

BY - LAWS
OF
LIBERTY WOODLANDS HOME OWNERS ASSOCIATION

RECITALS

WHEREAS, the owners of Liberty Woodlands Subdivision have created the Liberty Woodlands Subdivision Planned Unit Development; and

WHEREAS, the owners amended the Declaration of Protective Covenants, Restrictions and Conditions of the Liberty Woodlands Planned Unit Development (hereinafter referred to as LIBERTY WOODLANDS PUD); and

WHEREAS, the owners and developers of Liberty Woodlands PUD have incorporated through Articles of Incorporation a Corporation known as LIBERTY WOODLANDS HOME OWNERS ASSOCIATION pursuant to the Declaration of Protective Covenants, Restrictions and Conditions; and

WHEREAS, the First Board of Directors of Liberty Woodlands Home Owners Association wish to establish By-Laws to govern the Home Owners Association; and

WHEREAS the Board of Directors of Liberty Woodlands Home Owners Association wish to adopt the By-Laws as set forth herein,

NOW, THEREFORE, the First Directors of the Liberty Woodlands Home Owners Association adopt the following By-Laws pursuant to R.C.W.24.03.070, statutes of the State of Washington for the governance of the Liberty Woodlands P.U.D.

ARTICLE 1

- 1.1 Name and Location. The name of the Corporation is Liberty Woodlands Home Owners Association. The Registered office of the Corporation shall be P.O. Box 127, Winthrop, WA., 98862, but meetings of the members and directors may be held at such places within the State of Washington, County of Okanogan, as may be designated by the Board of Directors from time to time.
- 1.2 Repealers. Any By-Laws made by or for any previous Maintenance Association are hereby repealed and shall be held for nought.
- 1.3 Definitions - Identification. As used in these By-Laws the following terms and/or abbreviations shall mean:
 - a) P.U.D. shall mean the Liberty Woodlands Planned Unit Development as per Plat recorded in Volume H - 3 of Plats, pages 80 - 81, records of the Auditor of Okanogan County, Washington.
 - b) Building Site shall mean a site as designated upon the face of the above Plat and located within the boundaries of the P.U.D.
 - c) Declaration of Protective Covenants, Restrictions and Conditions shall mean the document bearing such title, and amendments thereof, recorded in the office of the County Auditor of Okanogan County, Washington, Instrument No. 674265

d) Association shall mean the Liberty Woodlands Home Owners Association.

e) Plat shall mean the Plat of Liberty Woodlands P.U.D.

ARTICLE II

- 2.1 Eligibility. Every present and future owner of a Building Site shall be required to be a member in the Association and shall be bound by the provisions of the Declaration of Protective Covenants, Restrictions and Conditions, Articles of Incorporation and By-Laws of the Association, and the Subdivision Agreement Auditor's File No. 747689.
- 2.2 Membership. Membership shall be accompanied by first assessment required by the "Association". Membership in the Association shall terminate on a member's ceasing to be an owner, or contract vendee, of a Building Site.
- 2.3 Voting. Each Building Site shall have one vote on each matter submitted to a vote of the members. If there is more than one owner of any Building Site, the owners of any such Building Site shall designate who shall cast the vote for the Building Site. At any meeting of the members, a member entitled to vote may vote by proxy which is in writing, signed by the member or his duly authorized attorney-in-fact. No proxy shall be valid after one year from the date of its execution, unless otherwise provided in the proxy. In no event shall the duration of the proxy exceed twenty four (24) months. No member shall be entitled to exercise any voting rights in the Association unless all assessments levied by the Association and which are due and payable have been paid.
- 2.4 Owners and/or holder of security interests only in any portion of said Plat shall not be allowed to vote as members. Vendees or purchasers under real estate contracts shall be considered owners entitled to vote. Membership of any person or entity shall terminate upon sale, transfer conveyance by such person or entity of his or her ownership in the plat or any lot or parcel or Building Site thereof.
- 2.5 There is only one class of member in the corporation.
- 2.6 Registration of Owners and Occupants. Each owner, or owners shall register with the Secretary of the Association in writing the following (a) the name and address of such owner or owners or any lessees of any building site (b) the nature of such owners business or estate in the unit; (c) the address at which such owner desires to receive notice if entitled to such notice of any duly called meeting of the members; (d) the name and address of any mortgagee; (e) if there is more than one owner of a Building Site, the name of the owner who shall be authorized to cast a vote with respect to such Building Site. If there is more than one owner of a Building Site, each must execute the registration as provided in this paragraph. If the owners of a Building Site fail to register as provided, the Board of Directors, or a committee appointed by the Board of Directors, shall determine who may cast the vote attributable to that Building Site.

- 2.7 The members shall have the property rights as set forth in the Declaration of Protective Covenants, Restrictions and Conditions of Liberty Woodlands Subdivision PUD. (Hereinafter the Declaration.) Any member may delegate their right of enjoyment to the common area and facilities to the members of the family, tenants, or contract purchasers who reside on the property by delivering a written notice of such delegation to the Secretary of the Corporation. Such delegation may be canceled by delivery or written notice of cancellation to the Secretary.

ARTICLE III

MEETINGS

The meetings of the Corporation shall be governed by the following:

- 3.1 Annual Meeting. The annual meeting of the members shall be held during the third month in each year beginning with the year 1989, or as set by the Board of Directors for the purpose of electing Directors and for the transaction of such other businesses that may come before the meeting. If the day fixed for the meeting shall be a legal holiday, such meeting shall be held at the next succeeding business day.
- 3.2 Special meetings. Special meetings of the owners shall be called at any time by the President or by the Board of Directors and shall be called by the President in any event upon receipt of a written request for a special meeting signed by those owners entitled to vote holding twenty (20%) percent or more of the total authorized vote of the Corporation.
- 3.3 Notices. Notice of all meetings of the owners, stating the time, place, and complete agenda thereof shall be given by the President or Secretary unless waived in writing. Such notice shall be in writing, shall be sent to each owner of record at the address of the Building Site, and to any other addresses that may be designated by the owner or mortgagee as set forth in Article II entitled, Registration of Owners and Occupants of these By-Laws. Notices shall be hand delivered, or sent by United States Mail not less than twenty-one (21) days in advance of any annual or regularly scheduled meeting, and at least seven (7) days in advance of any other meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. The notice of the meeting may be waived before or after such meeting.
- 3.4 Quorum. A majority of the members of the corporation entitled to vote, represented in person or by proxy shall constitute a quorum at the meeting of the members.
- 3.5 Action by Owners Without Meeting. Any action required by law and required to be taken at a meeting of the owners, or any action which may be taken at a meeting of the owners may be taken without a meeting by written instruments setting forth the actions to be taken and signed by all the owners of the units in the project who are entitled to vote.

- 3.6 Manner of Casting Votes. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the time of the meeting and shall be valid until revoked in writing, EXCEPT as provided in Par. 2.3 hereinabove.
- 3.7 If a quorum is present at any meeting for any question brought before the meeting it shall be decided by simple majority of the members entitled to vote present in person or by proxy.

ARTICLE IV

BOARD OF DIRECTORS

- 4.1 First Board of Directors. The first Board of Directors of the Association shall consist of the persons whose names are set forth in the Articles of Incorporation. Said first directors shall serve until their successors have been duly elected. Said first directors shall hold an organization meeting within six (6) months of the adoption of these By-Laws.
- 4.2 Number and Qualifications. The second Board of Directors and all successive Boards shall consist of five (5) owners (as defined in the Amended Declaration of Protective Covenants, Restrictions and Conditions of the Planned Unit Development.) The Directors shall receive no compensation for their services, but may be reimbursed for their out of pocket expenses in connection with the Associations business.
- 4.3 Terms. The terms of the Directors shall expire at the annual meeting of the Directors or when their successors have been elected, whichever occurs later. The terms of the first Board of Directors shall expire at the first annual meeting of the Directors, or until their successors are elected and qualified.
- 4.4 Removal. Any director may be removed by the affirmative vote of those owners entitled to vote holding seventy-five (75%) percent or more of the total vote of the Planned Unit of Development at any meeting of the board.
- 4.5 Vacancy. Any vacancy in a directorship may be filled at any meeting of the Board. The director elected to fill such vacancy shall serve for the unexpired term of its predecessor in office and until a successor has been elected.
- 4.6 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Directors. Notice of the regular meeting shall be given to each director, personally or by mail, telephone or telegraph, at least fourteen (14) days before the date designated for such regular meeting unless such notice is waived.
- 4.7 Special Meetings. Special meetings of the Directors may be called by their President, and shall be called by a Secretary at a written request of three (3) or more Directors. No less than three (3) days notice of such special meeting shall be given personally by mail, telephone or telegraph. Such notice shall state the time, place and purpose of the meeting.
- 4.8 Waiver of Notice. Any director may waive notice of a regular or special meeting, either before or after such meeting. Such waiver shall be deemed equivalent to giving the notice.

- 4.9 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of any business at any meeting of the Board.
- 4.10 Manner of Acting. Each director shall be entitled to one vote, and the act of the majority of Directors present at the meeting at which a quorum was present shall constitute the act of the Board of Directors.
- 4.11 Board Action Taken Without A Meeting. Any action required by law to be taken at a meeting of the Board of Directors or any action which may be taken at a meeting of the Board may be taken without a meeting by written instrument setting forth the action so taken and signed by all Directors.
- 4.12 Presiding Officer. Presiding officer at the meetings of the Board of Directors shall be the President, and, in his or her absence, the Directors present shall designate one of their numbers to preside.
- 4.13 Nomination and Election of Directors. Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting of the members. The nominating committee shall consist of a chairperson, who shall be a member of the Board of Directors, and two or more members of the Association. The nominating committee shall be appointed by the Board of Directors before each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies to be filled.
- 4.14 Election. Election to the Board of Directors shall be by ballot. At such election the members, or their proxies may cast, in respect to any vacancy, as their vote on the slate of officers put before them by the nominating committee or by nomination from the floor. The persons receiving the largest number of votes shall be elected. Cumulative voting is permitted.

ARTICLE V

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association shall be exercised by the Board of Directors (Hereinafter Board) in addition to those powers existing under common law, statutes, Articles of Incorporation, the Declaration, any statutory act governing non-profit corporations under the laws of the State of Washington, and the rules and regulations adopted from time to time by the Board. The Board shall:

- 5.1 Annually elect officers of the Association;
- 5.2 Prepare and mail to each owner before the annual meeting of the owners for each year an annual report which is to include the following documents and information:
- 5.2.1 A proposed budget for the next year showing the anticipated income and operating expenses including reasonable reserves;
- 5.2.2 A statement of any capital expenditures in excess of two (2%) percent of the current budget or Five Thousand dollars (\$5,000.00) which ever is greater, anticipated by the Association during the current year or succeeding two fiscal years;

- 5.2.3 A statement of the status of any amount in any reserve or replacement fund, and any portion of the fund designated for specified sewer and water projects within the Association;
 - 5.2.4 A copy of the statement of the financial condition of the Association for the last year;
 - 5.2.5 A statement of the status of pending suits or judgments to which the Association has been a party or may be a party;
 - 5.2.6 A statement of insurance coverage provided by the Association; and
 - 5.2.7 A statement of any unpaid assessment due and payable to the Association, identifying Building Site/Lot and the amount of the unpaid assessment.
- 5.3 Determine, establish and collect assessments in accordance with the Declaration for the purposes of providing for the common expenses and reserves of the common elements of the project, and to fund the sewer and water project in the phases and maintenance as set forth in the Declaration;
 - 5.4 Establish adequate reserve funds for the replacement of common elements to be funded as set forth in the Declaration;
 - 5.5 Use of all assessments collected and proper exercise of its powers and duties;
 - 5.6 Operate, maintain, repair and replace common elements, and sewer and water and other utilities as set forth in the Declaration;
 - 5.7 Restore the common elements after loss damage thereto except as otherwise provided in the Declaration;
 - 5.8 Establish and amend rules of regulations respecting the use of common elements and the project as a whole;
 - 5.9 Enforce by legal means the provisions of the By-Laws, the Declaration, Articles of Incorporation and the laws of the State of Washington, and other state and local rules and regulations;
 - 5.10 Contract for any services permitted by the laws of the State of Washington, the Declaration, and these By-Laws;
 - 5.11 To employ personnel for reasonable compensation to perform services required to be carried out by the Association and provide for proper care and maintenance of the common elements;
 - 5.12 Perform such other acts as may be delegated to the Board of Directors by the owners, these By-Laws, the Declaration and the Laws of the State of Washington.

ARTICLE VI

OFFICERS

- 6.1 Designation. The principal officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer. Only the President need be elected by and from the Board of Directors. The Directors may appoint an assistant Treasurer, and an assistant Secretary, and such other officers as in their judgment may be necessary.

- 6.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office for yearly terms, which may be consecutive.
- 6.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, with reasonable cause shown and written explanation given to said officer and to members of the Association, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.
- 6.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the president of an Association, including but not limited to the power to appoint committees from among the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.
- 6.5 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.
- 6.6 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.
- 6.8 Treasurer. The Treasurer shall have responsibility for the Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.
- 6.9 Any two offices of the corporation, except that of President, may be combined and one person elected to perform the duties of such combined offices.

ARTICLE VII

ARCHITECTURAL CONTROL COMMITTEE

- 7.1 Board of Directors are authorized in accordance with Article VII of the Declaration to appoint an Architectural Control Committee. The Architectural Control Committee shall be governed by Article VII of the Declaration as set forth on pages 17, 18 and 19 of the Declaration.
- 7.2 The committee may make reasonable rules and adopt procedures as it deems necessary to carry out its functions as set forth in the Declaration, which rules and procedures may not be inconsistent with the provisions of the Declaration.

ARTICLE VIII

AMENDMENTS

- 8.1 These By-Laws may be amended at a regular or special meeting of the members, by vote of a majority of a quorum of members present in person or by proxy, and by the Board of Directors.
- 8.2 In case of any conflict between the Articles of Incorporation, and these By-Laws, the Articles shall control; and in the case of a conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE IX

ENFORCEMENT

- 9.1 The Board of Directors are hereby authorized to enforce, by any proceeding at law or in equity all restrictions, covenants, reservations, liens and charges now and hereinafter imposed by the Board of Directors, pursuant to the Declarations, or imposed by the provisions of the Declaration and these By-Laws. Failure by the Board of Directors, the Association, or by any owner, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver by the Board of Directors, Owners, or Association, to do so thereafter.

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, being the Incorporator and members of the first Board of Directors of LIBERTY WOODLANDS HOME OWNERS ASSOCIATION, a non-profit corporation organized and existing under the laws of the State of Washington, do hereby certify that the foregoing By-Laws were duly adopted by written consent of all of the members of the Board of Directors of this corporation, said written consent bearing date the 25th day of July, 1989, and appearing in the minute records of this corporation under said date.

Frank M. Simmons Date Signed 7-25, 1989
Frank M. Simmons

Brian A. Simmons Date Signed 7-25, 1989
Brian A. Simmons

Randy L. Simmons Date Signed 7-25, 1989
Randy L. Simmons