages or any other liability may not be awarded against or imposed upon the Association, the officers or Board of Directors of the Association, or those persons who may have provided advice or assistance to the Association or its officers or directors, for failure to: establish a reserve account; have a current reserve study prepared or updated in accordance with the requirements of Chapter 64.38 RCW; or make the reserve disclosures in accordance with the law.

**10.3 Reserve Account.** If reserves are collected from the Lot Owners as part of the assessments, the Board must establish a reserve account with a financial institution to fund major maintenance, repair, and replacement of Common Areas and Improvements that will require major maintenance, repair, or replacement within thirty years. If the Association establishes a reserve account, the account must be in the name of the Association. The Board is responsible for administering the reserve account. An Association may withdraw funds from its reserve account to pay for unforeseen or unbudgeted costs that are unrelated to maintenance, repair, or replacement of the reserve components. The Board shall record any such withdrawal in the minute books of the Association, cause notice of any such withdrawal to be hand delivered or sent prepaid by first-class United States mail to the mailing address of each Lot Owner or to any other mailing address designated in writing by the Lot Owner, and adopt a repayment schedule not to exceed twenty-four months unless it determines that repayment within twenty-four months would impose an unreasonable burden on the Lot Owners. Payment for major maintenance, repair, or replacement of the reserve components out of cycle with the reserve study projections or not included in the reserve study may be made from the reserve account without meeting the notification or repayment requirements under this section.

**10.4 Board Action on Budget.** Within 30 days after adoption of any proposed budget for the Association, the Board shall provide a summary of the budget to all the Lot Owners and shall set a date for a meeting of the Lot Owners to consider ratification of the budget not less than 14 nor more than 50 days after mailing of the summary. Unless at that meeting the Lot Owners to which a majority of the votes in the Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Board.

As part of the summary of the budget provided to all Lot Owners, if the Association is collecting reserves, the Board of Directors shall disclose to the Lot Owners:

- (a) The current amount of regular assessments budgeted for contribution to the reserve account, the recommended contribution rate from the reserve study, and the funding plan upon which the recommended contribution rate is based;
- (b) If additional regular or special assessments are scheduled to be imposed, the date the assessments are due, the amount of the assessments per each Lot Owner per month or year, and the purpose of the assessments;
- (c) Based upon the most recent reserve study and other information, whether currently projected reserve account balances will be sufficient at the end of each year to meet the Association's obligation for major maintenance, repair, or replacement of reserve components during the next thirty years;
- (d) If reserve account balances are not projected to be sufficient, what additional

assessments may be necessary to ensure that sufficient reserve account funds will be available each year during the next thirty years, the approximate dates assessments may be due, and the amount of the assessments per Lot Owner per month or year;

(e) The estimated amount recommended in the reserve account at the end of the current fiscal year based on the most recent reserve study, the projected reserve account cash balance at the end of the current fiscal year, and the percent funded at the date of the latest reserve study;

(f) The estimated amount recommended in the reserve account based upon the most recent reserve study at the end of each of the next five budget years, the projected reserve account cash balance in each of those years, and the projected percent funded for each of those years; and

(g) If the funding plan approved by the Association is implemented, the projected reserve account cash balance in each of the next five budget years and the percent funded for each of those years.

## **ARTICLE 11 AMENDMENTS TO GOVERNING DOCUMENTS**

11.1 Articles and Bylaws. The Articles of Incorporation and Bylaws of this Association may be amended in the manner described in the Articles of Incorporation. Proposed amendments to the Articles of Incorporation or the Bylaws of this Association must be published to the voting membership at least one regular meeting prior to voting on any proposed amendment or provided with the notice of any special meeting called for their consideration.

11.2 Declaration. The Declaration may be amended in the manner described in the Declaration.

## **ARTICLE 12 MISCELLANEOUS**

12.1 Notices. Any notice required by the Acts, Declaration, Articles of Bylaws shall be in writing and shall be provided to the recipient by personal delivery, public or private mail or delivery service, or by electronic transmission as provided in these Bylaws. Notice in a tangible medium shall be provided as follows:

12.1.1 Notice to the Association or Board shall be addressed to the Association's registered agent at its registered office, or to the Association at its principal office shown in its most recent annual report.

12.1.2 Notice to a Lot Owner or occupant shall be addressed to the Lot address unless the Lot Owner has requested, in a writing delivered to the Association, that notices be sent to an alternate address.

12.2 Copies of Resolution. Any person dealing with the Association may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors or its members when certified as a true copy by the President or Secretary of the Association.

12.3 Corporate Seal. The corporate seal of the Association, if any, may be in such form as the Board of Directors may approve.

12.4 Fiscal Year. The fiscal year of the Association will be the calendar year from January 1 through December 31.

12.5 Rules of Order. The Board of Directors may adopt rules of procedure to govern any meetings of members or directors, to the extent the rules are not inconsistent with law or the Governing Documents. In the absence of any adopted rules of procedure, the rules contained in the most recent edition of Robert's Rules of Order will govern all meetings of the members and Board of Directors where those rules are not inconsistent with any of the Governing Documents.

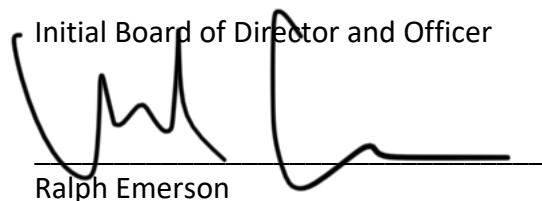
12.6 Conflict.

12.6.1 Statute Controls. In case of any conflict between the Acts and the Articles of Incorporation, the Declaration and/or Bylaws of this Association, the Acts will control.

12.6.2 Articles Control. If there is any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation will control.

12.6.3 Declaration Control. If there is any conflict between the Declaration and the Articles of Incorporation or these Bylaws, the Declaration will control.

Adopted by resolution of the Association's Board of Directors and officers as of the 10th day of August, 2021.

Initial Board of Director and Officer  
  
Ralph Emerson