

EXHIBIT D  
TO  
PUBLIC OFFERING STATEMENT

ASSOCIATION BYLAWS

*Bylaws of the Homeowner's Association  
continued on next page.*

AFTER RECORDING RETURN TO:

Pacific Lifestyle Homes, Inc.  
Attn: Samantha Zimmer  
11815 N.E. 99<sup>th</sup> Street, Suite 1200  
Vancouver, Washington 98682

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PACIFIC LIFESTYLE HOMES INC  
Recorded in Clark County, WA

**BYLAWS**  
*of*  
**THE AMBERGLEN HOMEOWNERS ASSOCIATION**

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Grantor/Declarant: Pacific Lifestyle Homes, Inc.

Grantee: Pacific Lifestyle Homes, Inc., Public

Full Legal: Amberglen Subdivision, Book 312, Page 20 of Plat Records,  
Document Number 5583649, Recorded February 11th, 2019, in the  
County of Clark, State of Washington

Property Tax Nos.: 986049912, *See Exhibit B for Complete List*

Reference Nos.:

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**BYLAWS**  
*of*  
**THE AMBERGLEN HOMEOWNERS ASSOCIATION**

**ARTICLE 1**  
**DEFINITIONS**

**1.1 Association.** "Association" means Amberglenn Homeowner Association, a nonprofit corporation organized and existing under the laws of the state of Washington.

**1.2 Articles of Incorporation.** "Articles of Incorporation" means the Articles of Incorporation of the Association.

**1.3 Declaration.** The term "Declaration" means the Declaration of Covenants, Conditions, and Restrictions for Amberglenn recorded on March 15<sup>th</sup>, 2019 under Clark County Auditor's File No. 5591992 to which these Bylaws apply, and any subsequent adopted amendments thereto.

**1.4 Governing Documents.** "Governing Documents" means the Articles of Incorporation, these Bylaws, the Declaration of Covenants, Conditions, and Restrictions for Amberglenn, Rules and Regulations of the Association, those documents defined in RCW 64.90.010(27), 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.

**1.5 Incorporation by Reference.** All other terms not otherwise defined in these Bylaws have the meaning assigned to them in the Declaration referred to in Section 1.3 Article 3, or the Washington Nonprofit Act, chapter 24.03 RCW, and the Washington Uniform Common Interest Ownership Act, chapter 64.90 RCW (collectively, the "Acts"), including terms where the first letter of the word is not capitalized but the term is defined in the Declaration or the Acts. If there is an inconsistency between a provision of these Bylaws and a provisions of the Acts, the Acts control.

**ARTICLE 2**  
**MEMBERSHIP**

**2.1 Membership.** Every Owner of one or more Lots within the Property shall, immediately upon creation of the Association, and thereafter during the entire period of such ownership, be a Member of the Association. Membership in the Association shall commence, exist, and continue simply by virtue of such ownership, and shall expire automatically upon termination of such ownership. Membership in the Association shall not be required to be confirmed or evidenced by any certificate or acceptance of membership. The terms Member and Owner shall be used interchangeably in these Bylaws.

**2.2 Membership List.** The Secretary shall maintain a membership list at the principal office of the Association showing the name and address of the Owner of each Lot. The Secretary may accept as satisfactory proof of such ownership a duly executed and acknowledged conveyance, a title insurance policy, or other evidence reasonably acceptable to the Board of Directors.

### **ARTICLE 3 MEETINGS AND VOTING**

**3.1 Place of Meetings.** Meetings of the Members of the Association shall be held at such reasonable place convenient to the Members as may be designated in the notice of the meeting.

**3.2 Transition Meeting.** The Declarant shall call the first meeting of the Owners to organize the Association within 90 days after Declarant's Control expires as set forth in the Declaration. Notice of such meeting shall be given to all Owners as provided in Section 3.5. If the Declarant fails to call the meeting, the meeting may be called and notice given by any Owner or mortgagee of a Lot. The expense of giving notice shall be paid or reimbursed by the Association. No quorum is required for the Transition Meeting. Nothing in this section shall be construed as preventing Declarant from calling the Transition Meeting before such date or from calling informal, informational meetings of the Owners. At the Transition Meeting, Declarant shall turn over to the Association, and the Association shall accept all responsibility for administration of the Association. At or after the Transition Meeting, the Declarant shall provide all documentation and records related to the administration of the business as provided in the Declaration or by law.

**3.3 Annual Meeting.** The annual meeting of the Members for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such reasonable hour and on such reasonable day as may be established by the Board of Directors or, if the Board should fail to designate a date by the first day of November, then the meeting shall occur at 7:30 p.m. on the second Monday in December. An annual meeting shall be held within each calendar year, commencing with the year in which the Association is incorporated. The Transition Meeting may count as the annual meeting for the year in which it is held.

**3.4 Special Meeting.** A special meeting of the Association may be called at any time by the President, by a majority of the Board of Directors or by members having at least 10 percent of the votes in the Association. If the Association does not provide notice to Members of a special meeting within 30 days after the requisite number or percentage of Members request the secretary to do so, the requesting Members may directly provide notice to all the Members of the meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice of meeting.

### **3.5 Notice of Meeting.**

3.5.1 Written or printed notice stating the place, day, and hour of the meeting, the items on the agenda, including the general nature of any proposed amendment to the Declaration, these Bylaws or other organizational documents any budget changes, any proposal to remove a director or officer and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 14 or more than 50 days before the date of the meeting. Such notice shall be given either personally or by mail, by or at the direction of the President, the Secretary, or the persons calling the meeting, to each member entitled to vote at such meeting and to all mortgagees who have requested such notice. Notices to Declarant shall be mailed. If mailed, such notices shall be deemed to be delivered when deposited in the United States mail, with postage fully prepaid thereon, addressed to the Member at the Member's most recent address as it appears on the records of the Association or to the mailing address of the Member's Lot.

3.5.2 When a meeting is adjourned for 30 days or more, or when a redetermination of the persons entitled to receive notice of the adjourned meeting required by law, notice of the adjourned meeting shall be given as for an original meeting. In all other cases, no notice of the adjournment or of the business to be transacted at the adjourned meeting need be given other than by announcement at the meeting at which such adjournment is taken.

**3.6 Quorum.** At any meeting of the Association, except the Transition Meeting or budget meeting, members having at least 20 percent of the voting rights entitled to be cast at such meeting, present in person by proxy, or represented by absentee ballot, shall constitute a quorum, except when a larger quorum is required by the Declaration. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a member or members. If any meeting of members cannot be organized because of a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time not less than 48 hours or more than 30 days from the time the original meeting was held until a quorum is present. The quorum for the adjourned meeting shall be reduced to 10 percent of the voting rights entitled to be cast at the meeting, present in person or by proxy.

**3.7 Voting Rights and Voting.** Voting rights within the Association shall be allocated as provided in the Declaration. At a meeting of Owners the following requirements apply:

3.7.1 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 Owners, as designated by the person presiding at the meeting.

3.7.2 If only one of several Owners of a Lot is present, that Owner is entitled to cast all the votes allocated to that Lot. If more than one of the 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. There is a majority agreement if any one of the



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.

3.7.3 Unless a greater number or fraction of the votes in the Association is required under the Acts, or the Declaration or organizational documents, a majority of the votes cast determines the outcome of any action of the Association.

(a) Whenever proposals or Board members are to be voted upon at a meeting, an 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.

(b) 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.

(c) The following requirements apply with respect to proxy voting:

(i) Votes allocated to a Lot may be cast pursuant to a directed or undirected proxy duly executed by an Owner in the same manner as provided in RCW 24.06.110.

(ii) 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 Owners of the Lot through a duly executed proxy.

(iii) An 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 an Owner does not revoke a proxy given by the Owner unless the person presiding over the meeting has actual notice of the death or disability.

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

(v) Unless stated otherwise in the proxy, a proxy terminates 11 months after its date of issuance.

(d) An Association may conduct a vote without a meeting. In that event, the following requirements apply:

(i) The Association must notify the Owners that the vote will be taken by ballot.

(ii) The notice must state:

(1) 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(d)(vii);

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

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

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

(iii) The Association must deliver a ballot to every Owner with the notice.

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

(v) A ballot cast pursuant to this section may be revoked only by actual notice to the Association of revocation. The death or disability of an 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 (d)(ii).

(vi) Approval by ballot pursuant to this subsection is valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action.

(vii) If the Association does not receive a sufficient number of votes to constitute a quorum or 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 11 months upon further notice to all Owners. In that event, all votes previously cast on the proposal must be counted unless subsequently revoked as provided in this section.

(viii) A ballot or revocation is not effective until received by the Association.

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

(x) 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.

**3.8 Voting Rights.** In any vote of the Owners, votes allocated to a Lot owned by the Association must be cast in the same manner as the votes cast on the matter by Owners other than the Association.

**3.9 Fiduciaries and Joint Owners.** An executor, administrator, guardian, or trustee may vote with respect to any Lot owned or held in such capacity, whether or not the same shall have been transferred to such person's name; provided that such person shall satisfy the Secretary that such person is the executor, administrator, guardian, or trustee holding such Lot in such capacity.

**3.10 Contract Vendors.** Unless otherwise stated in the contract, all voting rights allocated to a Lot shall be exercised by the vendee of any recorded land sale contract on the Lot.

**3.11 Majority Vote.** The vote of a majority of the voting rights entitled to be cast by the members present or represented by proxy, at a meeting at which a quorum is present, or represented by absentee ballot, shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by law, by the Declaration, by the Articles of Incorporation, or by these Bylaws.

**3.12 Rules of Order.** All meetings of the Association shall be conducted according to the latest edition of Robert's Rules of Order, published by Robert's Rules Association, and all Members must be given a reasonable opportunity at any meeting to comment regarding any matter affecting the community or Association

## **ARTICLE 4 BOARD OF DIRECTORS**

**4.1 Number and Qualification.** The affairs of the Association shall be governed by a Board of Directors of three persons. All directors, other than interim directors appointed by Declarant, shall be Owners or co-Owners of Lots. For purposes of this section, the officers of any corporate Owner, the members of any limited liability company, the trustee of a trust, and the partners of any partnership shall be considered co-Owners of any Lots owned by such corporation, limited liability company, trust or partnership, and such individual may be a director as long as the individual remains affiliated with the entity it represents.

**4.2 Interim Directors.** Upon the recording of the Declaration, Declarant shall appoint an interim Board of one to three directors, who shall serve until replaced by Declarant or until their successors have been elected by the Owners as provided in Section 4.3. Not later than 60 days after conveyance of 25 percent of the Lots that may be created to Lot Owners other than the Declarant, at least one member and not less than 25 percent of the members of the Board must be elected by the Owners other than the Declarant. Not later than 60 days after conveyance of 50 percent of the Lots that may be created to Owners other than the Declarant, not less than 33.33 percent of the members of the Board must be elected by Owners other than the Declarant. Until such members are elected and take office, the existing Board may continue to act on behalf of the Association. All directors in this Section 4.2 shall be considered interim directors until the new Board is elected at the Transition Meeting pursuant to Section 4.3.1.

**4.3 Election and Tenure of Office.**

4.3.1 At the Transition Meeting, the interim directors shall resign and the members shall elect three directors, two directors to serve for two years and one for a term of one year, all of whom, and their successors, must be Owners. Thereafter, the successors to each director shall serve for two years. The nominees' terms shall be in order based on the number of votes received, with the largest number of votes serving the longest term. In the event of a tie, term selection shall be by random means. If a Director is unable to serve a full term, a successor Director shall be elected in accordance with Section 4.4, below.

4.3.2 All directors shall take office upon adjournment of the meeting at which they are elected, and hold office until their respective successors have been elected by the members. Election shall be by plurality.

**4.4 Vacancies.**

4.4.1 A vacancy in the Board of Directors shall exist upon the death, resignation, or removal of any director, or if the authorized number of directors is increased, or if the members fail at any annual or special meeting of members at which any director or directors are to be elected to elect the full authorized number of directors to be voted for at that meeting. Vacancies in interim directors shall be filled by Declarant.

4.4.2 Vacancies in the Board of Directors, other than interim directors, may be filled by a majority of the remaining directors even though less than a quorum, or by a sole remaining director. Each director so elected shall hold office for the balance of the unexpired term and until his or her successor is elected.

**4.5 Removal of Directors and Officers.** Owners present in person, by proxy, or by absentee ballot at any meeting of the Owners at which a quorum is present may remove any Board member and any officer elected by the Owners, with or without cause, if the number of votes in favor of removal cast by Owners entitled to vote for election of the Board member or officer proposed to be removed is at least the lesser of (i) a majority of the votes in the

Association held by such Owners or (ii) two-thirds of the votes cast by such Owners at the meeting, but:

4.5.1 A Board member appointed by the Declarant may not be removed by an Owner vote during any period of Declarant Control;

4.5.2 A Board member appointed under RCW 64.90.420(3) may be removed only by the person that appointed that member; and

4.5.3 The Owners may not consider whether to remove a Board member or officer at a meeting of the Owners unless that subject was listed in the notice of the meeting.

(a) At any meeting at which a vote to remove a Board member or officer is to be taken, the Board member or officer being considered for removal must have a reasonable opportunity to speak before the vote.

(b) At any meeting at which a Board member or officer is removed, the Owners entitled to vote for the Board member or officer may immediately elect a successor Board member or officer consistent with this chapter.

The Board may, without an Owner vote, remove from the Board a Board member or officer elected by the Owners if (i) the Board member or officer is delinquent in the payment of assessments more than 60 days and (ii) the Board member or officer has not cured the delinquency within 30 days after receiving notice of the Board's intent to remove the Board member or officer. Unless provided otherwise by the Governing Documents, the Board may remove an officer elected by the Board at any time, with or without cause. The removal must be recorded in the minutes of the next Board meeting.

#### **4.6 [Intentionally omitted.]**

**4.7 Powers.** The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law, by the Declaration, or by these Bylaws may not be delegated to the Board of Directors by the Owners. The Board of Directors may delegate responsibilities to committees or a managing agent, but shall retain ultimate control and supervision. The powers, duties or obligations to be exercised by the Board of Directors shall include those set forth in the Declaration, chapter 64.90 RCW, and chapter 24.03 RCW (the obligations are those required by law; all other powers and duties may be exercised by the Board in its discretion), and specifically the following:

4.7.1 Carry out the program for maintenance, upkeep, repair, and replacement of any property required to be maintained by the Association as described in the Declaration and these Bylaws.

4.7.2 Determine the amounts required for operation, maintenance, and other affairs of the Association, and the making of such expenditures.

4.7.3 Prepare, adopt and amend a budget for the Association, send a summary of such budget to the members in accordance with RCW 64.90.525, hold a meeting to have members vote on ratification of the budget in accordance with the Acts, and assessment and collection of the Assessments.

4.7.4 Employ and dismiss such personnel as may be necessary for such maintenance, upkeep, and repair.

4.7.5 Employ legal, accounting, or other personnel for reasonable compensation to perform such services as may be required for the proper administration of the Association; provided, however, the Board may not incur or commit the Association to incur legal fees in excess of \$10,000 for any specific litigation or claim matter unless the Owners have enacted a resolution authorizing the incurring of such fees by a vote of 75 percent of the voting rights present in person or by absentee ballot or proxy at a meeting at which a quorum is constituted. This limitation shall not be applicable to legal fees incurred in defending the Association or the Board of Directors from claims or litigation brought against them, or to pursue collection of assessments and other charges. The limitation set forth in this paragraph shall increase by \$2,000 on each fifth anniversary of the recording of the Declaration. To the extent required by the chapter 64.90 RCW, the Board shall notify the Owners before instituting litigation or administrative proceedings. With regard to any pending litigation involving the Association, the Board shall periodically report to the Lot Owners as to the status (including settlement offers), progress, and method of funding such litigation. Nothing in this paragraph shall be construed as requiring the Board to disclose any privileged communication between the Association and its counsel.

4.7.6 Open bank accounts on behalf of the Association and maintain funds in compliance with RCW 64.90.530 and designating the signatories required therefore.

4.7.7 Prepare and file, or cause to be prepared and filed, any required income tax returns or forms for the Association.

4.7.8 Purchase Lots at foreclosure or other judicial sales in the name of the Association or its designee.

4.7.9 Sell, lease, mortgage, vote the votes appurtenant to (other than for the election of directors), or otherwise deal with Lots acquired by the Association or its designee.

4.7.10 Obtain insurance or bonds pursuant to the provisions of these Bylaws and review such insurance coverage at least annually.

4.7.11 Make additions and improvements to, or alterations of the Common Areas, or modify, close, remove, eliminate, or discontinue use of any common facility, including any improvement or landscaping, except that any such modification, closure, removal, elimination, or discontinuance (other than on a temporary basis) of any swimming pool,

spa or recreational or community building must be approved by a majority vote of the members at a meeting or by written ballot held or conducted in accordance with these Bylaws.

4.7.12 From time to time adopt, modify, or revoke such rules and regulations governing the details for the operation of the Association, the conduct of persons and the operation and use of the Property as the Board of Directors may deem necessary or appropriate to ensure the peaceful and orderly use and enjoyment of the Property. Such action may be overruled or modified by vote of not less than 75 percent of the voting rights of each class of members present, in person or by proxy, at any meetings, the notice of which shall have stated that such modification or revocation of rules and regulations will be under consideration.

4.7.13 Enforce by legal means the provisions of the Declaration, these Bylaws, Washington statutes, and any rules and regulations adopted hereunder.

4.7.14 In the name of the Association, maintain a current mailing address of the Association, file annual reports with the Washington Secretary of State, and maintain and keep current the information required to enable the Association to comply with the Acts.

4.7.15 Enter into management agreements with professional management firms and delegate such business and record keeping functions as may be appropriate to said management firm.

4.7.16 To borrow funds subject to RCW 64.90.405(2)(e) and (p) and (4).

4.7.17 Any other powers and duties set forth in the Acts, Declaration, Bylaws, and Articles including the actions described in RCW 64.90.405(2).

4.7.18 The Board may not, without vote or agreement of the Owners:

- (a) Amend the Declaration, except as provided in RCW 64.90.285;
- (b) Amend the organizational documents of the Association;
- (c) Terminate the plat community;
- (d) Elect members of the Board, but may fill vacancies in its membership not resulting from removal for the unexpired portion of any term or, if earlier, until the next regularly scheduled election of Board members; or
- (e) Determine the qualifications, powers, duties, or terms of office of Board members.

#### **4.8 Meetings.**

4.8.1 Meetings of the Board of Directors shall be held at such place as may be designated from time to time by the Board of Directors or other persons calling the meeting.

4.8.2 Annual meetings of the Board of Directors shall be held within 30 days following the adjournment of the annual meetings of the members.

4.8.3 Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President or by any two directors.

#### **4.9 Open Meetings.**

4.9.1 All meetings of the Board of Directors shall be open to Owners except that the Board may expel or prohibit attendance by any person who, after warning by the chair of the meeting, disrupts the meeting, and except further that in the discretion of the Board, the following matters may be considered in executive session:

- (a) Consult with the Association's attorney concerning legal matters;
- (b) Discuss existing or potential litigation or mediation, arbitration, or administrative proceedings;
- (c) Discuss labor or personnel matters;
- (d) Discuss contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the Association at a disadvantage; or
- (e) Prevent public knowledge of the matter to be discussed if the Board or committee determines that public knowledge would violate the privacy of any person.

4.9.2 Except in the case of an emergency, the Board of Directors shall vote in an open meeting whether to meet in executive session. If the Board of Directors votes to meet in executive session, the presiding officer shall state the general nature of the action to be considered, as precisely as possible, when and under what circumstances the deliberations can be disclosed to Owners. The statement, motion, or decision to meet in the executive session shall be included in the minutes of the meeting, and any motion or action adopted, passed or agreed to in executive session shall not become effective unless the Board, following the executive session, reconvenes in open meeting and votes on the motion or other action, which shall be reasonably identified in the open meeting and included in the minutes.



4.9.3 Fewer than all Board members may participate in a regular or special meeting by or conduct a meeting through the use of any means of communication by which all Board members participating can hear each other during the meeting. A Board member participating in a meeting by these means is deemed to be present in person at the meeting. The Board may meet by participation of all Board members by telephonic, video, or other conferencing process if: (a) the meeting notice states the conferencing process to be used and provides information explaining how Owners may participate in the conference directly or by meeting at a central location or conference connection; and (b) the process provides all Owners the opportunity to hear or perceive the discussion and to comment.

4.9.4 Instead of meeting, the Board may act by unanimous consent as documented in a record by all its directors. Actions taken by unanimous consent must be kept as a record of the Association with the meeting minutes. After the Transition Meeting, the Board may act by unanimous consent only to undertake ministerial actions, actions subject to ratification by the Owners, or to implement actions previously taken at a meeting of the Board.

#### **4.10 Notice of Meetings.**

4.10.1 For other than emergency meetings, notice of Board of Directors meetings shall be posted at a place or places on the Property at least 14 days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform Lot Owners of such meetings, and must at a minimum state the time, date, place, and agenda of the meeting. Notice to Directors shall be considered sufficient if actually received at the required time, or if mailed, e-mailed, or faxed not less than 14 days before the meeting. Such notice shall be directed to the address shown on the Association's records, or to the director's actual address ascertained by the person giving the notice. Such notice need not be given for an adjourned meeting if such time and place is fixed at the meeting adjourned. If any materials are distributed to the Board before the meeting, the Board must make copies of those materials reasonably available to Owners, except that the Board need not make available copies of unapproved minutes or materials that are to be considered in executive session.

4.10.2 A Board member who is present at a Board meeting at which any action is taken is presumed to have assented to the action taken unless the Board member's dissent or abstention to such action is lodged with the person acting as the secretary of the meeting before adjournment of the meeting or provided in a record to the secretary of the Association immediately after adjournment of the meeting. The right to dissent or abstain does not apply to a Board member who voted in favor of such action at the meeting.

4.10.3 During the period of Declarant's Control, the Board must meet at least four times a year. At least one of those meetings must be held within the plat community or at a place convenient to the community. At each Board meeting, the Board must provide a

reasonable opportunity for Owners to comment regarding matters affecting the common interest community and the Association.

4.10.4 A gathering of members of the Board or committees at which the Board or committee members do not conduct Association business is not a meeting of the Board or committee. Board members and committee members may not use incidental or social gatherings to evade the open meeting requirements of this subsection.

4.10.5 Minutes of all Owner meetings and Board meetings, excluding executive sessions, must be maintained in a Record, as that term is defined by the Act. The decision on each matter voted upon at a Board meeting or Owner meeting must be recorded in the minutes.

#### **4.11 Quorum and Vote.**

4.11.1 A majority of the directors shall constitute a quorum for the transaction of business, and an affirmative vote of majority of the quorum present at a meeting is the act of the Board unless a greater number is required by law, the Declaration, the Articles of Incorporation, or these Bylaws. A minority of the directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business.

4.11.2 A director must be present at a meeting of the Board of Directors to cast a vote. No proxy votes by directors for Board actions are permissible.

**4.12 Liability.** To the extent permitted by Washington law, neither a member of the Board of Directors nor an officer of the Association shall be liable to the Association, any Owner or any third party for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties so long as the individual acted in good faith, believed that the conduct was in the best interests of the Association, or at least was not opposed to its best interests, and in the case of criminal proceedings, had no reason to believe the conduct was unlawful. In the event any member of the Board of Directors or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall defend such individual against such claims and indemnify such individual against liability and expenses incurred to the maximum extent permitted by law. The managing agent of the Association, and its officers and employees, shall not be liable to the Association, the Owners or any third party on account of any action or failure to act in the performance of its duties as managing agent, except for acts of gross negligence or intentional acts, and the Association shall indemnify the managing agent and its officers and employees from any such claims, other than for gross negligence or intentional misconduct.

**4.13 Compensation.** No director shall receive any compensation from the Association for acting as such.

**4.14 Committees.** The Board may from time to time establish committees of the Board. Such standing or temporary committees as may be necessary from time to time consisting of Owners and at least one member of the Board of Directors shall have such powers

as the Board of Directors may designate. Committees authorized to exercise any power reserved to the Board must include at least two Board members who have exclusive voting power for that committee. Committees that are not so composed may not exercise the authority of the Board and are advisory only. Such committees shall hold office at the pleasure of the Board.

**4.15 Enforcement Procedures.** The Association shall have the power, as provided in the Declaration, to impose sanctions for any violation of the Declaration, these Bylaws, or the Rules and Regulations. To the extent specifically required by the Declaration, the Board of Directors shall comply with the following procedures prior to the imposition of sanctions:

**4.15.1 Notice.** The Board of Directors or its delegate shall serve the alleged violator with written notice describing: (a) the nature of the alleged violation; (b) the proposed sanction to be imposed; (c) a statement that the alleged violator shall have 14 days to present a written request for a hearing before the Board of Directors or a covenants committee appointed by the Board of Directors, if any; and (d) a statement that the proposed sanction may be imposed as contained in the notice unless a hearing is requested within 14 days of the notice.

**4.15.2 Response.** The alleged violator shall respond to the notice of the alleged violation in writing within such 14-day period, regardless of whether the alleged violator is challenging the imposition of the proposed sanction. If the alleged violator cures the alleged violation and notifies the Board of Directors in writing within such 14-day period the Board of Directors may, but shall not be obligated to, waive the sanction. Such waiver shall not constitute a waiver of the right to sanction future violations of the same or other provisions by any person. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided, however, that the Board of Directors or covenants committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 14-day period. Any response or request for a hearing shall be delivered to the Association's manager, President or Secretary, or as otherwise specified in the notice of violation.

**4.15.3 Proof of Notice.** Prior to the effectiveness of sanctions imposed pursuant to this section, proof of proper notice shall be placed in the minutes of the Board of Directors or covenants committee, as applicable. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative requests and appears at the hearing.

**4.15.4 Hearing.** If a hearing is requested within the allotted 14-day period, the hearing shall be held before the Board of Directors or the covenants committee, as applicable. The alleged violator shall be afforded a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing (i.e., the decision) and the sanction, if any, to be imposed.

**4.15.5 Appeal.** Following a hearing before the covenants committee, if applicable, the violator shall have the right to appeal the decision to the Board of Directors. To exercise this right, the violator must deliver a written notice of appeal to the Association's manager, President or Secretary within ten days after the hearing date.

**4.15.6 Enforcement Policies.** The Board of Directors, by resolution, may adopt additional policies and procedures governing enforcement of the Declaration, these Bylaws or the Rules and Regulations.

(a) If a tenant of an Owner violates the Governing Documents, in addition to exercising any of its powers against Owner, the Association may:

(i) Exercise directly against the tenant the powers described in this subsection (a);

(ii) After giving notice to the tenant and the Owner and an opportunity to be heard, levy reasonable fines against the tenant and Owner for the violation; and

(iii) Enforce any other rights against the tenant for the violation that the Owner as the landlord could lawfully have exercised under the lease or that the Association could lawfully have exercised directly against the Owner, or both; but the Association does not have the right to terminate a lease or evict a tenant. The rights referred to in this subsection (a) may be exercised only if the tenant or Owner fails to cure the violation within ten days after the Association notifies the tenant and Owner of that violation.

(b) Unless a lease otherwise provides, this section does not:

(i) Affect rights that the Owner has to enforce the lease or that the Association has under other law; or

(ii) Permit the Association to enforce a lease to which it is not a party in the absence of a violation of the Governing Documents.

(c) The Board may determine whether to take enforcement action by exercising the Association's power to impose sanctions or commencing an action for a violation of the Governing Documents, including whether to compromise any claim for unpaid assessments or other claim made by or against it.

(d) The Board does not have a duty to take enforcement action if it determines that, under the facts and circumstances presented:

(i) The Association's legal position does not justify taking any or further enforcement action;

(ii) The covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with law;

(iii) Although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(iv) It is not in the Association's best interests to pursue an enforcement action.

(e) The Board's decision under subsections (c) and (d) of this section to not pursue enforcement under one set of circumstances does not prevent the Board from taking enforcement action under another set of circumstances, but the Board may not be arbitrary or capricious in taking enforcement action.

(f) In the performance of their duties, officers and Board members must exercise the degree of care and loyalty to the Association required of an officer or director of a corporation organized, and are subject to the conflict of interest rules governing directors and officers, under chapter 24.06 RCW. The standards of care and loyalty described in this section apply regardless of the form in which the Association is organized.

## **ARTICLE 5 OFFICERS**

**5.1 Designation and Qualification.** The officers of the Association shall be the President, the Secretary, the Treasurer, and such Vice Presidents and subordinate officers as the Board of Directors shall from time to time appoint. Each officer shall be a member of the Board of Directors. Any two offices, except the offices of President and Secretary, may be held by the same person.

**5.2 Election and Vacancies.** The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board to serve for one year and until their respective successors are elected and take office upon adjournment of the meeting at which they are elected. If any office shall become vacant by reason of death, resignation, removal, disqualification, or any other cause, the Board of Directors shall elect a successor to fill the unexpired term at any meeting of the Board of Directors.

**5.3 Removal and Resignation.**

5.3.1 Any officer may be removed upon the affirmative vote of a majority of the directors whenever, in their judgment, the best interests of the Association will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed.

5.3.2 Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Association. Any such resignation shall take effect upon receipt of such notice or, at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective, provided, however, that the Board of Directors may reject any postdated resignation by notice in writing to the resigning officer. The effectiveness of such resignation shall not prejudice the contract rights, if any, of the Association against the officer so resigning.

**5.4 President.** The President shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors, have powers of general supervision, direction, and control of the business and affairs of the Association. The President shall preside at all meetings of the members and of the Board of Directors. The President shall be an ex officio member of all the standing committees, including the executive committee, if any, shall have the general powers and duties of management usually vested in the office of president of a nonprofit corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

**5.5 Vice Presidents.** The Vice Presidents, if any, shall perform such duties as the Board of Directors shall prescribe. In the absence or disability of the President, the President's duties and powers shall be performed and exercised by the Senior Vice President as designated by the Board of Directors.

**5.6 Secretary.**

5.6.1 The Secretary shall keep or cause to be kept a book of minutes of all meetings of directors and members showing the time and place of the meeting, whether it was regular or special, and if special, how authorized, the notice given, the names of those present at directors' meetings, the number of memberships present, or represented at members' meetings and the proceedings thereof.

5.6.2 The Secretary shall give or cause to be given such notice of the meetings of the members and of the Board of Directors as is required by these Bylaws or by law. The Secretary shall keep the seal of the Association, if any, and affix it to all documents requiring a seal, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

5.6.3 If there are no Vice Presidents, then in the absence or disability of the President, the President's duties and powers shall be performed and exercised by the Secretary.

**5.7 Treasurer.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, and disbursements. The books of accounts shall at all reasonable times be open to inspection by any director. The Treasurer shall deposit or cause to be deposited all moneys and other valuables in the name and to the

credit of the Association with such depositories as may be designated by the Board. The Treasurer shall disburse or cause to be disbursed the funds of the Association as may be ordered by the Board, shall render to the President and directors, whenever they request it, an account of all of the Treasurer's transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

**5.8 Compensation of Officers.** No officer who is a member of the Board of Directors shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the members. The Board of Directors may fix any compensation to be paid to other officers.

## **ARTICLE 6 ASSESSMENTS RECORDS AND REPORTS**

**6.1 Assessments.** As provided in the Declaration, the Association, through its Board of Directors, shall do the following:

6.1.1 Assess and collect from every Owner Assessments in the manner described in the Declaration.

6.1.2 Keep all funds received by the Association as Assessments, other than reserves described in the Declaration, in the Operations Fund and keep all reserves collected pursuant to the Declaration in the Reserve Fund and use such Rinds only for the purposes described in the Declaration.

6.1.3 From time to time, and at least annually, prepare a budget for the Association, estimating the common expenses expected to be incurred with adequate allowance for reserves based upon the reserve study required by the Declaration, and determine whether the Annual Assessment should be increased or decreased.

6.1.4 Fix the amount of the Annual Assessment against each Lot at least 30 days in advance of each Annual Assessment period. Written notice of any Assessment shall be sent to every Owner subject thereto and to any first mortgagee requesting such notice. The due dates shall be established by the Board of Directors, which may fix a regular flat Assessment payable on a monthly, quarterly, semiannual, or annual basis. The Board of Directors shall cause to be prepared a roster of the Lots showing Assessments applicable to each Lot. The roster shall be kept in the Association office and shall be subject to inspection by any Owner or mortgagee during regular business hours. Within ten business days after receiving a written request, and for a reasonable charge, the Association shall furnish to any Owner or mortgagee a recordable certificate setting forth the unpaid Assessments against such Owner's Lot. Such certificate shall be binding upon the Association, the Board of Directors, and every Owner as to the amounts of unpaid Assessments.

6.1.5 If Additional Properties are annexed to the Property, the Board of Directors shall assess any Lots included therein in accordance with the provisions of the Declaration.

6.1.6 Enforce the Assessments in the manner provided in the Declaration.

6.1.7 Keep records of the receipts and expenditures affecting the Operations Fund and Reserve Fund and make the same available for examination by members and their mortgagees at convenient hours, maintain an Assessment roll showing the amount of each Assessment against each Owner, the amounts paid upon the account and the balance due on the Assessments, give each member written notice of each Assessment at least 30 days before the time when such Assessments shall become due and payable; and for a reasonable charge, promptly provide any Owner or mortgagee who makes a request in writing with a written certificate of such Owner's unpaid Assessments.

**6.2 Records and Accounts.** The Association shall keep within the state of Washington all records required by RCW 64.90.495(1), including, without limitation, correct and complete financial records sufficiently detailed for proper accounting purposes, keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and retain all documents, information, and records turned over to the Association by Declarant. All documents, information, and records delivered to the Association by Declarant shall be kept within the state of Washington.

6.2.1 As set out in more detail in Section 6.4, all records required to be retained by the Association except exempt records described below, must be made available for examination and copying by all Owners, holders of mortgages on the Lots, and their respective authorized agents as follows, unless agreed otherwise:

(a) During reasonable business hours or at a mutually convenient time and location; and

(b) At the offices of the Association or its managing agent.

6.2.2 The following are exempt records retained by the Association may be withheld from inspection and copying to the extent that they concern:

(a) Personnel and medical records relating to specific individuals;

(b) Contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated;

(c) Existing or potential litigation or mediation, arbitration, or administrative proceedings;



(d) Existing or potential matters involving federal, state, or local administrative or other formal proceedings before a governmental tribunal for enforcement of the governing documents;

(e) Legal advice or communications that are otherwise protected by the attorney-client privilege or the attorney work product doctrine, including communications with the managing agent or other agent of the Association;

(f) Information the disclosure of which would violate a court order or law;

(g) Records of an executive session of the Board;

(h) Individual Lot files other than those of the requesting Owner;

(i) Unlisted telephone number or electronic address of any Owner or resident;

(j) Security access information provided to the Association for emergency purposes; or

(k) Agreements that for good cause prohibit disclosure to the Members.

6.2.3 The Association must keep all funds of the Association in the name of the Association with a qualified financial institution. The funds must not be commingled with the funds of any other Association or with the funds of any managing agent of the Association or any other person, or be kept in any trust account or custodial account in the name of any trustee or custodian. A managing agent who accepts or receives funds belonging to the Association must promptly deposit all such funds into an account maintained by the Association as provided in this section or RCW 64.90.535, as appropriate.

6.2.4 The Association must establish and maintain its accounts and records in a manner that will enable it to credit assessments for Common Expenses and specially allocated expenses, including allocations to reserves, and other income to the Association, and to charge expenditures, to the account of the appropriate Lots in accordance with the provisions of the Declaration.

6.2.5 To assure that the Owners are correctly assessed for the actual expenses of the Association, the accounts of the Association must be reconciled at least annually unless the Board determines that a reconciliation would not result in a material savings to any Owner. Any surplus funds of the Association remaining after the payment of or provision for Common Expenses and any prepayment of reserves must be paid annually to the Owners in proportion to their Common Expense liabilities or credited to them to reduce their future Common Expense Assessments.

**6.3 Statement of Assessments Due.** The Association shall provide, within ten business days after receipt of a written request from an Owner or mortgagee, a written statement that provides : (a) the amount of assessments due from the Owner and unpaid at the time the request was received, including regular and special assessments, fines, and other charges, accrued interest, and late-payment charges; (b) the percentage rate at which interest accrues on assessments that are not paid when due; and (c) the percentage rate used to calculate the charges for late payment or the amount of a fixed-rate charge for late payment. The Association is not required to comply with this section if the Association has commenced litigation by filing a complaint against the Owner and the litigation is pending when the statement would otherwise be due.

**6.4 Inspection of Books and Records.** During normal business hours or under other reasonable circumstances, the Association shall make reasonably available for examination and, upon written request, available for duplication, by Owners, lenders, and holders of any mortgage of a Lot that make the request in good faith for a proper purpose, current copies of the Declaration, Articles, Bylaws, Rules and Regulations, amendments, or supplements to such documents and the books, records, financial statements, and current operating budget of the Association. The Association shall maintain a copy, suitable for purposes of duplication, of each of the following: (a) the Declaration, these Bylaws, the Rules and Regulations, and any amendments or supplements to them; (b) the most recent financial statement of the Association; and (c) the current operating budget of the Association. The Association, within ten business days after receipt of a written request by an Owner, shall furnish copies of such documents to the requesting Owner. Upon written request, the Association shall make such documents, information, and records available to such persons for duplication during reasonable hours. The Board of Directors, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of Association records and the imposition of a reasonable fee for furnishing copies of such documents, information, or records. The fee may include reasonable personnel costs for furnishing the documents, information, or records. A right to copy records under this section includes the right to receive copies by photocopying or other means, including through an electronic transmission if available upon request by the Owner. An Association is not obligated to compile or synthesize information. Information provided pursuant to this section may not be used for commercial purposes. The Association's managing agent must deliver all of the Association's original books and records to the Association immediately upon termination of its management relationship with the Association, or upon such other demand as is made by the Board. An Association managing agent may keep copies of the Association records at its own expense.

**6.5 Payment of Vouchers.** The Treasurer or managing agent shall pay all vouchers for all budgeted items and for any non-budgeted items, up to \$1,000 signed by the President, managing agent, manager or other person authorized by the Board of Directors. Any voucher for non-budgeted items in excess of \$1,000 shall require the authorization of the President or a resolution of the Board of Directors.

**6.6 Execution of Documents.** The Board of Directors may, except as otherwise provided in the Declaration, Articles of Incorporation, or these Bylaws, authorize any officer or

agent to enter into any contract or execute any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement, to pledge its credit, or to render it liable for any purpose or for any amount.

**6.7 Reports and Audits.** An annual financial statement consisting of a balance sheet and an income and expense statement for the preceding year shall be rendered by the Board of Directors to all Owners, and to all mortgagees who have requested the same, in accordance with accrual based accounting practices, within 90 days after the end of each fiscal year. From time to time, the Board of Directors, at the expense of the Association, may obtain an audit of the books and records pertaining to the Association and furnish copies thereof to the members. At any time any Owner or holder of a mortgage may, at their own expense, cause an audit or inspection to be made of the books and records of the Association. Subject to RCW 64.90.530(2), if the Association has annual assessments exceeding \$50,000, it shall cause the financial statement required herein to be reviewed at least annually by an independent certified public accountant licensed by the state of Washington. If the Association has annual assessments of less than \$50,000, an annual audit is also required but may be waived annually by the Owners other than the Declarant of Lots to which a majority of the votes in the Association are allocated, excluding the votes allocated to Lots owned by the Declarant.

## **ARTICLE 7 INSURANCE**

**7.1 Types of Insurance.** For the benefit of the Association and the Owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the Operations Fund , the following insurance before the first conveyance of a Lot to a person other than the Declarant:

### **7.1.1 Property Damage Insurance.**

(a) The Association shall maintain a policy or policies of insurance covering loss or damage from fire, with standard extended coverage and "all risk" endorsements, and such other coverages as the Association may deem desirable.

(b) The amount of the coverage shall be for not less than 80 percent of the actual cash value of the improvements on the Common Areas at the time the insurance is purchased and at each renewal date, exclusive of land, foundation, excavations and other items normally excluded from coverage), and subject to a reasonable deductible.

(c) The policy or policies shall include all fixtures and building service equipment to the extent that they are part of the Common Areas and all personal property and supplies belonging to the Association.

### 7.1.2 **Liability Insurance.**

(a) The Association shall maintain comprehensive general liability insurance coverage, including medical payments insurance, insuring the Declarant, the Association, the Board of Directors, and time managing agent, against liability to the public or to Owners and their invitees or tenants, incident to the operation, maintenance, ownership, or use of the Common Areas, covering all occurrences commonly insured against for bodily injury and property damage, and including legal liability arising out of lawsuits related to employment contracts of the Association. The Association may exclude Owners (other than as a member of the Association or Board of Directors) from any insurance policy coverage for liability arising out of acts or omissions of such Owner and liability incident to the ownership or use of the part of the Property as to which such Owner has the exclusive use, control, and/or occupancy.

(b) Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) general aggregate.

(c) Such policy or policies shall be issued on a comprehensive liability basis and shall provide a cross-liability endorsement wherein the rights of named insureds under the policy or policies shall not be prejudiced as respects a named insured's action against another named insured.

**7.1.3 Workers' Compensation Insurance.** The Association shall maintain workers' compensation insurance to the extent necessary to comply with any applicable laws.

### 7.1.4 **Fidelity Insurance.**

(a) The Board of Directors may cause the Association to maintain blanket fidelity insurance for all officers, directors, trustees, and employees of the Association and all other persons handling or responsible for funds of, or administered by, the Association. In the event that the Association has retained a management agent, the Board of Directors may require such agent to maintain fidelity bonds for its officers, employees and agents handling or responsible for funds of, or administered on behalf of the Association. The cost of such insurance, if any, shall be borne by the Association.

(b) The total amount of fidelity insurance coverage required shall be based upon the best business judgment of the Board of Directors.

(c) Such fidelity insurance shall name the Association as obligee and shall contain waivers by the insurance issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The insurance shall provide that

they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten days' prior written notice to the Association.

**7.1.5 Content of Insurance Policies.** Insurance policies carried pursuant to Section 7.1 must provide that:

(a) Each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

(b) The insurer waives its right to subrogation under the policy against any Owner or member of the Owner's household;

(c) Any act or omission by an Owner, unless acting within the Owner's scope of authority on behalf of the Association, does not void the policy and is not a condition to recovery under the policy; and

(d) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

Additional applicable insurance provisions related to losses, certificates, damage, and destruction are set forth in RCW 64.90.470.

**7.2 Insurance by Lot Owners.** Each Owner shall be responsible for obtaining, at the Owner's own expense, homeowner's insurance covering the improvements on the Owner's Lot and liability resulting from use or ownership of the Lot, unless the Association agrees otherwise. The insurance coverage maintained by the Association shall not be brought into contribution with the insurance obtained under this section by the Owners.

## **ARTICLE 8 GENERAL PROVISIONS**

**8.1 Seal.** The Board of Directors may, by resolution, adopt a corporate seal.

**8.2 Notice.** All notices to the Association or to the Board of Directors shall be sent care of the managing agent or, if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. All notices to members shall be personally delivered or mailed to the member's home or to such other address as may have been designated by the member from time to time in writing to the Board of Directors. Notice is effective as of the date of hand delivery, or deposit with the mail carrier.

**8.3 Waiver of Notice.** Whenever any notice to any member or director is required by law, the Declaration, the Articles of incorporation, or these Bylaws, a waiver of notice in writing signed at any time by the person entitled to notice shall be equivalent to the giving of the notice.

**8.4 Action Without Meeting.** Any action that the law, the Declaration, the Articles of Incorporation, or the Bylaws require or permit the members or directors to take at any meeting may be taken without a meeting or ballot meeting if a consent in writing setting forth the action so taken is signed by all of the members or directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the members or directors, shall be filed in the records of minutes of the Association.

**8.5 Rules and Regulations.** The Board must, before adopting, amending, or repealing any rule, give all Owners notice of:

- (a) Its intention to adopt, amend, or repeal a rule and provide the text of the rule or the proposed change; and
- (b) A date on which the Board will act on the proposed rule or amendment after considering comments from Owners.

Following adoption, amendment, or repeal of a rule, the Association must give notice to the Owners of its action and provide a copy of any new or revised rule. The Association's internal business operating procedures need not be adopted as rules. Every rule must be reasonable.

**8.6 Conflicts.** These Bylaws are intended to comply with chapter 64.90 RCW, the Washington Nonprofit Act, the Declaration and the Articles of Incorporation. In case of any irreconcilable conflict, such statutes and documents shall control over these Bylaws in the preceding order.

## **ARTICLE 9 AMENDMENTS TO BYLAWS**

**9.1 How Proposed.** Amendments to these Bylaws shall be proposed by either a majority of the Board of Directors or by members holding at least 30 percent of the voting rights entitled to be cast for such amendment. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or be attached to any request for consent to the amendment.

### **9.2 Adoption.**

9.2.1 A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the members and may be approved by the membership at a meeting called for such purpose, by a ballot meeting pursuant to Section 3.7, or by written consent of the members. Members not present at the meeting considering such amendment may express their approval in writing or by proxy. Any resolution must be

approved by members holding a majority (at least 51 percent) of the voting rights. Amendment or repeal of any provision of these Bylaws that is also contained in the Declaration must be approved by the same voting requirement for amendment of such provision of the Declaration.

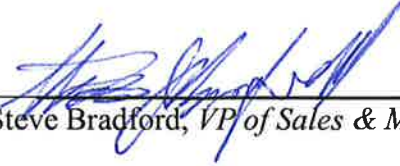
9.2.2 Notwithstanding the provisions of the preceding paragraph, until the Transition Meeting has occurred, Declarant shall have the right to amend these Bylaws in order to comply with the requirements of the Federal Housing Administration, the United States Department of Veterans Affairs, the Fanners Home Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or time state of Washington, or any corporation wholly owned, directly or indirectly, by the United States, or the state of Washington that insures, guarantees or provides financing for a planned community or lots in a planned community. After the Transition Meeting, any such amendment shall require the approval of a majority of the voting rights of the Association, voting in person, by proxy, or by ballot, at a meeting or ballot meeting of the Association at which a quorum is represented.

**9.3 Execution and Recording.** An amendment shall not be effective until certified by the President and Secretary of the Association as being adopted in accordance with these Bylaws, acknowledged, and recorded in the Deed Records of Clark County, Washington.

*Intentionally Left Blank. Signature Page to Follow.*

DATED this 14<sup>th</sup> day of March, 2019.

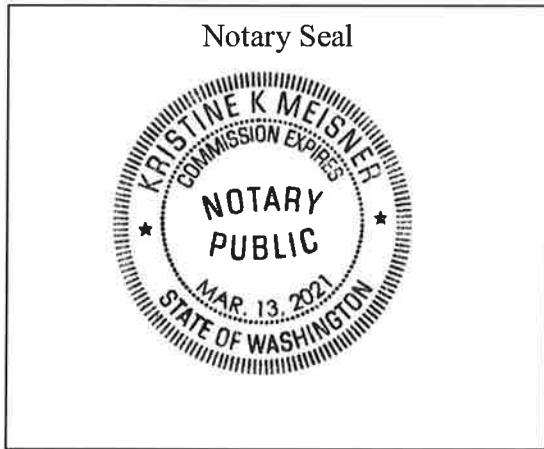
**PACIFIC LIFESTYLE HOMES, INC.**


By:   
Steve Bradford, *VP of Sales & Marketing*

State of Washington        )  
  ) ss.  
County of Clark            )

I certify that I know or have satisfactory evidence that Steve Bradford is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the VP of Sales & Marketing for Pacific Lifestyle Homes, Inc. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 14, 2019.



  
Notary Public for Washington  
Kristine K Meisner  
Name of Notary  
My appointment expires: 3/13/21



**EXHIBIT A**

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**LEGAL DESCRIPTION**

Lot(s) 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, and 60 AMBERGLEN SUBDIVISION, according to the plat thereof, recorded in Volume 312 of plats, page 20, records of Clark County, Washington.

**EXHIBIT B**

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**PROPERTY TAX NUMBERS**

986049912, 986049913, 986049914, 986049915, 986049916, 986049917, 986049918,  
986049919, 986049920, 986049921, 986049922, 986049923, 986049924, 986049925,  
986049926, 986049927, 986049928, 986049929, 986049930, 986049931, 986049932,  
986049933, 986049934, 986049935, 986049936, 986049937, 986049938, 986049939,  
986049940, 986049941, 986049942, 986049943, 986049944, 986049945, 986049946,  
986049947, 986049948, 986049949, 986049950, 986049951, 986049952, 986049953,  
986049954, 986049955, 986049956, 986049957, 986049958, 986049959, 986049960,  
986049961, 986049962, 986049963, 986049964, 986049965, 986049966, 986049967,  
986049968, 986049969, 986049970 and 986049971