

# Bylaws

Last amended April 20, 2022

## Contents

Preamble . . . . .	1
Article I: Membership; Voting; Register . . . . .	1
Article II: Meetings of Members . . . . .	2
Article III. Board of Directors; Submission of Official Business . . . . .	3
Article IV. Officers . . . . .	4
Article V. Committees . . . . .	5
Article VI. Obligations of Unit Owners . . . . .	6
Article VII. Handling of Funds . . . . .	6
Article VIII. Keeping Records and Reports . . . . .	6
Article IX. Amendments . . . . .	7
Article X. Miscellaneous . . . . .	7

## Preamble

The following are the Bylaws of the Pattison Lake Townhomes Homeowners Association (the “Association”). These Bylaws apply to the entire condominium project, each condominium unit therein, and all common elements. Each unit owner is a member of the Association. All present and future owners, mortgagees, and other encumbrancers, lessees, tenants, licensees, and occupants of units, and their guests and employees, and any other person who may use the common elements of the condominium project are subject to these Bylaws, the Declaration, and the Rules and Regulations established from time to time by the Association for the use and operation of the project.

## Article I: Membership; Voting; Register

**Section 1. Membership** The Association is composed of the owners of each unit, who may participate through designated representatives, as set forth in the Declaration. Whenever these Bylaws refer to an “owner,” the designated representative of the owner is included.

**Section 2. Voting** The aggregate voting power of all units is one hundred (100) votes. Each unit is entitled to the number of votes equal to its percentage of undivided interest in the common elements, as set forth in the Declaration.

**Section 3. Register of Members** The Association shall maintain a register containing the names and addresses of all owners of units, their designated representatives, any voting rights pledges, and any proxies that have been filed with the Association. Owners who sell or convey their interests in a unit shall promptly report to the Association the name and address of their successor of interest. Persons claiming membership in the Association shall, upon request, furnish the Board of Directors with a copy of any documents under which they assert ownership to a unit, or any interest therein. The Board of Directors may require owners to supply the Association with copies of any security instrument affecting the Association’s interests.

## **Article II: Meetings of Members**

**Section 1. Place** Meetings of the Association are held at such reasonable place as may be designated from time to time by the Board of Directors.

**Section 2. Annual Meeting** The annual meeting of the Association must be held in the first quarter of each year, on a date fixed by the Board of Directors. At the annual meeting, the owners shall elect directors to fill vacancies in the Board of Directors as provided in the Declaration, and shall consider such other business as may properly come before the meeting. Mail-in and electronic voting are permissible, as described in section 6 of this Article.

**Section 3. Special Meetings** The President, a majority of the Board of Directors, or owners having 20 or more votes, may call a special meeting of the Association.

### **Section 4. Notice of Meetings**

- (1) The Association shall send a notice of each annual and special meeting to each owner, and any other person entitled to notice under the Declaration or these Bylaws, at the address the owner or other person has furnished in writing to the Association, or if an owner fails to specify such address, the address of the unit owned by the owner. The notice must state the time and place of the meeting and the items on the agenda to be voted on by members, including the general nature of any proposed amendments to the Declaration or Bylaws, changes in the previously approved budget that result in a change in assessment obligations, and any proposal to remove a director or officer. This notice shall be sent by the Secretary/Treasurer or, if properly delegated under Section 8.01.5 of the Declaration, by the delegate. Notice shall be by prepaid United States mail or, to the extent permitted by RCW 24.03A.015 and 64.34.396, by email.
- (2) The notice must be given at least 15 days prior to an annual or special meeting. Notice of any meeting of the Association may be waived in writing at any time and is waived by actual attendance at such meeting, unless such appearance is limited expressly to object to the legality of the meeting.
- (3) Any holder of a mortgage on a unit or any insurer or guarantor of such mortgage is, upon written request filed with the Association, entitled to written notice of all meetings of the Association and permitted to designate a representative to attend all such meetings.

**Section 5. Quorum** The presence in person or by proxy of owners having 51 or more votes constitutes a quorum for the transaction of business at any meeting of the Association.

**Section 6. Adjourned Meetings** If action at any meeting of the Association cannot be taken because a quorum is not in attendance, the owners present may:

- (1) Adjourn the meeting to a later date and give notice thereof to each owner and each other person entitled to notice in accordance with the Declaration. Owners who attend such an adjourned meeting, although holding less than 51 votes but at least 25 votes, nevertheless constitute a quorum for the purpose of the meeting. However, no amendment to the Declaration or these Bylaws may be adopted except as prescribed by the Declaration and these Bylaws. Additionally, no amendment to these Bylaws may be adopted unless owners holding 60 or more votes vote in favor of such amendment; or
- (2) Initiate a mail-in or electronic vote for the election of Directors and for any other business to be voted on by the members. If a response is received from owners holding at least 25 votes, this vote is valid.

**Section 7. Proxies** Any owner may vote by proxy. Proxies must be in writing, signed by the owner, and filed with the Association. A proxy must be for all the voting power of the condominium unit. A unit owner may not revoke a proxy except by actual notice of revocation given to the President or other person presiding over the meeting. A proxy is void if it is not dated or purports to be revocable without notice. Unless otherwise stated in the proxy, a proxy terminates 11 months after its date of issuance.

## **Section 8. Majority Vote**

- (1) Except as otherwise provided by the Declaration or these Bylaws, passage of any matter submitted to vote requires the affirmative vote of a majority of the total votes present in person or by proxy.
- (2) Notwithstanding subsection (1) of this section, the election of directors must allow cumulative voting, as provided in Article III, section 1(5) of these Bylaws.

**Section 9. Parliamentary Authority** In the event of a dispute, the parliamentary authority for the meetings is the current available edition of *Robert's Rules of Order Newly Revised*.

## **Article III. Board of Directors; Submission of Official Business**

**Section 1. Election of Board of Directors** (1)(a) The Board of Directors consists of five persons, each serving a two-year term. Terms are staggered such that two directors are elected in odd-numbered years and three directors are elected in even-numbered years. Terms expire at the conclusion of the last day of March, at which time the succeeding terms begin. However, the service of a member of the Board continues into the next term until his or her successor has been selected and qualified.

- (b) If one or more positions on the Board of Directors are vacant at the time of the annual meeting of the Association, such positions are subject to election even if not regularly scheduled. Any person elected to such position serves the remaining unexpired term of the position to which he or she is elected.
- (2)(a) No person may serve on the Board of Directors unless that person resides in a unit or is a unit owner. If the unit owner is a corporation, partnership, limited partnership, association, trust, governmental subdivision or agency, or other legal entity, such entity may designate an individual to act as unit owner for purposes of this section.
- (b) With respect to each unit, no more than two of the class of persons residing in such unit or owning such unit may serve simultaneously on the Board of Directors.
  - (c) A person who becomes disqualified for service on the Board of Directors under this subsection (2) prior to the expiration of his or her term ceases to be a member of the Board of Directors upon disqualification.
- (3) If a majority of the Board of Directors is not unit owners, no person who is not a unit owner may be appointed or elected to the Board of Directors. No person may be appointed or elected to the Board of Directors if such appointment or election would cause unit owners on the Board of Directors to constitute less than a majority.
- (4) When voting for members of the Board of Directors, votes may be cast only for those candidates who have been nominated prior to opening of voting. Any unit owner may nominate a candidate. A candidate is not eligible for nomination if he or she would be prevented from serving by law or by subsections (2) or (3) of this section.
- (5)(a) Elections for the Board of Directors use cumulative voting. Each member of the Association is entitled to cast a number of votes for directors equal to the number of directors to be elected multiplied by the number of votes that the member is entitled to under the Declaration. The candidates receiving the highest number of votes are elected as directors, even if the number of votes received is less than a majority.
- (b) If an election for the Board of Directors results in a tie between two or more candidates, or if the election of one or more prevailing candidates would violate subsection (3) of this section, such election is not valid with respect to those candidates and with respect to any candidate receiving fewer votes than those candidates. Additional runoff elections must be held among such candidates using the procedures in (a) of this subsection; however, any candidate whose election would violate subsection (3) of this section must be excluded from the runoff elections.
  - (c) If an election includes one or more positions with remaining unexpired terms under subsection (1)(b) of this section, the candidates elected into such positions are those candidates prevailing with less votes

than received by the candidates necessary to fill all positions elected for a full term. If a tie results in the assignment of term length under this subsection (5)(c), the tie must be decided by random choice.

## **Section 2. Vacancies**

- (1) Vacancies on the elected Board of Directors caused by reason other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so elected serves for the unexpired portion of the previous director's term.
- (2) No director, duly elected by the Association to serve a two-year term, may resign from his or her unexpired term and be appointed to fill the remaining term of another director who is unable to complete his or her own term. Vacancies must be filled from the pool of eligible persons, from which currently serving directors are excluded.

**Section 3. Removal of Directors** At any annual meeting of the Association or special meeting of the Association called for that purpose, any one or more of the directors may be removed, with or without cause, by a two-thirds vote of the owners present, and successors may then be elected to fill the vacancies thus created.

**Section 4. Compensation** No compensation may be paid to directors for their services as directors on the Board.

**Section 5. Regular Meeting** Regular meetings of the Board of Directors may be held at such time and place as determined from time to time by a majority of the directors, but at least 2 meetings must be held during each fiscal year. Notice of regular meetings of the Board of Directors must be given to each director personally, or by postal mail, telephone, email, or text message at least 3 days prior to the day fixed for such meeting. The notice must state the time and place of the meeting.

## **Section 6. Special Meetings**

- (1) Special meetings of the Board of Directors may be called by the President. The President shall call a special meeting at the written request of any director.
- (2) Notice of a special meeting under this section must be provided to each director 3 days prior to the meeting, in the manner provided by section 5 of this article. The notice must state the time, place, and purpose of the meeting.

**Section 7. Waiver of Notice** Before or after any meeting of the Board of Directors, any director may waive notice of the meeting in writing. Attendance by a director at any meeting of the Board of Directors is a waiver of notice. If all the directors are present at any meeting of the Board of Directors, no notice is required and any business may be transacted at the meeting.

**Section 8. Quorum** At all meetings of the Board of Directors, the attendance of 3 directors constitutes a quorum. The acts of the majority of the directors present at a meeting at which a quorum is present are the acts of the Board of Directors.

**Section 9. Complaints and Official Business** Any complaints and all official business must be transmitted in writing, emergencies excepted, and such written business must be submitted to the Board of Directors through the President if available, and the Secretary/Treasurer if the President is not available.

## **Article IV. Officers**

**Section 1. Designation** The officers of the Association are a President, a Vice President, and a Secretary/Treasurer. All officers are elected by and from the Board of Directors.

**Section 2. Election of Officers**

- (1) The officers of the Association must be elected each year and hold office at the pleasure of the Board.
- (2) The appointment of any new director outside of the regular annually scheduled elections triggers a Board meeting within 10 business days at which officer positions become vacant and officers must be elected.

**Section 3. Removal of Officers** At any regular meeting of the Board of Directors or at any special meeting called for that purpose, any officers may be removed, with or without cause, and his or her successor elected upon an affirmative vote of a majority of the members of the Board of Directors.

**Section 4. President** The President is the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors and has all powers and shall perform all duties usually incident to the office of President of a business corporation.

**Section 5. Vice President** The Vice President shall perform the duties of the President in the absence of the President and shall perform such other duties as may be assigned by the Board of Directors.

**Section 6. Secretary/Treasurer**

- (1) The Secretary/Treasurer shall perform all duties usually incident to the office of Secretary/Treasurer of a business corporation.
- (2) In addition, unless properly delegated under Section 8.01.5 of the Declaration, the Secretary/Treasurer shall:
  - (a) Keep the minutes of all meetings of the Board of Directors and of the Association;
  - (b) Maintain the register of owners, designated representatives, voting rights pledges, and proxies; and
  - (c) Have responsibility for the Association's funds and securities and be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association.

**Section 7. Other Officers, Assistants, Employees** Other officers of the Association, assistants to the officers, or persons employed to assist the officers, have such authority and shall perform such duties as the Board of Directors may prescribe within the provisions of applicable law, the Declaration, and these Bylaws.

**Section 8. Compensation** The Board may pay reasonable compensation to any officer, agent, assistant, or owner who performs substantial services for the condominium project in carrying out the management functions.

**Article V. Committees**

**Section 1. Committees of Directors** The Board of Directors may designate one or more committees, each of which must consist of one or more directors. Such committees, if composed entirely of Board members, have and exercise, to the extent provided in the resolution establishing the committee, the authority of the Board of Directors in the management of the Association. However, the designation of such committees does not relieve the Board of Directors of any responsibility imposed upon it by law.

**Section 2. Other Committees** Other committees, not having or exercising the authority of the Board of Directors in the management of the Association, may be designated by the President or by the Board of Directors. These committees may be composed of one or more members of the Association other than Board members, but each must have one Board member as a member or chair.

## **Article VI. Obligations of Unit Owners**

**Section 1. Monthly Assessments** Unit owners are obligated to pay the maintenance assessments and other assessments imposed by the Association to meet all common expenses of the property as set forth in the Declaration. The Board of Directors shall act to establish, assess, collect, and expend such assessments as provided in the Declaration.

### **Section 2. Rules and Regulations**

- (1) The Board of Directors may, from time to time, adopt and amend Rules and Regulations (in addition to the restrictions set forth in the Declaration) as may be required for the use, occupancy, and maintenance of the units and common elements, and when so adopted, the Rules and Regulations are binding upon all of the owners and occupants.
- (2) The Rules and Regulations must be consistent with the Declaration and these Bylaws. To the extent the Rules and Regulations are inconsistent, they are invalid to the extent of the conflict.

## **Article VII. Handling of Funds**

**Section 1. Accounts** The Association shall establish the necessary funds or accounts to properly provide for the operation and maintenance of the property. Overall superintendence of these funds is the responsibility of the Secretary/Treasurer of the Association or, if properly delegated under Section 8.01.5 of the Declaration, the delegate. The accounts must be administered in such a way that the funds are secure and that signature cards at the various institutions containing the funds are current.

- (1) Insurance Account. The Association shall establish an interest-bearing savings account at a federally insured financial institution, to be known as the Insurance Account. Each month, the Association shall first cause to be deposited in the Insurance Account an amount equal to at least one-twelfth of the total annual cost of all premiums for the policy or policies that are provided for the condominium.
- (2) Reserve Account. The Association shall establish an interest-bearing savings account at a federally insured financial institution, to be known as the Reserve Account. The purpose of the Reserve Account is to provide for major renovation or replacement of structural elements and mechanical equipment of the condominium project, for financial stability during periods of special stress, and to meet deficiencies in the general funds that may occur from time to time as a result of delinquent payment of assessments, and for other contingencies. The Reserve Account must be funded by monthly payments from the common expense assessment, and not by extraordinary special assessments.
- (3) General Account. The Association shall establish a checking account in a federally insured financial institution to be known as the General Account. This account will be the working capital account for the current operations of the condominium and will normally receive all monthly assessments, and all income and other funds received by the Association. Checks will be issued from this account for all management, maintenance, and operation expenditures necessary for the condominium. Funds for the Insurance Account and Reserve Account will normally be received and deposited in the General Account and transfers issued to the other accounts immediately so that an overall accounting of the funds received and disbursed by the Association is centralized in the records of the General Account.

## **Article VIII. Keeping Records and Reports**

**Section 1. General** The Secretary/Treasurer or, if properly delegated under Section 8.01.5 of the Declaration, the delegate shall keep complete and accurate books and records prepared according to generally accepted accounting principles of the receipts and expenditures affecting the common elements, specifying and itemizing the maintenance and repair expenses of the common elements and any other expenses incurred. The Secretary/Treasurer or delegate shall keep such additional financial records sufficiently detailed to enable the Association to comply with its duties under RCW 64.34.372 and 64.34.425, and as they may be subsequently amended. Such books and records, authorizations for payment of expenditures, audited financial statements, if any, and all contracts, documents, papers, and other records of the Association must

be available for examination, upon request, by any owner or owner's agent or attorney, or by any holders, insurers, and guarantors of first mortgages on any unit, during normal business hours and under other reasonable circumstances.

## **Section 2. Financial Reports**

- (1) Unit owners and holders, insurers, and guarantors of first mortgages on any unit ("Interested Parties") are entitled to inspect the books, records, and financial statements of the Association during normal business hours and under other reasonable circumstances.
- (2) In accordance with RCW 64.34.372, an annual audit is required but may be waived annually by unit owners to which 60 votes are allocated.
- (3) Upon the written request of the Interested Parties, the Association shall provide such parties with an audited financial statement of the preceding fiscal year if an audited statement is available. The Interested Parties must be allowed to have an audited financial statement prepared for the preceding fiscal year at their expense if such audited financial statement is not available.

## **Article IX. Amendments**

- (1) Except as otherwise provided in this Article, these Bylaws may be amended or repealed by the Board of Directors. Owners having 60 or more votes may amend or repeal the Bylaws at any annual meeting or special meeting called for that purpose.
- (2)(a) No amendment of the Bylaws modifying, changing, limiting, altering, or otherwise materially affecting the rights conferred upon the mortgagee of the condominium project or any mortgagee of a condominium unit with respect to any unsatisfied mortgage, duly recorded, is effective unless such amendment is approved in writing in advance by the holder of such mortgage.
  - (b) Any material amendment to these Bylaws requires the prior approval of 75 percent of all first mortgagees of record.

## **Article X. Miscellaneous**

**Section 1. Notices for All Purposes** Subject to RCW 24.03A.015 and 64.34.396, any notice permitted or required to be delivered under the provisions of these Bylaws may be delivered either personally, by mail, or by email unless otherwise provided in these Bylaws. Notice to the owner of a unit or designated owner representative is sufficient if mailed to the unit of such person, if no other mailing address in the state of Washington has been given in writing to the Board by such person. Mailing addresses and email addresses may be changed from time to time by notice in writing to the Board.

## **Section 2. Waiver**

- (1) The failure of the Board of Directors in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions, or restrictions of the Declaration, or of these Bylaws, or any Rules and Regulations established by the Board of Directors, or to serve any notice or to institute any action, is not a waiver or a relinquishment for the future of such term, covenant, condition, or restriction, but such term, covenant, condition, or restriction remains in full force and effect.
- (2) The receipt by the Association of any assessment from an owner, with knowledge of any such breach, is not a waiver of such breach. No waiver by the Association of any provision hereof may be made unless expressed in writing and signed by the Board of Directors.

**Section 3. Limitation of Liability** To the extent permitted by law, the members of the Board of Directors and the Association are not liable for any failure of any utility or other service to be obtained and paid for by the Board of Directors or for injury or damage to person or property caused by the elements, or by another owner or person; or resulting from electricity, water, rain, dust, smoke, or sand which may lead or flow from outside or from any parts of the property, or from any of its pipes, drains, conduits, appliances,

or equipment, or from any other cause or place; or resulting from loss, damage, or theft of articles used or stored by owners on the property or in units. No diminution or abatement of assessments may be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements to the common elements, or from any action taken to comply with any law, ordinance, or order of a governmental authority. This section does not impose any form of liability by any implication upon the Board of Directors or upon the Association.

#### **Section 4. Interpretation**

- (1) The provisions of the Declaration and these Bylaws must be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of this condominium project. It is intended also that, insofar as it affects the Declaration, these Bylaws, and this condominium project, the provisions of chapter 64.34 RCW must be liberally construed to effect the intent of the Declaration and these Bylaws insofar as reasonably possible.
- (2) When interpreting the Declaration and these Bylaws, the term “person” may include natural persons, partnerships, corporations, associations, and personal representatives. The term “mortgage” includes a deed of trust or real estate contract. The singular may include the plural and the masculine may include the feminine, or vice versa, where the context so admits or requires. It is intended that the terminology used herein be interpreted in conformity with the definitions and usages in chapter 64.34 RCW.
- (3) Terminology, such as, but not limited to, the term “unit” used in these Bylaws is intended to have the meaning given in chapter 64.34 RCW unless the context clearly requires otherwise.

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These Bylaws were last amended by the Board of Directors April 20, 2022.