

**BYLAWS**  
**OF**  
**BENNETT ROAD HOMEOWNERS ASSOCIATION**

(A Corporation Not For Profit)

**Article I - Name and Location**

This corporation shall be known as BENNETT ROAD HOMEOWNERS ASSOCIATION (aka Manzanita Court HOA), hereinafter referred to as the "HOA." The principal office of the HOA shall initially be located at 36 Manzanita Drive, Manson, WA 98831, but meetings of members and directors may be held online, as may be designated by the Board of Directors.

**Article II - Definitions**

Section 1. "DECLARATION" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions (CCRs) applicable to the properties recorded in the office of the County Comptroller of Chelan County, WA.

Section 2. "MEMBER" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 3. All other terms used herein shall have the same definitions as set forth in the Declaration of Covenants, Conditions and Restrictions.

**Article III - Meeting of Members**

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of handoff of the HOA, and each subsequent regular meeting of the members shall be held annually of each year thereafter, or on such other dates as the Board of Directors may determine.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by e-mailing a copy of such notice, or posting on the website, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the HOA, or supplied by such member to the HOA for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, in person or by proxy, thirty percent (30%) of the total votes of all members at the time of the meeting shall constitute a quorum for any action except as otherwise provided in these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Adjourned Meetings. If an annual meeting or special meeting is adjourned to a different date, time or place, then the new date, time or place must be announced at the meeting before it is adjourned. Otherwise, notice of the new time, place or date must be given in the same manner as required for the adjourned meeting.

Section 6. Proxies. At all meetings of members, one property owner may vote and shall be revocable and shall automatically cease upon conveyance by the member of the lot.

Section 7. Voting. At all meetings of members where a quorum has been attained, those members present in person and a simple majority of the voting interests of present members in shall be required on any action unless otherwise provided in these Bylaws.

Section 8. Action of Members Without a Meeting. Any action that may be taken by

Members at a meeting or that may be approved or ratified at a meeting, may be taken by written agreement without a meeting in the following manner and provided that the following conditions are met:

(a) The Board of Directors determines that action by written agreement without a meeting will be in the best interest of the Members (which determination shall be final and binding upon all concerned); and

(b) To be counted, a ballot must be received by the HOA not more than thirty (30) days from the date of mailing. The Board, in its discretion, may establish a shorter period of time within which voting must be completed and in such event such shorter period of time shall be observed as the deadline; provided, however, the time for returning ballots shall in no event be less than ten (10) days; and

(c) To be valid, a decision made in writing by agreement of Members, without a meeting, must have a minimum number of members voting, namely the number necessary for a quorum at a Members meeting, as prescribed in Section 4, above.

#### **Article IV - Board of Directors**

Section 1. Number. The affairs of this HOA shall be initially managed by a Board of three (3) directors, who need not be members of the HOA. There shall never be less than three (3) directors. However, the Board shall continuously be composed of an odd number of directors.

Section 2. Term of Office. Directors shall be elected at the annual meeting and shall serve for a term of two (2) years or so long thereafter until their successors are duly elected. However, the Members, at any annual meeting after the Declarant has relinquished control of the HOA and to provide a continuity of experience, may vote to create classes of directorships having a term of one, two or three years to create a system of staggered terms.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the HOA. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the HOA. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Of Directors 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.

#### **Article V - Nomination and Election of Directors**

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the HOA. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or nonmembers,

Section 2. Elections. Election to the Board of Directors shall be by Membership vote. At such election, the members or their proxies may cast 1 vote, in respect to each vacancy. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

#### **Article VI - Meetings of Directors**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Director shall be held when called by the President of the HOA, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Notice to Members. All meetings of the Board of Directors shall be open to all members except meetings between the Board and its attorney to discuss proposed or pending litigation where the contents of the discussion would be governed by the attorney-client privilege. Notices of all board meetings must be posted in a conspicuous place in the subdivision at least 48 hours in advance of a meeting, except in an emergency. If notice is not posted in a conspicuous place in the subdivision, notice of each board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency. If the meeting for which the notice is being provided shall be for the purpose of acting on assessments, the notice shall include a statement that assessments will be considered and the nature of the assessments to be considered.

Section 4. Voting. Directors may not vote by proxy or by secret ballot at board meetings except a secret ballot may be used when electing officers.

Section 5. Miscellaneous. The voting and notice requirements set forth in this Article shall also apply to the meetings of any committees authorized by the Board of Directors including the Architectural Review Committee.

Section 6. Minutes. Minutes of all meetings of the Board of Directors and committees must be maintained in written form or in another form that can be converted into written form within a reasonable time. The minutes must reflect the action taken by the Board, or committee, including the recording of votes or the abstention from voting on each matter voted upon for each director present or for each committee member present.

## **Article VII - Powers and Duties of the Board of Directors**

Section 1. Powers. The Board of Directors shall have the power to:

- a. Adopt and publish rules and regulations governing the administrator of the HOA.
- b. Suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the HOA, but subject to provisions of applicable Washington State law;
- c. Exercise for the HOA all powers, duties and authority vested in or delegated to this HOA and not reserved to the membership by other provisions of these Bylaws;
- 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;
- e. Employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties; and,
- f. Maintain a Backflow management system and a Backflow vendor as permitted by the appropriate Chelan County officials; establish rules and regulations for the service; assess Members for the expense of maintenance and operation; Vendor will assess individual property owners for identified repairs and, upon dissolution of HOA, to the property owner to resume maintenance and operation service.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- a. Make available to lot owners and lenders and to holders, insurers or guarantors of any first mortgage, current copies of the Bylaws, other rules concerning the books, records and financial statements of the HOA. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances;

b. Supervise all officers, agents and employees of this HOA, and to see that their duties are properly performed;

c. As more fully described, to:

1. Fix the amount of the annual assessment against each lot 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 thirty (30) 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 in effect casualty and liability insurance and fidelity bond coverage together with such additional coverages as the HOA's Board of Directors may determine;

f. Cause to be kept a complete record of all of 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-fourth of the Class A members who are entitled to vote.

g. Maintain a Backflow management system and a Backflow vendor as permitted by the appropriate Chelan County officials; establish rules and regulations for the service; assess Members for the expense of maintenance and operation; Vendor will assess individual property owners for identified repairs and, upon dissolution of HOA, to the property owner to resume maintenance and operation service.

Section 3. Budgets. The HOA shall prepare an annual budget. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The HOA shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member within ten (10) business days after receipt of a written request therefor.

Section 4. Financial Reporting. The HOA shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The HOA shall, within ten (10) business days after completion of the annual financial report, provide each member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the member. The financial report must consist of either:

- (a) Financial statements presented in conformity with generally accepted accounting principles; or
- (b) A financial report of actual receipts and expenditures, cash basis, which report must show:
  1. The amount of receipts and expenditures by classification; and
  2. The beginning and ending cash balances of the HOA.

### **Article VIII - Officers and Their Duties**

Section 1. Enumeration of Officers. The officers of this HOA shall be a President, who shall at all times be a member of the Board of Directors, a Secretary, and a Treasurer, which may be combined, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the annual membership meeting.

Section 3. Term. The officers of this HOA shall be elected bi-annually by the Board and each shall hold office for two (2) years unless s/he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the HOA may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer s/he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes;

Vice-President: If desired, the Board may elect a Vice-President who shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board;

Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the HOA together with their addresses; and shall perform such other duties as required by the Board;

Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the HOA and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the HOA; keep proper books of account; cause an annual audit of the HOA books to be made public at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members.

## Article IX - Official Records

Section 1. The HOA shall maintain each of the following items which constitute the "Official Records" of the HOA:

- (a) Copies of any plans, specifications, permits and warranties relating to improvements constructed on the Common Area or other property that the HOA is obligated to maintain, repair or replace.
- (b) A copy of the Bylaws of the HOA and of each amendment thereto.
- (c) A copy of the Articles of Incorporation of the HOA and each amendment thereto.
- (d) A copy of the Declaration of Covenants, Conditions and Restrictions for Bennett Road Homeowners Subdivision.
- (e) A copy of the current rules of the homeowners HOA.
- (f) The minutes of all meetings of the Board of Directors and of the members and of any committees appointed by the Board which minutes must be retained for at least seven (7) years.
- (g) A current roster of all members and their mailing addresses and lot designations.
- (h) All of the HOA's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years.
- (i) A copy of all contracts to which the HOA is a party, including, without limitation, any management agreement, lease, or other contract under which the HOA has an obligation or responsibility. Bids received by the HOA for work to be performed must also be considered Official Records and must be kept for a period of one (1) year.
- (j) The financial and accounting records of the HOA, kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:
  - 1. Accurate, itemized and detailed records of all receipts and expenditures.
  - 2. A current account and periodic statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.
  - 3. All tax returns, financial statements and financial reports of the HOA.
  - 4. Any other records that identify, measure, record, or communicate financial information.

Section 2. The Official Records shall be maintained within the state and must be open to inspection and available for photocopying by members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. This Section may be complied with by having a copy of the Official Records available for inspection or copying in the subdivision.

Section 3. The Board of Directors may adopt reasonable written rules governing the frequency, time, location, notice and manner of inspections, and may impose fees to cover the costs of providing copies of the Official Records, including, without limitation, the cost of copying. The HOA shall maintain an adequate number of copies of the recorded governing documents, to insure their availability to members and

prospective members, and may charge only its actual costs for reproducing and furnishing these documents to those persons who are entitled to receive them.

### **Article X - Assessments**

As more fully provided in the Declaration, each member is obligated to pay to the HOA annual and special assessments which are secured by continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within ten (10) days after the due date, a late charge of ten percent (10%) of the assessment amount shall be due and the assessment shall bear interest from the date of delinquency at the highest rate allowed by law. If the assessment is not paid within thirty (30) days after the due date, the Board of Directors, through its officers, may cause to be filed in the public records of Chelan County, Washington, a lien certificate evidencing the lien against the lot as provided for in the Declaration/CCRs. The HOA may bring an action at law against the member personally obligated to pay the assessment or foreclose the lien against the property, and all interest, costs and reasonable attorney's fees of either such action shall be added to the amount of such assessment and shall be included in the lien. No member may waive or otherwise escape liability for the assessments provided for herein by non-use of the common properties or abandonment of his lot.

### **Article XI - Amendments**

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a majority vote of members at a duly called meeting at which a quorum is present in person or by proxy.

Section 2. In the case of any conflict between CCRs and these Bylaws, the Bylaws shall control.

### **Article XII - Committees**

The HOA shall appoint an architectural control committee as provided in the Declaration and a nominating committee as provided in these Bylaws. The initial members of the architectural control committee shall be as set forth in the Declaration and they shall continue to serve until removed by the Board of Directors, subject to the limitations and provisions set forth in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate to carry out its purposes.