

**BYLAWS OF
MEADOW WOOD CONDOMINIUM OWNERS ASSOCIATION**

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The following are Bylaws of Meadow Wood Association, a corporation organized under RCW 24.06, the Washington Nonprofit Miscellaneous and Mutual Corporation Act (the "Nonprofit Corporation Act") (hereafter, the "Association"). These Bylaws provide for operation of Meadow Wood, A Condominium, a condominium being created pursuant to the Washington Condominium Act (RCW 64.34, the "Condominium Act"). They apply to the entire condominium, each Unit therein, and all common elements. Each Owner automatically, by virtue of such ownership, becomes a member of the Association. All present and future Owners, Mortgagees and other encumbrances, lessees, tenants, licensees, and occupants of Units, and their guests and employees, and any other person who may use the facilities of the condominium are subject to these Bylaws, the Condominium Declaration for Meadow Wood, A Condominium, as it may from time to time be amended (the "Declaration") and the Rules and Regulations pertaining to use and operation of the condominium.

Words and phrases that are defined in the Declaration shall have the same meaning in these Bylaws.

PREAMBLE

It is the goal of Meadow Wood Condominium that the management of the Owners' Association be efficient while taking into account the community's desire to operate by the consensus model in order to strengthen community bonds whenever possible. Therefore, the Owner Members will delegate management powers to a Board of Directors, but retain elements of the consensus model to the extent practicable in order to strike a reasonable balance between efficient management and community-building.

ARTICLE 1. MEMBERSHIP; VOTING; REGISTER

Section 1.1 Membership. There will be three classes of members of the Association:

(a) Owner Members, who shall be the owners of units in the condominium developed by the Association. Owners of a Unit as joint tenants, tenants in common, community property, or other ownership involving more than one (1) Owner, shall be joint members of the Association, but the sum total of their vote shall not exceed the voting power allocated to the Units owned;

(b) Renter Members, who shall be renters of units in the condominium who have occupied, or have a lease to occupy a unit, for more than ninety (90) days; and

(c) Associate Members, who shall be supporters of the condominium, or co-housing in general, who have been approved for associate membership by the Board of Directors of the Association. Associate Members shall not have voting rights.

Section 1.2 Number of Votes. For all matters requiring the vote or approval of the Owners or Members under the Declaration, these Bylaws or the Act, the total voting power of all Owner Members shall be twenty-five (25) votes and the total number of votes available to the Owner or Owners of each Unit shall be equal to one (1) vote for each Unit owned. All matters not reserved in the Declaration and herein to the Owners shall be determined by consensus of the Owner Members and Renter Members pursuant to Article 6 of these Bylaws.

Section 1.3 Voting by Multiple Owners. If only one (1) of the multiple Owners of a Unit is present at a meeting of the Association, the Owner is entitled to cast all the votes allocated to that Unit. If more than one (1) of the multiple Owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is majority agreement if any one (1) of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.

Section 1.4 Voting Representative. An Owner may, by written notice to the Board, designate a voting representative for the Unit. The voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board from a person having an ownership interest in a Unit, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the Unit, except in cases in which the person designated is a Mortgagee of the Unit. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in-fact of the Owner under a durable power of attorney, or the administrators or executors of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each Unit shall be the group composed of all of its Owners. If a Unit is owned by more than one (1) person and only one (1) of them is at a meeting, the one who is present will represent the Unit.

Section 1.5 Voting by Proxy; Pledged Votes to Mortgagee. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by an Owner. If a Unit is owned by more than one (1) person, each Owner of a Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates eleven (11) months after its date of issuance. An Owner may, but shall not be obligated to, pledge his or her vote on all issues or on specific issues to a Mortgagee. If an Owner is in default under a first Mortgage on the Unit for one (1) year or more, the Mortgagee shall automatically be authorized to declare at any time thereafter that the Owner has pledged his or her vote on all issues to the Mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge.

Section 1.6 Persons Under Disability. Minors and persons declared legally incompetent shall be eligible for membership in the Association, if otherwise qualified, but shall not be permitted to vote except through a legally appointed, qualified, and acting guardian of their estate voting on their behalf, or, in the case of a minor with no legal guardian of his estate, through a parent having custody of the minor.

Section 1.7 Register of Members. The Board shall cause a register to be kept containing the names and addresses of all members of the Association. Persons who purchase an interest in a Unit shall promptly inform the Board of their interest. Persons who claim to be members of the Association shall, upon request, furnish the Board with copies of any documents under which they assert ownership of a Unit or any interest therein, and any Mortgages thereon.

ARTICLE 2. MEETINGS OF MEMBERS

Section 2.1 Place. Meetings of the members of the Association 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 first annual meeting of the Association shall be held on the third Saturday of July 2006, and thereafter the annual meeting shall be held on the first Saturday of February each calendar year or such other date as is set by the Members. Notice of the meeting shall be given to the Members not less than ten (10) nor more than sixty (60) days prior to the annual meeting. At such annual meeting the Owners shall transact such other business as shall properly come before the meeting.

Section 2.3 Budget Meeting. Within thirty (30) days after adoption of any proposed budget for the Association, the Board shall provide a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget, which date shall be not less than fourteen (14) nor more than sixty (60) days after mailing of the summary. Unless at that meeting the Owners to which seventy-five percent (75%)¹ of the votes in the Association are allocated vote to reject the budget, the budget is ratified, whether or not a

¹ 75% of 25 = 19 units.

quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Unit Owners shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board.²

Section 2.4 Special Meetings. A special meeting of the Association may be called by the President, by resolution of the Board or upon the written request of a majority of the Board or upon the written request of Owners having twenty percent (20%)³ of the votes in the Association not less than ten (10) nor more than sixty (60) days in advance of the meeting. No business shall be transacted at a special meeting except as stated in the notice given therefor unless consented to by seventy-five percent (75%)⁴ of the Owners present either in person or by proxy.

Section 2.5 Notice of Meetings. It shall be the duty of the Archivist to give notice of each annual, budget and special meeting. Such notice shall be hand-delivered, sent via email, or sent prepaid by first-class United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner, to each member of the Association and to each Eligible Mortgagee, if required by Article 26⁵ of the Declaration. The notice of any meeting shall state the time and place of the meeting and the items on the agenda to be voted on by the members, including the general nature of any proposed amendment to the Declaration or Bylaws, changes in the previously approved budget that result in a change in Assessment obligations, and any proposal to remove an officer. Before any meeting of the Association, any member may, in writing, waive notice of such meeting. Attendance by a member at a meeting of the Association shall be a waiver by such member of timely and adequate notice unless he or she expressly challenges the notice when the meeting begins.

Section 2.6 Quorum. The presence in person or by proxy of members of the Association or voting representatives holding a majority of the total voting power in good standing for the matter to be decided shall constitute a quorum for the transaction of business at any meeting of members of the Association. Good standing is defined to be current in dues or assessments and not to be 30 days or more delinquent. If a quorum is present at a meeting, a majority of the shareholders present may adjourn the meeting from day to day or to such time and place as may be decided by shareholders present and no notice of such adjournment need be given. No business shall be transacted at an adjourned meeting that could not have been transacted at the meeting from which the adjournment was taken.⁶

Section 2.7 Adjournment of Meetings. If any meeting of Owners cannot be organized because a quorum was not attained, the Owners present, in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, and the Archivist shall give notice of adjournment pursuant to Section 2.5 of these Bylaws.

² Per Section 16.3 of Declaration.

³ 20% of 25 = 5 units.

⁴ 75% of 25 = 19 units.

⁵ Article 26 – Amendment of Declaration, Survey Map and Plan, Articles, and Bylaws

⁶ Only Section 16.3 Ratification of Budget in the Declaration refers to “quorum.”

Section 2.8 Majority Vote. Except as otherwise provided by the Condominium Act, by the Declaration, or by these Bylaws, passage of any matter submitted to vote at a meeting where a quorum is present, shall require the affirmative vote of at least a majority of the votes in good standing present for the matter to be decided.

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) Meditation;
- (c) Proof of notice of meeting or waiver of notice;
- (d) Minutes of preceding meeting;
- (e) Reports of officers;
- (f) Reports of committees;
- (g) Unfinished business;
- (h) New business;
- (i) Announcements for the good of the order;
- (j) 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 Robert's Rules of Order or such other published code of parliamentary procedure as shall be approved by a majority at the meeting.

ARTICLE 3. BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 3.1 Number and Qualifications. The members intend that the operations of the Association shall be managed by a Board of Directors. Therefore, the Board shall consist of at least five (5) Directors but no more than nine (9) Directors, of whom no less than four fifths (4/5) shall be Owner Members.

Section 3.2 Term of Office. At the first annual meeting the members shall elect one (1) Director for a term of one (1) year, two (2) Directors for a term of two (2) years, and two (2) Directors for a term of three (3) years. At each annual meeting thereafter the members shall elect Directors to fill each expired term for a term of three (3) years.

Section 3.3 Removal. Any Director may be removed from the Board, with or without cause, by a majority⁷ vote of the Owner and Renter Members of the Association. In the event of death, resignation or removal of a Director, the remaining members of the Board shall select his or her successor from a list of candidates prepared by the nominating committee, and this successor shall serve until the next annual meeting, at which time the members shall elect a successor to serve any remainder of the unexpired term of his or her predecessor.

⁷ Majority of 25 = 13.

Section 3.4 Compensation. No Director shall receive compensation for any services rendered to the Association as a Director. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

ARTICLE 4. NOMINATION AND ELECTION OF DIRECTORS

Section 4.1 Nomination of Directors. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nomination may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board no less than sixty (60) days prior to each annual meeting of the members, and shall serve until the successor nominating committee for the succeeding annual meeting is appointed.

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 that are to be filled. Such nominations may be made from among Owner Members or Renter Members, consistent with Section 3.1.

Section 4.2 Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provision of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting⁸ is not permitted.

ARTICLE 5. MEETINGS OF DIRECTORS

Section 5.1 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day that is not a legal holiday.

Section 5.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or on the written request of any two Directors.

Section 5.3 Notice of Meetings. Notice of all meetings of the Board shall be given to each Director personally or by mail, email or telephone and in non-emergency situations shall be posted in the Common House at least three (3) days before the day fixed for the meeting.

Section 5.4 Quorum. A majority⁹ of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the

⁸ Cumulative voting is a procedure used for electing directors in which shareholders are entitled to multiply the number of votes they are entitled to cast by the number of directors for whom they are entitled to vote and cast the product for a single candidate or distribute the product among two or more candidates.

⁹ Majority of 7 = 4.

Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 5.5 Open Meeting. All Board meetings will be open. All Owner Members will be given the opportunity to be heard.

Section 5.6 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. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 5.7 Waiver of Notice. Before any meeting of the Board, any Director may, in writing, waive notice of such meeting. Attendance by a Director at any meeting of the Board shall be a waiver by him of timely and adequate notice 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. The Board shall attempt to give reasonable notice to Owner and Renter Members. Actual notice is not required.

ARTICLE 6. POWER AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1 Powers and Duties. The Board shall have the powers and duties provided for the administering authority of the condominium in the Condominium Act and in the Declaration, 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 Declaration required to be done in another manner; Provided, that the Board shall exercise its powers with the advice and counsel of the Owner Members. For all other decisions, the Board shall endeavor to guide and direct the general membership to a consensus.

Section 6.2 Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Elements, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) Exercise for the Association all power, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) Create standing or ad hoc committees comprised of Owner Members, Renter Members and Associate members with such authority as the Board may authorize by resolution pursuant to the Bylaws; provided that a majority of the committee members shall be Owner Members or Renter Members.

Section 6.3 Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-third (1/3) of the Owner Members and Renter Members in good standing who are entitled to vote;

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

(c) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within sixty (60) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

ARTICLE 7. OFFICERS

Section 7.1 Designation. The principal officers of the Association shall be a President, a Vice President, an Archivist, and a Treasurer, all of whom shall be Owner Members 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 Archivist simultaneously.

Section 7.2 Election of Officers. The officers of the Association shall be elected 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 7.3 Removal of Officers. At any regular meeting of the Board or at any special meeting of the Board called for such purpose, upon an affirmative vote of a sixty-seven percent (67%)¹⁰ of the members of the Board, any officer may be removed, either with or without cause. A successor to the removed officer may be elected at any such meeting.

Section 7.4 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. The President shall also have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President, unless some other person is specifically authorized by resolution of the Board of Directors, shall sign all bonds, deeds, notes, mortgages, leases and other contracts of the Association. The President and Treasurer, together, shall sign all checks over five thousand dollars (\$5,000.00) on behalf of the Association.

Section 7.5 Vice President. The Vice President shall perform the duties of the President when the President is absent or unable to act, and shall perform such other duties as may be prescribed by the Board.

Section 7.6 Archivist. The Archivist shall keep the minutes of all meetings of the Board and of the Association and shall have custody of the business records of the Board and the Association, other than financial records kept by the Treasurer. The Archivist shall give notices of meetings of the Association and the Board as required by these Bylaws. The Archivist is authorized to sign with the President in the name of the Association all bonds, deeds, notes, mortgages leases and contracts of the Association. The Archivist shall also perform such other duties as may be prescribed by the Board.

Section 7.7 Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. In conjunction with the President, the Treasurer shall sign all checks over five thousand dollars (\$5,000.00) issued by the Association. The Treasurer shall also perform such other duties as may be prescribed by the Board.

Section 7.8 Other Officers and Employees. Other officers of the Association and any persons employed to assist the officers, shall have such authority and shall perform such duties as the Board may prescribe within the provisions of the applicable statutes, the Declaration, and these Bylaws.

~~10-67% of 25 = 17 units.~~

Section 7.9 Compensation. The Board shall reimburse officers for reasonable out-of-pocket expenses incurred in the performance of their duties as an officer of the Association. The Board may pay reasonable compensation to any officer or Owner who performs substantial services for the condominium in carrying out the management duties of the Board. The Board's decision to compensate an officer shall not become final (and no payment may be made) until sixty (60) days after notice of it (including the amount of compensation to be paid) has been given to all persons entitled to notice of meetings of the Association, and such decision may be reversed by the members of the Association at a meeting duly called and held within sixty (60) days after the notice of the decision was given.

ARTICLE 8. COMMITTEES

Section 8.1 Committees of Directors. The Board may appoint one or more committees that consist of one or more Directors. Such committees, if composed entirely of Board members, shall have and exercise, to the extent provided in the resolution establishing the committee, the authority of the Board in the management of the Association. The appointment of any such committee shall not relieve the Board of its ultimate responsibility for the administration and management of the condominium.

Section 8.2 Other Committees. Other committees, not having or exercising the authority of the Board in the management of the Association, may be appointed by the President or the Directors, and such committees may be composed of one or more members of the Association.

Section 8.3 Limitation on Committees. No committee shall have the authority to: amend the Articles of incorporation; adopt or amend Bylaws; recommend the sale, lease or transfer of substantially all the assets of the corporation; recommend a voluntary dissolution of the corporation; declare distributions; make assessments; approve a plan of merger, consolidation or exchange; or take any action prohibited under RCW 24.06 or reserved to the full Board of Directors or to the members by any applicable law.

ARTICLE 9. DECISION MAKING

Section 9.01 Responsibility of Members.¹¹

- (a) Each member of the Association, each member of the Board, and each member of a committee created by the Board shall be responsible to participate actively in the discussions and decision making of those bodies.
- (b) Except for matters requiring the approval of the Owners under the Declaration, the Act or these Bylaws, the decisions of the Association, the Board, and any committees created by the Board shall be made by consensus as provided in this Article 9.¹²

Section 9.02 Consensus Decision Making; Quorum; Voting.¹³

- (a) Quorum. The quorum required for making decisions by consensus shall be:

¹¹ Amended 12/9/11

¹² Amended 4/28/06

¹³ Amended 12/9/11

- (i) Association: As required in Section 2.6 Quorum;
 - (ii) Board: As required in Section 5.4 Quorum;
 - (iii) Committees: A majority of committee members, unless otherwise provided by resolution of the Board.
- (b) Consensus. The Association will attempt to make all decisions by consensus. Consensus decision making is a process whereby all members agree to a proposal.
- (i) Those who have concerns about the proposal are responsible for expressing those concerns.
 - (ii) Resolution is sought for each concern.
 - (iii) When differences remain after discussion, consideration shall be closed for that time and no action may be taken until a subsequent meeting.
 - (iv) Proposals may be modified and presented for further consideration at a subsequent meeting.
- (c) Voting. If consensus on an issue or matter has not been reached after three (3) meetings of the Association, Board or a committee, then any member of the Association, Board or committee may require that the issue or matter be voted upon.
- (i) At Association or Board meetings, the affirmative vote of a majority of the authorized voters present and in good standing shall be required for approval unless otherwise specified in the Declaration or the Bylaws.
 - (ii) At committee meetings, the affirmative vote of seventy-five percent (75%) of the members of the committee present and in good standing shall be required for approval, unless otherwise provided by Board resolution.
- (d) Waiver of Consensus. The process of attempting to reach consensus at three meetings may be waived if seventy-five percent (75%) of the Association, Board, or committee voting on an issue determines that, under the circumstances, the good of the Association requires that the issue or matter must be immediately addressed.¹⁴

ARTICLE 10. HANDLING OF FUNDS

Section 10.1 Accounts. The Association shall establish the necessary funds or accounts to provide properly for the operation and maintenance of the condominium. Overall superintendence of these funds shall be the responsibility of the Treasurer of the Association. There shall be at least three (3) separate funds as described in Sections 10.2, 10.3, and 10.4.

Section 10.2 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 condominium 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 condominium and maintenance expenses of a routine or minor nature that do not require resort to the Reserve Fund for Common Elements. Funds for the Reserve Fund for Insurance Premiums and the Reserve Fund for Common Elements will normally be deposited in the Working Capital

¹⁴ Amended 04/28/06.

Fund and checks immediately issued to the other fund 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 10.3 Reserve Fund for Insurance Premiums. The Association shall maintain a fund which shall be known as the "Reserve Fund for Insurance Premiums." Each month the Treasurer shall cause to be deposited into this fund an amount equal to at least one-twelfth (1/12) of the total cost of all premiums for the policy or policies and bonds the Association is required by the Declaration to purchase. Such premiums shall be paid out of this fund.

Section 10.4 Reserve Fund for Common Elements. The Association shall maintain a fund which shall be known as the "Reserve Fund for Common Elements." The Treasurer shall deposit to this reserve account amounts reasonably anticipated to be required for the periodic maintenance, repair, and replacement of the Common Elements.

Section 10.5 Combination and Deposit or Investment of Funds. All funds of the Association shall be kept in accounts or deposits that are insured by agencies of the United States. The funds of the Association shall not be commingled with the funds of any other association or with the funds of any manager of the Association. The reserve funds may be combined in one or more savings accounts, certificates of deposit, or other accounts or deposits. Withdrawals of reserve funds from such account shall require the signature of at least two (2) Owner Members who are officers or directors of the Association.

Section 10.6 Emergency Repair Assessments. The Association may levy small special repair assessments not to exceed \$400 per unit per year, if deemed necessary by the community. These assessments may be levied at a flat rate per unit, without regard to the proportional specifications of Schedule C of the Declaration.¹⁵¹⁶¹⁷¹⁸¹⁹²⁰

¹⁵ Adopted by consensus on 8/13/2010.

¹⁶ **Declaration Section 1.1:** Assessments means all sums chargeable by the Association against a Unit, including, without limitation: (a) General and Special Assessments for Common Expenses, charges, and fines imposed by the Association; (b) Interest and late charges on any delinquent account; and (c) Costs of collection, including reasonable attorneys' and accountants' fees, incurred by the Association in connection with the collection of a delinquent Owner's account.

¹⁷ **Declaration Section 1.1:** Common Expense Liability means the liability for Common Expenses allocated to each Unit, as set forth in Section 6.5.1 and Schedule C.

¹⁸ **Declaration Section 6.5 Allocated Interests.** Schedule B sets forth the interest in the Common Elements for each Unit. Schedule C sets forth the Allocated Interests of each of the Units in the Condominium for the purposes of Common Expense Liability interest and voting. The formulas for making the allocations are as follows:

6.5.1 **Common Expense Liability:** A mixed formula treating hazard insurance differently than all other common expenses. Each Unit shall be responsible for one twenty-fifth (1/25th) of the Common Expense Liability for all items except hazard insurance or as otherwise provided in the Bylaws. The liability of each Unit for the cost of hazard insurance for the buildings and other structures shall be based on the relative area of the Units.

¹⁹ **Declaration Schedule C: NOTE 1:** Each Unit will have liability for all Common Expenses based on Unit Area as indicated above or as otherwise specified in the Bylaws.

²⁰ **Declaration Section 16.7 Special Assessments.** For those Common Expenses which cannot reasonably be calculated and paid on a monthly basis, the Board may levy Special Assessments for such expenses against the Units, subject to ratification by the Owners pursuant to Section 16.3.

Section 10.7 Administration and Maintenance (Work or Pay) Assessments. The Association may levy small special administration and maintenance assessments not to exceed \$60 per unit per month. These assessments may be levied at a flat rate per unit, without regard to the proportional specifications of Schedule C of the Declaration. See Work or Pay Plan in Rules and Regulations and Section 13.4.3 of the Declaration.²¹

ARTICLE 11. 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 Owners, Mortgagees, and the agents or attorneys of either of them, during normal business hours by appointment and at any other reasonable time or times.

ARTICLE 12. AMENDMENTS

The procedure and necessary consents required for adoption of amendments to the Bylaws are set forth in Article 26 of the Declaration.

The foregoing Bylaws were adopted at a duly convened meeting of the Owner Members (Declarant) of the Association on March 31, 2006.

A quorum was present at the meeting and all of the Owner Members (Declarant) present and entitled to vote cast their votes in favor of these Bylaws.

Dated this 6th day of June, 2006.

MEADOW WOOD ASSOCIATION, a
Washington nonprofit corporation

BY: JS

Name: Joel W. Adamson

Its: President

²¹ Adopted 05/08/2015. See corresponding Declaration amendment Section 13.4.3.

Exhibit A

List of Percentage Requirements in Declaration

Section 6.2 Ownership Limit. No single entity, (the same individual, investor group, partnership, or corporation) other than the developer during the initial sales period, may own more than ten percent (10%) of the total units in the project.

Section 8.2 Reallocation. ... A Common Element may be reallocated as a Limited Common Element or a Limited Common Element may be incorporated into an existing Unit with the approval of sixty percent (60%) of the Owners, including the Owner of the Unit to which the Limited Common Element will be allocated or incorporated. Such reallocation or incorporation shall be reflected in an amendment to the Declaration and the Survey Map and Plans.

13.4.8.1[Powers of the Assn.] If the estimated cost of any separate property acquisition or addition or improvement to the Condominium exceeds fifteen thousand dollars (\$15,000) and has not been included in the current year's budget, the approval of the Owners holding a majority of the votes in the Association shall be required; and if such estimated cost exceeds fifty thousand dollars (\$50,000) and has not been included in the current year's budget, the approval of the Owners holding sixty percent (60%) of the votes in the Association shall be required;

13.4.8.2[Powers of the Assn.] No structural changes shall be made to the building without the approval of Owners holding at least sixty percent (60%) of the votes in the Association;

13.5.2 [Financial Statements & Records.] The annual financial statement shall be audited at least annually by a certified public accountant who is not a member of the Board or an Owner unless Owners holding at least sixty percent (60%) of the votes, excluding votes held by the Declarant, waive the audit for that year.

13.5.4 [Financial Statements & Records.] Any mortgagee will, upon request, be entitled to receive the annual financial statement within ninety (90) days following the end of the fiscal year. The Board, or persons having thirty-five percent (35%) of the voting power of the Association, may require that an audit of the Association and management books be presented at any special meeting.

Section 15.2 Powers of the Board. ... The Board may create standing or ad hoc committees comprised of Owner Members, Renter Members and Associate members with such authority as the Board may authorize by resolution pursuant to the Bylaws; provided that a majority of the committee members shall be Owner Members or Renter Members. ...

Section 16.3 Ratification of Budget. Within 30 days after adoption of any proposed budget for the Condominium, the Board shall provide a summary of the budget to all the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than 14 nor more than 60 days after mailing of the summary. Unless at that meeting the Owners to which a 75% of the votes in the Association are allocated reject the budget, the budget is ratified, whether or not a quorum is present....

Section 21.8 Use of Insurance Proceeds. Any portion of the Condominium for which insurance is required under this Article which is damaged or destroyed shall be repaired or replaced promptly by the Association pursuant to Article 22 unless:...

(c) Owners holding at least sixty percent (60%) of the votes in the Association, including every Owner of a Unit or Limited Common Element which will not be rebuilt, and Owners other than the Declarant holding at least sixty percent (60%) of the votes in the Association excluding votes held by the Declarant vote not to rebuild.

22.3.2 Substantial Damage shall mean that in the judgment of a majority of the Board the estimated Assessment determined under Section 22.1.4 for any one (1) Unit exceeded ten percent (10%) of the full, fair market value of the Unit before the damage occurred, as determined by the then current assessment for the purpose of real estate taxation.

22.6.3 At the special meeting, the following consent requirements will apply:

(a) The Owners shall be deemed to have elected to repair the damage in accordance with the original plan unless the Owners of at least sixty percent (60%) of the total voting power of the Condominium other than that held by the Declarant, including every Owner of a Unit which will not be rebuilt and every Owner of a Unit to which a Limited Common Element which will not be rebuilt is allocated, have given their written consent not to repair the damage.

(b) The consent of sixty percent (60%) of all Owners will be required to elect to rebuild in accordance with a plan that is different from the original plan.

(c) In addition to the consent by the Owners specified above, any election not to repair the damage or not to rebuild substantially in accordance with the original plan will require the approval of eligible holders of first mortgages on Units that have at least fifty-one percent (51%) of the votes subject to eligible holder mortgages.

Section 25.2 Approval Required for Subdivision. A proposal that contemplates subdivision of a Unit will be accepted only if approved in writing by all Owners and mortgagees of the Unit or Units to be subdivided, seventy-five percent (75%) of the Owners, and fifty-one percent (51%) of Eligible Mortgagees.

26.1.1 An Owner may propose amendments to this Declaration or the Survey Map and Plans, the Articles or the Bylaws to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by Owners with twenty percent (20%) or more of the votes in the Association, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice must be given.

26.2.1 [Percentages of Consent Required.] The consent of Owners holding at least sixty percent (60%) of the votes in the Association, including Owners other than the Declarant holding at least sixty-seven percent (67%) of the votes in the Association excluding votes held by the Declarant, and the consent of Eligible Mortgagees of Units to which at least fifty-one percent (51%) of the votes of Units subject to Mortgages held by Eligible Mortgagees are allocated shall be required to materially amend any provisions of the Declaration, the Survey Map and Plans, the Articles or the Bylaws, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following:

- (a) Voting rights;
- (b) Assessments, Assessment liens, or subordination or priority of such liens;
- (c) Reserves for maintenance, repairs or replacement of the Common Elements;
- (d) Responsibility for maintenance and repair of any portion of the Condominium;
- (e) Rights to use Common Elements and Limited Common Elements;

- (f) reallocation of interests in Common Elements or Limited Common Elements or rights to their use;
- (g) Redefinition of any Unit boundaries;
- (h) convertibility of Units into Common Elements or Common Elements into Units;
- (i) Expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;
- (j) Hazard or fidelity insurance required;
- (k) Imposition of any restrictions on leasing of Units;
- (l) Imposition of any restriction on the right of an Owner to sell, transfer a Unit;
- (m) Restoration or repair (after damage or partial condemnation) in a manner other than specified in the Declaration or Survey Map and Plans; or
- (n) Any provisions which are for the express benefit of holders of first mortgages.

26.2.2 [Percentages of Consent Required.] An amendment that creates or increases Special Declarant Rights, increases the number of Units, changes the boundaries of any Unit, the Allocated Interests of a Unit, or the uses to which any Unit is restricted, shall require the vote or agreement of the Owner of each Unit particularly affected and the Owners other than the Declarant holding at least seventy-five percent (75%) of the votes in the Association excluding votes held by the Declarant.

26.2.3 [Percentages of Consent Required.] All other amendments shall be adopted if consented to by sixty percent (60%) of the Owners, including Owners other than the Declarant holding at least sixty-seven percent (67%) of the votes in the Association excluding votes held by the Declarant.

Section 27.1 Action Required. Except as provided in Articles 22 and 23, the Condominium may be terminated only by agreement of Owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated and with the consent of Eligible Mortgagees of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and in accordance with the Condominium Act. An Eligible Mortgagee who receives a written request to consent to termination who does not deliver or post to the requesting party a negative response within 30 days shall be deemed to have consented to such request, provided the request was delivered by certified or registered mail, return receipt requested.

Exhibit B
List of Bylaws Amendments & Related Actions

- ❖ Amendment 1 (4/17/2006): Incorporated eight wording changes recommended by attorney.
- ❖ Amendment 2 (4/28/2006): Incorporated ten wording changes recommended by attorney per property manager review.
 - ▲ 6/06/2006: Recorded bylaws with Kitsap County, along with Declaration and Survey Map & Plans.
- ❖ Amendment 3 (4/17/2009): Incorporated 4/28/06 wording changes inadvertently omitted from recorded copy; added revision history after Article 12.
- ❖ Amendment 4 (08/13/2010): Added new section: 10.6 Emergency Repair Assessments. (2006 and 2009 amendments were inadvertently left out; see below.)
 - ▲ 01/16/2011: Added table of contents.
 - ▲ 06/07/2011 Corrections: Added 2006 – 2010 amendments to 4/28/2006 version, including: “5.1 Regular meetings of the Board of Directors shall be held quarterly.”
 - ▲ (12/09/2011: Produced corrected copy and posted online.)
 - ▲ (06/30/2014: Discovered typos in online version; printed highlighted copy for the files.)
 - ▲ (08/12/2014 Produced corrected copy per 6/30/2014; posted online.)
- ❖ Amendment 5 (9/04/2015): Added Section 10.7 Administration & Maintenance (Work or Pay) Assessments. (Adopted 5/08/15; corresponds to Declaration amendment Section 13.4.3.) Posted online.

ARTICLE 12. AMENDMENTS

The procedures and necessary consents required for adoption of amendments to the Bylaws are set forth in Article 26 of the Declaration.

The foregoing **Bylaws with Amendments 1 through 5** were adopted at a duly convened meeting of Owner Members (Declarant) of the Association on **4 September 2015**. A quorum was present at the meeting and all of the Owner Members (Declarant) present and entitled to vote cast their votes in favor of these Bylaws.

Dated: this 4th of October, 2020

MEADOW WOOD CONDOMINIUM ASSOCIATION

A Washington nonprofit corporation

By: Richard Buckham

Richard Buckham, its Co-President