

**BYLAWS**  
**OF**  
**WESTBROOK HOMEOWNERS ASSOCIATION**

**A Miscellaneous Community, not subject to RCW 64.90**

The following are the Bylaws of **WESTBROOK HOMEOWNERS ASSOCIATION** (the “**Association**”), a non-profit corporation organized under the Washington Nonprofit Corporation Act, Chapter 24.03 RCW (the “**Act**”).

These Bylaws provide for the operation of certain property located at 13706 Manor Way (the “**Property**”) located in the city of Lynnwood, Washington. They apply to the entire Property, each Unit Lot therein (each referred to herein as a “**Unit**”), and all common elements, easements, and shared use areas developed in the process of dividing the Property and constructing the buildings on the Units (the “**Project**”). Each owner of a Unit (“**Owner**”), including the Declarant, 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 Property are subject to these Bylaws, the Declaration of Covenants and Easements for the Property, and Westbrook Lane A Townhome Unit Lot Subdivision (the “**Plat**”), as they may from time to time be amended (the “**Declaration**”) and the rules and regulations of the Association pertaining to use and operation of the Property.

Words and phrases that are defined in the Declaration shall have the meaning defined in these Bylaws. In the event of a conflict between the provisions of these Bylaws and the Declaration, the Declaration prevails except to the extent the Declaration is inconsistent with applicable law.

**ARTICLE 1. MEMBERSHIP; VOTING; REGISTER.**

Section 1.1 Membership. The membership of the Association at all times shall consist exclusively of all the Owners in the Project. Corporations, partnerships, associations, and other legal entities, trustees under an express trust, and other fiduciaries, as well as natural persons may be Members of the Association. Owners of a Unit as joint tenants, tenants in common, community property, or other ownership involving more than one Owner, shall be joint members of the Association, but the sum total of their vote shall not exceed the voting power allocated to the Unit(s) owned. The following shall be considered as Members of the Association for the purpose of eligibility to vote: If a corporation is a Member of the Association: any of its officers, directors, shareholders or employees; if a partnership is a Member: any of its partners or employees; if a limited liability company is a Member: any of its managers, managing partners, members, employees or employees of a manager.

Section 1.2 Number of Votes. The total voting power of the Association shall be forty-six (46) votes, which is the total number of Units in the Project. Each Unit shall be entitled to one vote. For purposes of determining the percentage of Owners, or percentage of voting power for

approving a proposed decision or course of action in cases where an Owner owns more than one Unit, such Owner shall be deemed a separate Owner for each such Unit so owned.

Section 1.3 Voting by Multiple Owners. The voting interest of each Unit must be cast as a single vote. Fractional votes shall not be allowed. If only one of the multiple Owners of a Unit is present at a meeting of the Association or has delivered a written ballot or proxy to the Association secretary, the Owner is entitled to cast the vote allocated to that Unit. If more than one of the multiple Owners is present or has delivered a written ballot or proxy to the Association secretary, the vote allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. If a majority-in-interest of the multiple Owners is unable to agree how their vote shall be cast, they shall lose their right to vote on the matter in question. There is majority agreement among the Owners of a Unit if any one of the multiple Owners casts the vote 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 husband and wife and only one of them is at a meeting, the spouse who is present will represent the marital community.

Section 1.5 Voting by Proxy. 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 person, each Owner of a Unit may vote or register protest to the casting of the vote 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.

Section 1.6 Voting by Absentee Ballot. Votes allocated to a Unit may be cast pursuant to an absentee ballot duly executed by an Owner if: (a) the name of each candidate and the text of each proposal to be voted upon are set forth in a writing accompanying or contained in the notice of meeting; and (b) a ballot is provided by the Association for such purpose. The Association must be able to verify that the ballot is cast by the Owner having the right to do so.

Section 1.7 Pledged Votes to Mortgagee. 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 the record Owner or Owners have pledged their vote regarding special matters to a Mortgagee under a duly recorded Mortgage, only the vote of such Mortgagee will be recognized in regard to the special matters

upon which the Mortgagee is entitled to vote pursuant to the terms of the pledge, if a copy of the instrument with the pledge has been filed with the Board.

Section 1.8 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 1.9 Association May Not Vote. No vote allocated to a Unit owned by the Association may be cast, and in determining the percentage of votes required to act on any matter, the votes allocated to Units owned by the Association shall be disregarded.

Section 1.10 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 any 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 Meetings of Members.

(a) Annual Meeting. The annual meeting of the Association shall be held in the first quarter of each fiscal year on a date fixed by the Board, which date shall not be less than fourteen (14) nor more than fifty (50) days after notice of the meeting is given to the Members. At such annual meeting the Owners shall elect members to the Board or fill vacancies therein, and transact such other business as shall properly come before the meeting. Notwithstanding the foregoing, if any "Material Amendment" or "Extraordinary Action" is to be voted upon at such meeting, then Members shall be given not less than fourteen (14) and not more than fifty (50) days' notice of the proposed meeting.

(b) Budget Meeting. Within thirty (30) days after adoption of any proposed budget for the Association, the Board shall provide a copy of the budget to all of the Members and set a date for a meeting of the Members to consider ratification of the budget, which date shall be not less than fourteen (14) nor more than fifty (50) days after mailing the copy. Unless at the meeting Members holding a majority of the votes in the Association vote to reject the budget, the budget is ratified, whether or not a quorum is present for the meeting. In the event the proposed budget is rejected or the required notice for the meeting is not given, the budget last ratified by the Owners shall be continued until a budget proposed by the Board is ratified. If the Board prepares a supplemental budget during any fiscal year, such budget shall not take effect unless ratified by the Members in accordance with this Section.

(c) Special Meetings. A special meeting of the Association may be called by the president, by a majority of the Board or upon the written request by Owners, not including the Declarant, having twenty percent (20%) of the votes in the Association. No business shall be transacted at a special meeting except as stated in the notice given therefor unless consented to by each of the Owners present either in person or by proxy.

Section 2.3 Notice of Meetings. It shall be the duty of the secretary (or the president, in the absence of the secretary) to give written notice of each annual, budget, and special meeting be not less than fourteen (14) nor more than fifty (50) days in advance of the meeting in accordance with the provisions of Section 2.2. Such notice may be delivered electronically, hand-delivered, 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 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 a director or 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 in person, or by proxy, or by communication device, shall be a waiver of timely and adequate notice unless such Member expressly challenges the notice when the meeting begins.

Section 2.4 Voting. Whenever proposals, directors, or officers are to be elected by Owners, the vote may be taken by mail or by electronic transmission if the name of each candidate and the text of each proposal to be voted upon are set forth in a record accompanying or contained in the notice of meeting. An election may be conducted by electronic transmission if the Association has designated an address, location, or system to which the ballot may be electronically transmitted and the ballot is electronically transmitted to the designated address, location, or system, in an executed electronically transmitted record. Owners voting by mail or electronic transmission are present for all purposes of quorum, count of votes, and percentages of total voting power present.

Section 2.5 Participation of Owners by Communication Equipment. One or more Owners may participate in and vote during any regular or special meeting of the Members by means of telephone, video, or other conferencing process if: (a) the meeting notice states the conference process to be used and provides information explaining how Members may participate in the conference directly or by meeting at a central location or conference connection; and (b) the process provides all Members the opportunity to hear or perceive the discussion and to comment as required under Section 2.11. Those Members so participating shall be present at such meeting for purposes of quorum.

Section 2.6 Quorum. The presence in person, by proxy, by mail, or by electronic transmission or communication equipment at the beginning of the meeting of Members of the Association or voting representatives holding at least fifty percent (50%) of the total voting power shall constitute a quorum for the transaction of business at any meeting of Members of the Association.

Section 2.7 Adjournment of Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, 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.

Section 2.8 Majority Vote. Except as otherwise provided in the Act or by the Declaration, or by these Bylaws, passage of any matter submitted to vote at a meeting of the Association where a quorum is present, shall require the affirmative vote of at least fifty-one percent (51%) of the votes present.

Section 2.9 Consent Without a Meeting. Any action required to be taken at a meeting of the Owners, or any action which may be taken at a meeting of the Association, may be taken without a meeting if a consent in the form of a record, setting forth the action so taken, is executed by all of the Owners entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any articles or record filed with the secretary of state under this chapter.

Section 2.10 Order of Business. The order of business at meetings of the Association shall be as follows unless dispensed with on motion:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of inspectors of election;
- (g) Election of directors (annual meeting or special meeting called for such purpose);
- (h) Unfinished business;
- (i) New business;
- (j) Adjournment.

Section 2.11 Opportunity to Comment. Members must be given a reasonable opportunity at any meeting of Members to comment regarding any matter affecting the Property or the Association.

Section 2.12 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 of the votes present at the meeting.

### ARTICLE 3. BOARD OF DIRECTORS.

#### Section 3.1 Number, Qualifications, and Manner of Election.

(a) Prior to the date on which Declarant has conveyed at least six (6) of the Units to purchasers (the “**Transition Date**”), and continuing thereafter until a Board is elected by the Owners, the affairs of the Association shall be governed by a Board consisting of one (1) director. Until the Transition Date, the Declarant shall appoint the member of the Board, subject to the right of the Owners to elect a member or members of the Board thereafter. Members of the Board elected by the Declarant prior to the Transition Date need not be Owners.

(b) Within thirty (30) days after the Transition Date, the Declarant or the Board shall call a special meeting of the Owners to elect a Board of three (3) directors to serve until the first day of the calendar month following the date of adjournment of the first annual meeting. Thereafter, the term of office for the three (3) directors will be annual, beginning on the first day of the calendar month following the date of adjournment of the annual meeting at which they are elected. The directors elected by the Owners after the Transition Date shall be Members of the Association. The following shall be considered as Members of the Association for the purpose of eligibility for election to the Board as a Member of the Association: If a corporation is a Member of the Association: any of its officers, directors, shareholders or employees; if a partnership is a Member: any of its partners or employees; if a limited liability company is a Member: any of its managers, managing partners, members, employees or employees of a manager.

Section 3.2 Powers and Duties. The Board shall have the powers and duties provided for the administering authority of the Project in the 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 required by the Declaration to be done in another manner. The Board may delegate its powers to a Manager to the extent permitted by the Act and/or the Declaration.

Section 3.3 Term and Vacancies. The term of office for the directors will be annual, beginning on the first day of the calendar month following the date of the annual meeting at which they are elected. Vacancies on the Board caused by reasons other than the removal of a director by a vote of the Association shall be filled by the Members of the Association at a special meeting held for that purpose. The person so elected shall serve as director for the balance of the unexpired term and until a successor is elected at the next annual meeting of the Association.

Section 3.4 Removal of Directors. At any annual or special meeting, any one or more of the directors may be removed, with or without cause, by Members holding a majority of the votes in the Association and a successor may then and there be elected to fill the vacancy thus created and to serve the balance of the unexpired term; providing, however, until the Transition Date the Members may not remove any director appointed by the Declarant. Any director whose removal has been proposed shall be given Notice and an Opportunity to be Heard at the meeting.

Section 3.5 Organization Meeting. The first meeting of the newly elected Board after the Transition Date shall be held within ten (10) days of election at a place to be fixed by the directors at the meeting at which the directors were elected, and no notice shall be necessary to the newly elected directors in order legally to call the meeting, providing a majority of the whole Board shall be present at the meeting.

Section 3.6 Compensation. No compensation shall be paid to directors for their services as directors.

Section 3.7 Meetings of Directors.

(a) Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director personally or by mail, telephone, or email, at least three (3) days before the day fixed for the meeting.

(b) Special Meetings. Special meetings of the Board may be called by the president on three (3) days' notice to each director, given personally or by mail, telephone, or email, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by either the president or secretary in like manner and on like notice on the written request of any two (2) directors.

Section 3.8 Notice of Director's Meetings. Unless a schedule of the meetings of the Board of Directors is given to the Owners or the meeting is called to deal with an emergency, the Secretary or other officer specified in these Bylaws and the Articles must provide notice of each meeting of the Board of Directors to each Director and the Owners. Notice must be given at least 14 days before the meeting and must state the time, date, place, and agenda of the meeting. If any materials are distributed to the Board of Directors before the meeting, the Board of Directors must also make such materials reasonably available to Owners, except for unapproved minutes or materials to be considered in an executive session.

Section 3.9 Waiver of Notice. Before or after 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 such Director 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, then, subject to the requirement that Owners receive notice of meetings as described in Section 3.8 above, no additional notice shall be required and any business may be transacted at the meeting.

Section 3.10 Quorum. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. If there is less than a quorum present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At the adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.11 Majority Vote. Except as otherwise provided by the Act or by the Declaration, or by these Bylaws, passage of any matter submitted to vote at a meeting of the Board where a quorum is present, shall require the affirmative vote of a majority of the Board members.

Section 3.12 Open Meeting. Any Owner or voting representative may attend any meeting of the Board, but shall not be entitled to participate except with the consent of the Board. The Board may, however, go into private, executive session to consider the employment or dismissal of the Manager or other persons employed by the Association, or to hear complaints or charges brought against such person, unless the person requests a public hearing, or to discuss with legal counsel litigation in which the Association is or is likely to become a party, if public discussion would adversely affect the interests of the Association in such litigation. The Board of Directors may expel any person, who, after warning by the chair of the meeting, disrupts the meeting. Executive sessions may only be held during a regular or special meeting of the Board of Directors or Board of Directors committee. No final vote or action may be taken during an executive session.

Section 3.13 Presumption of Assent. A Director of the Association present at a Board of Directors meeting at which action on any Association matter is taken shall be presumed to have assented to the action taken unless the Director's dissent is entered in the minutes of the meeting or unless the Director files a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or unless the Director forwards such dissent by certified or registered mail to the Secretary of the Association within 2 business days after the adjournment of the meeting. A Director who voted in favor of such action may not dissent.

Section 3.14 Consent in Lieu of Meeting. Any action required or which may be taken at a meeting of the Board or a committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken or to be taken, shall be signed by all directors or committee members as the case may be.

Section 3.15 Participation of Directors by Communication Equipment. At any regular or special meeting of the Board of Directors, one or more of the Directors may participate in, or conduct the meeting through, the use of any means of communication by which all persons participating in the meeting (including Owners) can hear each other during the meeting. Participation by such means shall constitute presence in person at a meeting.

Section 3.16 Participation by Conferencing Process. Members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or committee by means of telephone, video, or other conferencing process if: (a) the meeting notice states the conference process to be used and provides information explaining how Owners may participate in the conference directly or by meeting at a central location or conference connection; and (b) the process provides all Directors, committee members, and Owners the opportunity to hear or perceive the discussion and to comment as required under Section 3.12.



## ARTICLE 4. OFFICERS.

Section 4.1 Designation. The principal officers of the Association shall be a president, a vice president, a secretary, and a treasurer, all of whom shall be elected by and from the Board. The directors may appoint from the Board such other officers as in their judgment may be necessary or desirable. Two (2) or more offices may be held by the same person, except that a person may not hold the offices of president and secretary simultaneously.

Section 4.2 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 4.3 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 majority 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 4.4 President. The president shall be the chief executive officer of the Association. He or she 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, and as vested in the president by resolution of the Board from time to time.

Section 4.5 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 4.6 Secretary. The secretary 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. He or she shall also perform such other duties as may be prescribed by the Board.

Section 4.7 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.

Section 4.8 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.

Section 4.9 Compensation. The Board may pay reasonable compensation to any officer or Owner who performs substantial services for the Association in carrying out the management duties of the Board. The Board's decision to compensate an officer shall not become final until sixty (60) days after notice of the decision (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 5. COMMITTEES.

The Board may appoint one (1) or more committees that consist of one (1) 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 Project. 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 (1) or more Members of the Association.

#### ARTICLE 6. FUNDS OF THE ASSOCIATION.

Section 6.1 Accounts. The Association shall establish the necessary funds or accounts to provide properly for the operation and maintenance of the Project. Overall superintendence of these funds shall be the responsibility of the treasurer of the Association. There shall be at least the separate funds required by applicable law.

Section 6.2 Operating Fund. There shall be established one or more checking accounts to be known as the "Operating Fund." The Operating Fund will be used for the normal operation of the Association and will receive all monthly Assessments for Common Expenses, Limited Common Expenses, Special Allocations, 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 operational expenditures necessary for the Association and maintenance expenses of a routine or minor nature that do not require resort to the Reserve Fund or the Working Capital Fund.

Section 6.3 Reserve Fund. If required under applicable law, the Board shall create reserve accounts for anticipated expenses for repairs, replacement and improvements which will occur in the future when the Board determines that such reserve accounts will facilitate the accumulation of funds to pay such expenses when they occur. The Association may maintain at least one reserve account known as the "Reserve Fund for Common Elements." The treasurer of the Association shall deposit to the Reserve Fund for Common Elements amounts reasonably anticipated to be required for the periodic maintenance, repair, and replacement of the Common Elements (including the Limited Common Elements, if any).

Section 6.4 Working Capital Fund. The Board may create a segregated account to meet unforeseen expenditures or to purchase any additional equipment or services (the "Working Capital Fund"). The treasurer of the Association shall deposit any working capital funds to this segregated account. The Board shall have the power to assess each Unit such amounts as are necessary to maintain such Unit's share of the Working Capital Fund in an amount equal to at least

two (2) months of Common Expenses. Any amounts paid into this fund shall not be considered as advance payments of regular Assessments of Common Expenses.

Section 6.5 Special Assessments. The Board may, at any time, propose a special assessment. The Board shall provide a copy of the proposed special assessment to all of the Members and set a date for a meeting of the Members to consider ratification of the Special Assessment, which date shall be not less than fourteen (14) nor more than fifty (50) days after mailing the copy. Unless at the meeting Members holding a majority of the votes in the Association vote to reject the special assessment, the special assessment is ratified, whether or not a quorum is present for the meeting.

Section 6.6 Combination and Deposit or Investment of Funds. All funds of the Association shall be kept in accounts or deposits in the name of the Association with a qualified financial institution. 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 or any other person responsible for the custody of such funds. The reserve funds may be combined in one or more savings accounts, certificates of deposit, or other accounts or deposits. Any transaction affecting reserve funds, including the issuance of checks, shall require the signature of at least two (2) persons who are officers or directors of the Association.

Section 6.7 Reconciliation of Actual Expenses to Assessments. The Association shall establish and maintain its accounts and records in such a manner that will enable it to charge the Assessments for Common Expenses, Limited Common Expenses and Special Allocations, including allocations to reserves, and income of the Association to the account of the appropriate Units and make its expenditures from the appropriate accounts. In order that the Unit Owners are correctly assessed for the actual expenses of the Association, the accounts of the Association shall be reconciled at least annually; and any surpluses (or deficits) in the accounts shall be either held as reserves or credited to the benefit of or paid to (or charged to the account of or assessed against) the Owners of the Units who paid the surplus (or owe the deficit).

## ARTICLE 7. ASSOCIATION RECORDS.

Section 7.1 Books and Records. The Board shall cause to be kept complete, detailed, and accurate books and records of the actions of the Board, including but not limited to board resolutions and meeting minutes, and the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles. Financial records shall be sufficiently detailed to enable the Association to comply with the resale requirements set forth in RCW 64.34.425.

Section 7.2 Examination of Records. The Association shall make available to Owners, Mortgagees, prospective purchasers and their prospective Mortgagees, and the agents or attorneys of any of them, current copies of this Declaration, the Articles, the Bylaws, the rules and regulations of the Association. All financial and other records of the Association, including but not limited to checks, bank records and invoices, are the property of the Association, but shall be made reasonably available for examination and copying by any Unit Owner, or the Owner's authorized agents, and by any Manager of the Association. "Available" shall mean available for inspection upon request, during normal business hours or under other reasonable circumstances.

The Association may require the requesting party to pay a reasonable charge to cover the cost of making the copies.

Section 7.3 Financial Statements. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with the Association's accrual based accounting practices. Any financial reviews or audits required by applicable law may be paid for out of the Association funds. The financial statement shall be completed in time for the Association's annual meeting and in any event within ninety (90) days following the end of the fiscal year.

Section 7.4 Audits. At least annually, the Association shall have the financial statements audited by a certified public accountant. The audit requirement may be waived annually by Unit Owners other than the Declarant of units to which a majority of the votes in the Association are allocated, excluding the votes allocated to units owned by the Declarant.

## ARTICLE 8. NOTICES.

All notices required or permitted to be delivered under these Bylaws, including without limitation, notices to the Association, Board of Directors, or any Owner or Tenant must be provided in the form of a record. As used in this Article 8, "Record" means information inscribed on a tangible medium or contained in an electronic transmission; "Tangible medium" means a writing, copy of a writing, facsimile, or a physical reproduction, each on paper or on other tangible material; "Electronic transmission" means an electronic communication (a) not directly involving the physical transfer of a record in a tangible medium and (b) that may be retained, retrieved, and reviewed by the sender and the recipient thereof, and that may be directly reproduced in a tangible medium by a sender and recipient; and "Electronically transmitted" means the initiation of an electronic transmission.

Section 8.1 Tangible Medium. Notice provided in a tangible medium may be transmitted by mail, private carrier, or personal delivery; or telephone, wire, or wireless equipment that transmits a facsimile of the notice.

8.1.1 Notice in a tangible medium to the Association or to a committee may be addressed to the Association's registered agent at its registered office, to the Association at its principal office shown in its most recent annual report or provided by notice to the Owners, or to the President or Secretary of the Association at the address shown in the Association's most recent annual report or provided by notice to the Owners.

8.1.2 Notice in a tangible medium to an Owner or Tenant must be addressed to the property address unless the Owner has requested in writing delivered to the Association that notices be sent to an alternate address or by other method allowed by law, these Bylaws and the Articles.

Section 8.2 Electronic Transmission.

- 8.2.1 Notice to Owners or Directors by electronic transmission is effective only upon Owners and Directors who have consented in writing to receive electronically transmitted notices and have designated in the consent the address, location, or system to which such notices may be electronically transmitted, provided that such notice otherwise complies with any other requirements of the Act and applicable law.
- 8.2.2 Notice to Owners or Directors under this subsection includes material that the Act or these Bylaws and the Articles require or permit to accompany the notice.
- 8.2.3 An Owner or Director who has consented to receipt of electronically transmitted notices may revoke this consent by delivering a revocation to the Association, in writing.
- 8.2.4 The consent of any Owner or Director is revoked if the Association is unable to electronically transmit two consecutive notices given by the Association in accordance with the consent, and this inability becomes known to the Secretary of the Association or any other person responsible for giving the notice. The inadvertent failure by the Association to treat this inability as a revocation does not invalidate any meeting or other action.
- 8.2.5 Notice to Owners or Directors who have consented to receipt of electronically transmitted notices may be provided by posting the notice on an electronic network and delivering to the Owner or Director a separate record of the posting, together with comprehensible instructions regarding how to obtain access to the posting on the electronic network.
- 8.2.6 Notice to an Association in an electronic transmission is effective only with respect to an Association that has designated in a record an address, location, or system to which the notices may be electronically transmitted.

8.3 Alternative Methods. Notice may be given by any other method reasonably calculated to provide notice to the recipient.

8.4 Effectiveness. Notice is effective as follows: Notice provided in a tangible medium is effective as of the date of hand delivery, deposit with the carrier, or 3 days after deposit in in US mail.

- 8.4.5 Notice provided in an electronic transmission is effective as of the date it: (A) is electronically transmitted to an address, location, or system designated by the recipient for that purpose; or (B) has been posted on an electronic network and a separate record of the posting has been sent to the

recipient containing instructions regarding how to obtain access to the posting on the electronic network.

8.5 Failure to Deliver. The ineffectiveness of a good-faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.

ARTICLE 9. AMENDMENTS.

The procedure and necessary consents required for adoption of amendments to the Declaration, Plat, Articles, and Bylaws are set forth in the Declaration. Any amendment may be executed by any officer of the Association who is designated for such purpose by the Board or by the president of the Association in the absence of any other designation. Amendments to the Bylaws, the Plat, or the Articles of Incorporation of the Association may be made in accordance with applicable law.

ARTICLE 10. DISPUTE RESOLUTION; ARBITRATION.

Any disagreement between or among any Owners and/or the Declarant with respect to the interpretation or application of these Bylaws, the operation of the Association, or the obligations arising hereunder shall be determined by arbitration. Such arbitration shall be conducted, upon request of the Owners or Declarant desiring arbitration, before an arbitrator agreeable to the parties, designated by the American Arbitration Association and in accordance with the rules of such Association. The arbitrator designated and acting under this Declaration shall make his or her decision in strict conformity with such rules and shall have no power to depart from or change any of the provisions thereof. In accordance with such rules, the arbitrator shall determine the controversy in accordance with the laws of the State of Washington as applied to the facts. The expense of arbitration proceedings conducted hereunder shall be borne equally by the parties to such arbitration. All arbitration proceedings hereunder shall be conducted in the City of Seattle, Washington. Judgment upon the award may be entered in any court having jurisdiction thereof.

The foregoing Bylaws were adopted to be effective as of the date the Association's Articles of Incorporation were filed with the Washington Secretary of State, pursuant to the Consent in Lieu of Organizational Meeting of the Association.

DATED: 7/9/20, 20  .

WESTBROOK HOMEOWNERS ASSOCIATION



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Todd Leabman, Sole Director