

YODELIN PROPERTY OWNERS ASSOCIATION BYLAWS

These Bylaws provide for operation of the Yodelin Property Owners Association, a Washington nonprofit corporation (the "Association"). The Association is formed under the Washington Nonprofit Corporation Act (Chapter 24 of the Revised Code of Washington) to exercise all powers and perform all duties and obligations of the Association as set forth in the Articles of Incorporation (the "Articles"). The purposes for which this Association was created may be altered, modified, enlarged, or diminished by a majority of the membership at a meeting duly called for such purpose, notice of which meeting shall be given as herein provided. These Bylaws apply to the entire community, each Lot in the Plat of Yodelin ("Lot") or dwelling unit therein, and all areas and facilities in common ownership and use ("Common Areas"). Each Lot owner automatically, by virtue of such ownership, becomes a member of the Association ("Member"). Members with dwelling units on their Lots are Homeowners ("Homeowners"). All present and future owners, mortgagees and other encumbrancers, lessees, tenants, licensees, owners, and occupants of Lots or dwelling units, their guests and employees, and any other person who may use the common areas are subject to these Bylaws and the rules and regulations pertaining to use and operation of the common areas.

ARTICLE 1 MEMBERSHIP; REGISTER; VOTING

Section 1.1 Membership. The membership of the Association shall at all times consist exclusively of all Members. Corporations, partnerships, associations, and other legal entities, trustees under an express trust, and other fiduciaries, as well as "natural persons" may be Members. *Membership shall be inseparably appurtenant to the lot owned or purchased by the Members, and upon transfer of ownership or the making of a contract for the sale of such lot, the membership appurtenant thereto shall be deemed to be transferred to the contract purchaser or grantee. No membership may be conveyed or transferred in any other way inter vivos. In the event of the death of a Member, that membership passes in the same manner and to the same persons as does the property itself, including the liability for unpaid annual dues and any outstanding unpaid assessments.* Owners of a Lot as joint tenants, tenants in common, marital communities, or other ownership involving more than one owner, shall be joint Members of the Association, but the sum total of their vote shall not exceed the percentage of interest for voting power appurtenant to the Lot owned.

Section 1.2 Voting. Members shall have one membership regardless of the number of Lots owned, and the interest of each Member shall be equal to that of any other Member. No Member can acquire any interest that shall entitle that Member to any greater voice, vote, or authority in the corporation than any other Member. The purchase under a contract of purchase shall be deemed to be an ownership interest for membership purposes.

Section 1.3 Register of Members. The Board shall cause a register to be kept containing the names and addresses of all Members. Persons who purchase an interest in a Lot shall promptly inform the Board of their interest. Persons who claim to be Members shall, upon request, furnish the Board with copies of any documents under which they assert ownership of a Lot or any interest therein, and any mortgages thereon.

Section 1.4 Termination of membership. No membership in the Association shall be forfeited nor any Member be expelled except for the non-payment of dues, then only subject to the discretion of the Board upon a majority vote of the Board, and no Member may withdraw membership of the Association

except on the transfer of title to, or upon contracting for the sale of, the Lot to which that membership is appurtenant. The Association shall not pay any compensation to the Member upon transfer of membership, and no Member whose membership is transferred shall be entitled to share or participate in any of the property or assets of the Association.

ARTICLE 2 MEETINGS OF MEMBERS

Section 2.1 Place. Meetings of the Members shall be held at such suitable place as may be convenient to the membership and designated from time to time by the Board.

Section 2.2 Annual Meeting. The annual meeting of the Association shall be held in the first quarter of each fiscal year on a date fixed by the Board. At such annual meeting, the Board shall present a financial report to the Members and shall conduct such other business as shall properly come before the Members, and the Members shall elect Members to the Board or fill vacancies therein.

Section 2.3 Special Meetings. The President of the Association shall call a special meeting of the Association as directed by resolution of the Board or upon the written request of a majority of the Board or upon the written request of 20% of the Homeowners. A meeting called at the request of the Homeowners shall be held at such time as the President of the Association may fix, which time shall not be less than 10 nor more than 30 days after the receipt of the written request. No business shall be transacted at a special meeting except as stated in the notice given unless consented to by 80% or more of the Members present either in person or by proxy.

Section 2.4 Notice of Meetings. The secretary shall give written notice of each annual and special meeting to the Homeowners. Notice shall be given at least 10 and not more than 30 days before each meeting unless the Homeowners waive such notice. The notice shall specify the time and place of the meeting and, in the case of a special meeting, shall specify the purpose(s) for which the meeting is to be held. Notice of any meeting may be delivered either personally, by mail, or by email. If delivery is by mail, the notice shall be deemed to have been delivered when deposited in the United States mail, postage prepaid for first class mail, addressed to the person entitled to the notice at the most recent address given in writing by such person to the Association. Notice to a Homeowner shall be sufficient if delivered or addressed to the Lot if no other mailing address has been given to the Association.

Section 2.5 Quorum. The presence in person or by proxy of the Homeowners or voting representatives holding 34% of the total voting power shall constitute a quorum for the transaction of business at any meeting of Members.

Section 2.6 Proxies. Any Member or voting representative may vote by proxy. Proxies shall be in writing, signed by the Member or voting representative and filed with the Board. Proxies may be revoked at any time by the Member by written notice to the Board. Any designation of proxy must be signed by all owners of a Lot.

Section 2.7 Adjournment of Meetings. If any meeting of Members cannot be organized because a quorum has not attended, the Members present, in person or by proxy, may adjourn the meeting from time to time.

Section 2.8 Majority Vote. Except as otherwise provided by statute or by these Bylaws, passage of any matter submitted to vote at a meeting where a quorum is in attendance shall require the affirmative vote of at least 51% of the voting power present.

Section 2.9 Order of Business. The order of business at meetings of the Association shall be as follows unless dispensed with on motion:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of directors (annual meeting or when required);
- (g) Unfinished business;
- (h) New business;
- (i) Adjournment

Section 2.10 Parliamentary Authority. In the event of dispute, the parliamentary authority for the meetings shall be the most current available edition of *Roberts Rules of Order* or such other published code of parliamentary procedure as shall be approved by a majority of the Members.

ARTICLE 3 BOARD OF DIRECTORS

Section 3.1 Number and Qualifications. The affairs of the Association shall be governed by a Board consisting of not less than 1 and not more than 3 directors (“Directors”) who shall be elected by ballot by Members pursuant to Article 2. The Members at any meeting may change the number of Directors, provided no decrease in the number of Board Directors shall shorten the term of an incumbent Director. If a corporation is a Member, any of its officers, directors, or shareholders may be elected to the Board; if a partnership is a Member, any partner of such partnership may be elected to the Board.

Section 3.2 Powers and Duties. The Board shall have all powers, duties, and authority for administering the Common Areas provided in the Articles, and all other power necessary for the administration of the affairs of the Association, and may do all such acts and things as are not prohibited by statute or by the Articles.

Section 3.3 Managing Agent. The Board may employ an experienced professional managing agent to assist the Board in the management and operation of the community.

Section 3.4 Election and Term of Office. The term of office for Directors shall begin on the first day of the calendar month following the date of adjournment of the annual meeting at which they are elected. The term of office for Directors shall be for 2 years or until their successors are elected and take office.

Section 3.5 Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members. In the event of death, resignation, or removal of a Director, a successor shall be selected by the remaining Directors until the next annual meeting, or at a special meeting of the Association called for such purpose, at which time the Members shall elect a person to serve for the unexpired term.

Section 3.6 Compensation. No Director shall receive compensation for acting as a Director. However, upon prior approval of the Board, any Director may be reimbursed for actual expenses incurred in the performance of any duties which have been authorized by the Board.

Section 3.7 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be called from time to time by the Board. Notice of regular meetings of the Board shall be given to

each Director personally, by mail, by email, or by telephone, at least 2 business days prior to the day set for such meeting.

Section 3.8 Special Meetings. Special meetings of the Board may be called by the President of the Association or a majority of the Directors upon 24 hours notice given personally, by mail, by email, or by telephone to each Director; which notice shall state the time, place, and purpose of the meeting unless waived.

Section 3.9 Waiver and Notice. Any Director may at any time, in writing, waive notice of any meeting of the Board, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director, in person or by electronic communication, at any meeting of the Board shall constitute a waiver of notice of the time, place, and purpose of such meeting unless the Director expressly challenges the notice when the meeting begins. If all Directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at the meeting.

Section 3.10 Quorum of Board of Directors. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting to another time. At any subsequent meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A Director who participates in a meeting by means of electronic communication shall be deemed present at the meeting for all purposes.

Section 3.11 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors as specified in RCW 24.03.465. Any action so approved shall have the same effect as though at a meeting of the Directors.

Section 3.12 Open Meeting. Any Member or voting representative may attend any meeting of the Board but shall not be entitled to participate. The Board may go into private, executive session to consider the employment or dismissal of the managing agent or other persons employed by the Association, or to hear complaints or charges brought against such person, unless the person requests a public hearing, or to discuss with legal counsel litigation in which the Association is or is likely to become a party if public discussion would adversely affect the interest of the Association in such litigation.

ARTICLE 4 OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be a president, a vice president, a secretary, and a treasurer, all of whom shall be elected by and from the Board. The Directors may appoint from the Board such other officers as in their judgment may be necessary or desirable. Two or more offices may be held by the same person, except that a person may not hold the offices of president and secretary simultaneously.

Section 4.2 Appointment of Officers. The officers of the Association shall be appointed annually by the Board at the first Board meeting after the annual meeting of the Association. They shall hold office at the pleasure of the Board.

Section 4.3 Removal of Officers. Any officer may be removed, either with or without cause, by a majority of the Board. A successor to the removed officer may be appointed at any such meeting.

Section 4.4 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Association and of the Board and shall have all powers and duties usually vested in the office of the president.

Section 4.5 Vice President. The vice president shall assist the president and shall take the place of the president and perform the duties of the president whenever the president shall be absent or unable to act. The vice president shall also perform such other duties as are normally incident to the office of vice president and as may be prescribed by the Board.

Section 4.6 Secretary. The secretary shall keep the minutes and record resolutions at all meetings of the Association and the Board. The secretary shall give notices of Association meetings and Board meetings; notices relating to insurance; notices to mortgagees; and notices to each Lot owner of the Rules and Regulations or amendments thereto as soon as practicable after adoption by the Board. The secretary shall have custody of the corporate seal (if any), minute book, membership records, and all other books, records, and papers of the Association except its books and records of account, checkbook, and other financial records. The secretary shall also perform such other duties as are normally incident to the office of secretary and as may be prescribed by the Board.

Section 4.7 Treasurer. The treasurer shall have responsibility for all Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and other financial records of the corporation. The treasurer shall perform such other duties as are normally incident to the office of treasurer and as shall be prescribed by the Board.

Section 4.8 Other Officers and Employees. The Board may appoint other officers of the Association and any persons employed to assist the officers, and said officers shall have such authority and perform such duties as the Board may prescribe from time to time.

ARTICLE 5 OBLIGATION OF OWNERS

Section 5.1 Dues. For the purpose of financing the activities of the Association, it is hereby declared that all Lots within the jurisdiction of the Association may be charged and/or assessed annual dues. The Board may estimate the charges for common expenses to be paid during such year; may make provision for creating, funding, and maintaining reasonable reserves for contingencies and operations as well as for maintenance, repair, replacement, and acquisition of common areas and facilities; and may take into account any expected income and any surplus available from the prior year's operating fund. The Board may calculate the contributions to said reserve fund so that there are sufficient funds therein to replace or perform such major repair to each Common Area covered by the fund at the end of the estimated useful life of each such Common Area. If the sum estimated and budgeted at any time proves inadequate for any reason (including non-payment for any reason of any Member's assessment), the Board may at any time levy a further assessment, which shall be assessed to the Members according to Section 5.2. Similarly, if the sum estimated and budgeted, and being collected and/or already collected, at any time proves excessive, the Board may reduce the amount being assessed and/or apply existing funds (in excess of current needs and required reserves) against future assessments and/or refund such excess funds. The annual dues shall be due and payable each and every year on the first day of the first month of the fiscal year established by the Board.

Section 5.2 Assessments. All owners are obligated to pay assessments imposed by the Association to meet the common expenses of the community. The proportionate share of such assessments attributable to each Lot shall be a specific amount per Lot.

Section 5.3 Damages to Common Areas. Each Member shall reimburse the Association for any expenditures incurred in repairing or replacing any Common Area or facility damaged through the Member's fault.

Section 5.4 Nonpayment of Dues/Assessments. Any and all dues and/or assessments herein set out and/or authorized shall be and become a lien upon the property of the Member but shall be inferior to all existing institutional mortgage liens and inferior to any subsequent institutional mortgage lien created by the Member. In the event of default in the payment of the lien, it shall be foreclosed in the same manner as prescribed by the statutes of the state of Washington for the foreclosure of mechanics' liens.

ARTICLE 6 RIGHTS OF ACTION

Each Member, the Board, and the Association shall comply strictly with these Bylaws (and with the administrative rules and regulations adopted pursuant thereto, as they may be lawfully amended from time to time), with the decisions of the Board, and with the covenants, conditions, and restrictions set forth in the deed to a Lot. Failure to comply with any of the foregoing shall be grounds for an action to recover sums due, damages, and for injunctive relief, or any or all of them, maintainable by the Board, the managing agent on behalf of the Association, or by a Member.

ARTICLE 7 HANDLING OF FUNDS

Section 7.1 Accounts. The Association shall establish the necessary funds or accounts to provide properly for the operation and maintenance of the Common Areas. The treasurer of the Association shall have overall responsibility for these funds.

Section 7.2 Working Capital Fund. There shall be established a checking account in a commercial bank to be known as the "Working Capital Fund." This fund will be used for the normal operation of the Common Areas and will receive all monthly assessments, first purchasers' initial contributions to the fund, and other monies received by the Association. Checks shall be issued from this account for all management and operation expenditures necessary for the Common Areas and maintenance expenses of a routine or minor nature that do not require resort to the Reserve Fund for Insurance Premiums and the Reserve Fund for Common Areas and Facilities. Monies received by the Association will normally be deposited into the Working Capital Fund and checks immediately issued to the other funds so an overall account of the funds received and disbursed by the Association is centralized in the check register of the Working Capital Fund account.

Section 7.3 Reserve Fund for Common Areas and Facilities. The Association shall maintain an interest-bearing savings account in a savings bank or savings and loan association, or other account authorized by the Board, which account shall be known as the "Reserve Fund for Common Areas and Facilities." The purpose of the reserve account will be to provide for the periodic maintenance, repair, and replacement of the Common Areas and facilities.

Section 7.4 Reserve Fund for Insurance Premiums. The treasurer shall establish an interest-bearing savings account in a savings bank or savings and loan association, which shall be known as the "Reserve Fund for Insurance Premiums." Each month the treasurer shall deposit into this fund an amount equal to

at least 1/12 of the total cost of all premiums for the policy or policies and bonds the Association is required to purchase. Such premiums shall be paid out of this fund.

**ARTICLE 8
PERCENTAGE OF INTEREST IN COMMON AREAS AND FACILITIES**

The percentage of interest in Common Areas and facilities is determined per capita.

**ARTICLE 9
KEEPING RECORDS AND REPORTS**

The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Association in a form that complies with generally accepted accounting principles. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for examination by the Members, institutional holders, guarantors, or mortgagees, and the agents or attorneys of any of them, during normal business hours and at any other reasonable time or times.

**ARTICLE 10
AMENDMENTS**

These Bylaws may be amended at any time by an affirmative vote of a majority vote of all the Directors.

**ARTICLE 11
DISSOLUTION**

In the event of the dissolution of the Association, each Member shall receive a *pro-rata* portion of the property and assets after all debts have been fully paid, provided such Member has been a Member in good standing for the 12 months prior to the date of dissolution, with all dues and assessments fully paid.

The foregoing Bylaws, as amended, are adopted by the Board of the Association pursuant to Article 10.

Yodelin Property Owners Association
A Washington non-profit corporation

12/28/2011

X

Kathleen Burns

Kathleen Burns
Secretary

Bylaws amended on December 28, 2011.