

**2020 AMENDED AND RESTATED  
BYLAWS**

**OF**

**ASPEN SHORES WASTE MANAGEMENT SYSTEM AND  
HOMEOWNERS ASSOCIATION**

**(a Washington non-profit corporation)**

**Restated November 21, 2020**

**ARTICLE I.**

**Register Office and Agent**

**1.1 Registered Office and Registered Agent.** The registered office of ASPEN SHORES WASTE MANAGEMENT SYSTEM AND HOMEOWNERS ASSOCIATION (the "Association") shall be located in the state of Washington at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law, and the registered agent shall have an office identical with such registered office

**ARTICLE II.**

**Definitions and Membership**

**2.1 Qualification.** The fee owners and contract purchasers of Lots in the Aspen Shores Subdivision, Lots 2 through 44 inclusive shall, together, constitute the Membership of the Aspen Shores Waste Management Systems and Homeowners Association ("Association") for purposes of voting, decision making, and Association operations. Corporations, partnerships, and other legal entities, trustees and other fiduciaries, as well as natural persons, may be Members. Ownership of a Lot shall be the sole and exclusive qualification for Membership in the Association. Owners of a Lot as joint tenants, tenants in common, owners of community property, or other ownership involving more than one owner, shall be Members of the Association, but their vote shall not exceed the percentage of interest for voting appurtenant to the Lot owned.

**2.1.1 *Membership.*** Each Lot Owner shall automatically become a Member of the Association and shall be subject to these Bylaws and such rules and regulations as may from time to time be adopted by the Association or the Board of Directors of the Association.

**2.1.2 *Transfer of Membership.*** The Association Membership of each Owner shall be appurtenant to the Lot giving rights to such Membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in anyway except upon the transfer of title to said Lot and then only to the transferee of title to such Lot, or except as otherwise

specified in the Covenants, these Bylaws or the Act. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the Membership in the Association appurtenant thereto to the new Owner thereof.

## **2.2 Definitions.**

**2.2.1** “Act” means the Washington Nonprofit Miscellaneous and Mutual Corporations Act (Revised Code of Washington, Chapter 24.03 and 64.38) as amended from time to time.

**2.2.2** “Association” means the homeowners association of the Aspen Shores Waste Management Systems and Homeowners Association, which is the subject of these Bylaws.

**2.2.3** “Covenants” shall mean the Protective Covenants recorded on March 13, 2001, under Auditor’s Number 3037001, as amended on September 3, 2004 under Auditor’s Number 3077319, Douglas County, state of Washington.

**2.2.4** “Board” shall mean and refer to the Board of Directors of Aspen Shores Waste Management Systems and Homeowners Association. “Board Member” as used herein shall mean the persons voted to serve on the Board of Directors, whether as an at-large Director or as an Officer-Director. Where the term “Officer” or “officer” is used in these Bylaws, it shall be read to mean Officer-Director where the context indicates.

**2.2.5** “Lot” shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property.

**2.2.6** “Majority Vote of Members” shall mean and refer to the Members holding more than 50% of the total votes entitled to be cast (as opposed to a majority of those Members attending a meeting). Any specified fraction or percentage of the Members means the Members holding that fraction or percentage of the total votes entitled to be cast. Unless otherwise specified, any provision herein requiring the approval of the Members means the approval of a Majority Vote of Members.

**2.2.7** “Member” shall mean and refer to every person or entity who is an Owner. Membership shall be appurtenant to and may not be separated from the Owner’s interest in the Lot. All Members shall have rights and duties as specified in the Covenants, the Articles of Incorporation, Bylaws of the Association, other governing documents and the Act. The Association shall be governed by a Board of Directors as set out in the Bylaws.

**2.2.8** “Member in Good Standing” shall mean a Member who is current on all amounts due and owing to the Association. Only Members in Good Standing are entitled to vote.

**2.2.9** "Owner" shall mean and refer to the one or more persons or entities holding the following interests of record: (i) fee simple title to any Lot which is a part of the Property; or (ii) contract purchaser in a real estate contract to any Lot which is part of the Property. The term Owner shall exclude those having an interest merely as security for the performance of an obligation.

**2.2.10** "Property" of "Properties" shall mean and refer to that certain real property subject to the Covenants.

### **ARTICLE III. Adoption and Amendment of Bylaws**

**3.1** **Adoption of Bylaws.** These Bylaws have been adopted as of this date by the Board of Directors and approved by more than 2/3 of all the Members.

**3.2** **Amendment of Bylaws.** Except as limited by the Covenants or by law, these Bylaws may be amended, in whole or in part, by the affirmative vote of two-thirds of all the Members at a meeting, of the Association duly held for the purpose, and notice of said changes or amendments shall be mailed immediately to all Members. A proposed amendment shall be submitted to the Membership at a meeting of the Membership as directed by the Board of Directors. The Board of Directors shall call such a meeting upon the filing with the Secretary a petition signed by at least one-fifth of the voting power of all the Members of the Association.

### **ARTICLE IV. Voting Rights**

**4.1** **Voting Rights.** There shall be one vote per Lot owned for each Member in the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association, except as provided in the covenants concerning the developer.

**4.2** **Voting by Multiple Owners.** If the Owner of a Lot is other than one individual or marital community, the Owner shall specify, in writing to the Association, the individual who is the Member of the Association for the Lot. In the absence of such written specification, assessments shall nevertheless be charged against the Lot and Owner thereof, but there shall be no right to vote. The Member must be an individual who is either an Owner or, if the Owner is or includes a person other than an individual; an individual who is a partner, if the Owner is or includes a partnership; or an officer of the corporation, if the Owner is or includes a corporation; or a beneficiary of the trust, if the Owner is or includes a trust; or an Owner of the entity, if the Owner is or includes a person other than an individual, a partnership, a corporation, or a trust. The Member, as so specified, shall be the only person entitled to vote for the Owner of the Lot at Association meetings and elections. An Owner may change the individual who is the Member for his Lot by providing written notice of such change to the

Board; provided each such individual is eligible to be a Member hereunder, and subject to such reasonable rules, regulations, and processing fees, as the Board from time to time may adopt.

**4.3 Persons Under Disability.** Minors and persons declared legally incompetent may be Members in the Association but shall not be permitted to vote or designate a voting representative except through a guardian of their estate or custodian of their property.

**4.4 Register of Members.** The Board shall cause a register to be kept containing the names and addresses of all Members of the Association. Members of the Association who sell or convey their interest in a Lot shall promptly report to the Board of Directors the name and address of their successor. Persons claiming Membership in the Association shall, upon request, furnish the Board with a copy of any documents under which they assert ownership to a Lot, or any interest therein. The Board may require that Owners supply the Board with copies of any security instrument affecting their Lots.

**4.5 Ownership of More than One Lot.** If a person, partnership, or corporation or trust owns more than one Lot, he or it shall have one (1) vote as a Member for each Lot owned.

**4.6 Binding Effect.** All Lot Owners and all employees, contractors, agents, guests, invitees, or tenants of such Owners, and any other person that may in any manner use or be upon the property described in the Covenants, or any part thereof, shall be subject to the Covenants and these Bylaws, and any rules and regulations pertaining to the use and operation of the property which are adopted pursuant to the Act, the Covenants, the Bylaws, or the Articles of Incorporation.

## **ARTICLE V. Membership Meetings**

**5.1 Meeting Place.** All meetings of the Members shall be held at such place as may be convenient to the Membership and designated from time to time by the Board of Directors, and the place at which any such meeting shall be held shall be stated in the notice of the meeting.

**5.2 Annual Meeting Time.** The annual meeting of the Association for the election of Board Members and for the transaction of such other business as may properly come before the Members shall be held each year on a date fixed by the Board. At the annual meeting there shall be presented a current year-to-date financial report and the proposed budget for the next calendar year.

**5.3 Annual Meeting--Order of Business.** Unless otherwise agreed by the Members present, the order of business shall be as follows:

**5.3.1** Calling of the meeting to order.

**5.3.2** Proof of notice of meeting (or filing waiver).

**5.3.3** Establishment of Quorum, including examination of absentee ballots.

**5.3.4** Approval of minutes of last annual meeting.

**5.3.5** Report of officers including the ratification of the budget and the next calendar year's assessment, if applicable.

**5.3.6** Reports of committees.

**5.3.7** Election of Board Members.

**5.3.8** Miscellaneous business.

**5.3.9** Adjournment.

**5.4** **Special Meetings.** Special meetings of the Members for any purpose may be called at any time by the President, or after request signed by a majority of the Board of Directors, or by written request of the Owners who have a right to vote at least ten (10) percent of the votes in the Association.

**5.5** **Notice.** Notice of any meeting shall be given to the Members by the Secretary or other designated officer, as provided in Article XVI. 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 Covenants, Articles of Incorporation, or Bylaws, changes in the previously approved budget that resulted in a change in assessment obligations, and any proposal to remove a Board Member.

**5.5.1** *Emergency Meetings.* Unless prohibited by the Act, emergency meetings of the Membership may be called by the Board of Directors or any Member of the Board of Directors or by twenty-five percent (25%) of the Members upon twenty-four (24) hours telephonic or electronic notice prior to the meeting to each Member of record entitled to vote in such meeting.

**5.5.2** *Time of Notice.* The notice of a Association meetings shall be given not less than fourteen (14) nor more than sixty (60) days in advance of any meeting; provided, however, that for any meeting at which a budget is to be considered for ratification by the Members, no meeting shall take place unless a copy of the proposed budget shall have been provided to the Members not less than fourteen (14) nor more than fifty (50) days prior to the date of the meeting.

**5.6** **Quorum and Manner of Acting at a Meeting.** Members in Good Standing shall be entitled to vote at the Association's meetings. A quorum of Members in Good Standing at

any meeting of the Association shall be the presence, in person, or by absentee ballot of Members holding fifty percent (50%) or more of the total votes, unless otherwise expressly provided herein. If a quorum is present in person at any such meeting, any action may be taken by an affirmative vote of a majority of the total votes present at the meeting, except as otherwise expressly provided in the Act, the Covenants, or these Bylaws. A quorum established by the presence of absentee ballots is only established for those actions set forth on the absentee ballot, but for no other action that comes before the meeting. Owners who are present in person may vote by voice vote, show of hands, standing, written ballot, or any other method for determining the votes of Owners (including electronically transmitted ballots), as designated by the person presiding at the meeting.

**5.6.1 Absentee Ballot.** Whenever proposals or Board Members are to be voted upon at a meeting, a Member may vote by duly executed absentee ballot on a ballot form provided by the Association for such purpose. The ballot, an accompanying writing or the notice of the meeting must contain the name of each candidate and the text of each proposal to be voted upon by absentee ballot. To constitute a valid absentee ballot, the Member voting by absentee ballot must also complete such ballot information requested by the Association to enable the Association to verify that the absentee ballot is cast by the Member having the right to do so.

**5.6.2 Electronic Transmission.** An election or vote may be conducted by electronic transmission by a Member of a ballot; provided 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. Members voting by ballot returned by mail or electronic transmission are present for all purposes of quorum, count of votes, and percentages or share of total voting power present. "Electronic transmission" and "record" shall have the meanings set forth in Article XVI below.

**5.7 Majority Vote.** Except as otherwise provided by statute, by the Covenants, or these Bylaws, passage of any matter submitted to vote at a meeting duly called, where a quorum, as defined by these Bylaws, is in attendance, shall require the affirmative vote of more than fifty percent (50%) of the voting power present.

**5.8 Action by Members Without a Meeting.** Any action required or which may be taken at a meeting of Members of the Association, may be taken without a meeting as set forth in this Section 5.8.

**5.8.1 Action by Ballot Only.** At the discretion of the Board of Directors, and unless otherwise required by law, any action that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Board notifies the Members that the vote will be taken by ballot without a meeting and issues a written ballot to the

Members. The Member shall not modify the written ballot. Any ballot that the Board determines does not conform with this Section shall be disregarded.

**5.8.1.1 Notice and Ballot Contents.** The written ballot shall set forth each proposed action and set forth a space for the Owner to vote for or against each proposed action. All notices accompanying the written ballot shall state the number of responses needed to meet any applicable quorum requirement and the total percentage of votes needed for approval (except for the election of directors). The notice shall also specify the period during which the Association will accept written ballots for counting, which period shall end on the earliest of: (a) the date on which the Association has received a sufficient number of approving ballots to pass the proposal, (b) the date on which the Association has received a sufficient number of disapproving ballots to render the proposal impossible of passage, or (c) a date certain by which all ballots must be returned to be counted, which may not be less than fourteen (14) days after the date of the Notice. A written ballot may not be revoked.

**5.8.1.2 Dissemination of Information from Other Members.** The Notice must also include the time, date and manner by which a Member wishing to deliver information to all Members regarding the subject of the ballot vote may do so.

**5.8.1.3 Results of Ballot Meeting.**

a. *Quorum and Percentage Requirement.* If approval of a proposed action would otherwise require a meeting at which a certain quorum must be present and at which a certain percentage of total votes cast is required to authorize the action, the proposal will be deemed to be approved when the date for return of ballots has passed, a quorum of Members has voted, and the Association has received the required percentage of approving votes. Otherwise, the proposal shall be deemed to be rejected.

b. *Specified Percentage Authorization.* If approval of a proposed action otherwise would require a meeting at which a specified percentage of Members must authorize the action, the proposal shall be deemed to be approved when the percentage of total votes cast in favor of the proposal equals or exceeds such required percentage. The proposal shall be deemed to be rejected when the number of votes cast in opposition renders approval impossible or when both the date for return of ballots has passed and such required percentage has not been met.

c. *Counting and Notice to Members.* Votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date they are entered. The Secretary shall provide notice to the Members of the results of the Ballot Meeting within thirty (30) days of the date the results are determined under this Section 5.8.1.3.

d. *Record of Ballot.* A record of action taken by this subsection, including the ballots or a report of the persons appointed to tabulate such ballots, shall be kept with the minutes of meetings of the Association.

**5.8.2 *Written Consent.*** Action may be taken by a consent in writing, setting forth the action so taken, which is signed by all of the Members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of Members.

**5.9 Waiver of Notice.** A waiver of any notice required to be given any Member, signed by the person or persons entitled to such notice, whether before or after the time stated therein for the meeting, shall be equivalent to the giving of such notice. Notice of any meeting is waived by actual attendance, unless such attendance is expressly limited to the purpose of objecting to the legality of the meeting.

**5.10 Action of Members by Communications Equipment.** Members may participate in a meeting of Members by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

## **ARTICLE VI. Board of Directors**

**6.1 Number and Powers.** The management of all the affairs, property and interest of the Association shall be vested in a Board of Directors, composed of five (5) persons. In addition to the powers and authorities expressly conferred upon it by the Bylaws and the Articles of Incorporation, the Board of Directors may exercise all such powers of the Association and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the Members. Only Members are eligible to serve as a Board Member and multiple Owners of a single Lot cannot serve as Board Members concurrently. As set forth in Section 6.5, four (4) of the Directors shall be elected to the Officer positions, with the remaining Director (or Directors if the number of the Board is increased as described in Section 6.3) serving at-large.

**6.2 Term of Office.** All Board Members shall hold office for two year terms, with such term ending at such time as such Board Member's successor: (1) is appointed or elected, and (2) accepts the position or attend their first Board meeting. Any Director (whether Officer or at-large) may serve multiple terms.

**6.3 Change of Number; Term.** The term and number of Board Members may at any time be increased or decreased by an amendment to these Bylaws, referring specifically to Article VI, paragraph 6.1, provided there shall in no event be less than three (3) Board



Members, and no decrease shall have the effect of shortening the terms of any incumbent Board Member.

**6.4 Vacancies.** All vacancies on the Board of Directors, whether caused by resignation, death or otherwise, may be filled by the Board of Directors. A Board Member elected to fill any vacancy shall serve until his/her successor is elected and qualified in accordance with Section 6.2 above. Any directorship to be filled by reason of an increase in the number of Board Members may be filled for a term of office continuing only until the next election of the Board Members by the Members and a successor Board Member takes office.

**6.5 Elections.** Election of Board Members shall be by written ballot at a meeting at which a quorum is present. Each Member in Good Standing shall be entitled to one vote per Lot owned for each Board Member position that is open. The person receiving the largest number of votes for that position shall be elected. As described in Section 6.5.1, the positions for the Board Member elections shall be as follows:

Position 1: President-Director

Position 2: Vice President-Director

Position 3: Secretary-Director

Position 4: Treasurer-Director

Position 5: At-Large Director

**6.5.1 Officer-Directors.** The Association shall have the following Officers:

**6.5.1.1 President.** The President shall be the chief executive officer of the Association. The President shall preside in all meetings of the Association and the Board and shall administer the enforcement of all Board resolutions, orders and policies, and shall sign any and all notes, checks, contracts, leases, mortgages, deeds, and other instruments as required by the Board. Unless otherwise determined by the Board, the President shall have the responsibility to prepare, execute, certify and record amendments to the Covenants.

**6.5.1.2 Vice President.** During the absence or disability of the President, the Vice President shall exercise all the functions of the President. Each Vice President shall have such powers and discharge such duties as may be assigned to him/her from time to time by the Board of Directors.

**6.5.1.3 Secretary.** The Secretary shall make all reports and perform all duties normally incident to the office as properly required by the Board, the State of Washington, or Douglas County. The Secretary shall keep the minutes of the Association Board Meetings and of the Members. The Secretary shall keep the records of the Association, and

shall keep a roster of the names, addresses and emails of all Members of the Association and tenants, whose names shall be supplied immediately after renting the Lot by Owner or his/her agent. The Secretary shall perform such other duties incident to the office or that are properly required of him/her by the Board of Directors or, which shall conform to reporting requirements imposed by law as applicable to the Association.

**6.5.1.4 Treasurer.** The Treasurer shall have responsibility for Association funds and shall keep account of all receipts of disbursements in books belonging to the Association and file tax returns. The Treasurer shall accept and record dues, oversee and develop the budget, disburse the funds of the Association in payment for the just demands against the Association or as may be ordered by the Board, taking proper vouchers for such disbursements. The Treasurer shall render to the Board from time to time as may be required of him/her, an account of all his/her transactions as Treasurer and of the financial conditions of the Association. The Treasurer shall perform such other duties incident to the office or that are properly required of him/her by the Board of Directors or which shall conform to the accounting and reporting requirements imposed by law as applicable to the Association. All checks written by the Treasurer shall be signed by two Board Members.

**6.5.1.5 Other Officers, Assistants, Employees.** Other officers of the Association, assistants to the officers, or persons employed to assist the officers, shall have such authority and shall perform such duties as the Board of Directors may prescribe within the provisions of the applicable statutes, the Covenants and these Bylaws. An assistant Secretary or Treasurer shall have all the powers of the Secretary or Treasurer in the absence of such officer.

**6.5.1.6 Delegation.** In the case of absence or inability to act of any Officer of the Association and of any person herein authorized to act in his/her place, the Board of Directors may from time to time delegate the powers of the duties of such Officer to any other Officer or Board Member or other person whom it may select.

**6.5.2 Nomination.** Nominations for election to the Board of Directors may be made by a nominating committee, the Board, and by nomination by individual Members present at the meeting at which the election is held. A nominating committee may be appointed at each annual meeting of the Members to serve until the conclusion of the next annual meeting, and such appointment shall be announced at each annual meeting of the Association.

**6.6 Removal.** At any regular or special meeting duly called, any one or more of the Board Members (whether at large Directors or Officer-Directors) who have been elected by the Members may be removed, with or without cause, by a majority vote of the voting power of the Association, and a successor may then and there be elected to fill the vacancy in the position created by the removal. Any notice for such regular or special meeting to remove a

Board Member must expressly state that the removal of a Board Member will be considered at the meeting.

**6.7 Regular Board Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Board Members, but at least two such meetings shall be held during each fiscal year. Notice of all Board Meetings shall require fourteen (14) days' notice to the Board and all Members.

**6.8 Special Board Meetings.** Special meetings of the Board of Directors may be called by the President and shall be called by the President at the request of any two Board Members, upon forty-eight hours' notice to all Board Members and the Membership.

**6.9 Quorum and Manner of Acting.** At all meetings of the Board, a majority of the Board Members shall constitute a quorum for the transaction of business and the acts of a majority of Board Members present at the meeting at which a quorum is present shall be the acts of the Boards of Directors.

**6.10 Official Business.** All official business submitted to the Board by other Members shall be transmitted in writing, emergencies excepted, and such written business shall be submitted to the Board of Directors through the President if available, and the Secretary if the President is not available. The Board of Directors, if reasonably possible, shall answer in writing all matters so submitted to them within thirty (30) days after the next meeting of the Board.

**6.11 Transaction of Business.** The transaction of any business at any meeting of the Board of Directors of the Association however called and noticed, wherever held, shall be valid as though a meeting duly held after regular call and notice if a quorum is present, and, if either before or after the meeting, each Board Member signs a written waiver of notice, or a consent to holding of the meeting, or an approval of the minutes thereof or of the resolution or act adopted at such meeting. All such waivers, consents or approvals shall be in writing and filed with the Secretary and made a part of the minutes of the meeting even though filed subsequent hereto.

**6.12 Notice and Waiver of Notice.** Notice may be given orally and will be deemed given when personally communicated to and understood by a Board Member, or when written notice has been personally served upon a Board Member, or two (2) business days after written notice has been mailed, postage prepaid, by first class U.S. mail to a Board Member. Attendance of a Board Member at a meeting shall constitute a waiver of notice of such meeting, except where a Board Member attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. A waiver of notice signed by any Board Member, whether before or after the time stated for the meeting, shall be equivalent to the giving of notice.

**6.13 Registered Dissent.** A Board Member who is present at a meeting of the Board of Directors at which action on a corporate matter is taken shall be presumed to have assented

to such action unless his/her dissent shall be entered in the minutes of the meeting, or unless he/she shall file his/her written dissent to such action with the person acting as the Secretary of the meeting, before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Board Member who voted in favor of such action.

**6.14 Powers and Duties of the Board.** The Association, acting by and through the Board of Directors, its officers, or other duly authorized agents or representatives, shall have the following powers:

**6.14.1** All those powers granted and enumerated in the Act, Articles of Incorporation, the Bylaws, and in the Covenants.

**6.14.2** The Board of Directors, with approval of the Members in a manner permitted in these Bylaws, may to the extent it deems advisable employ a person or firm to manage the Association, and may employ such other persons as are necessary in its opinion for the proper operation thereof; provided, the employment of a person or firm to manage the Association shall be under a written contract for a term not in excess of three (3) years and will include a clause permitting cancellation by the Board immediately with or without cause.

**6.14.3** To adopt such reasonable rules and regulations as may be permitted by the Covenants, the Act, or these Bylaws, and which the Association may deem necessary or advisable to administer the Association and properly manage and administer the Property. The rules and regulations shall be adopted and may be amended from time to time by the Board, or by the Members in the same manner as the Bylaws, and should be deemed a part of the Bylaws.

**6.14.4** To enforce the provisions of the Covenants, the Bylaws, and such rules and regulations as may be adopted by the Association, together with any revisions thereof or amendments thereto.

**6.14.5** To assess fines for violations of the rules, regulations, and Covenants, in such amounts as shall be determined by a schedule to be adopted by the Board of Directors. All such fines for violations shall be deemed to be an assessment and may be assessed to the Owner/Member, in the same way that common area assessments are collected.

**6.14.6** To arrange for all utility services serving any common areas or facilities, and the Lots (except utility services separately metered and charged the individual Lots).

**6.14.7** To arrange for and supervise the maintenance, repair and replacement of any common areas or facilities.

**6.14.8** To purchase such furniture, furnishings, supplies, equipment, goods or other personal property which may be necessary or incidental to the maintenance and operation of any common areas or facilities.

**6.14.9** The Board may pay any amount necessary to discharge any lien or encumbrance levied against the entire Property or any part thereof which is claimed to, or may, in the opinion of the Board, constitute a lien against the Property or against the common areas, rather than merely against the interest therein of a particular Owner. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs and expenses incurred by the Board by reason of such lien or liens shall be assessed against the Owners and the Lot responsible to the extent of their responsibility.

**6.14.10** The Board's power herein enumerated shall be limited to the extent that the Board shall have no authority to acquire and pay out of the maintenance fund capital additions and improvements (other than for the purpose of restoring, repairing or replacing portions of the irrigation system or any common areas) having a total cost in excess of One Thousand Dollars (\$1,000.00) for a non-budgeted item, without first obtaining the affirmative vote of the Owners in a manner permitted by this Bylaws.

**6.14.11** To determine the amount of assessments to be collected from the Members for the common expenses of the property, to establish reserves, to collect the assessments and enforce the collection thereof, as authorized by or provided in the Covenants, the Bylaws, the Act or the laws of the State of Washington.

**6.14.12** To pay or provide for the payment of all common expenses out of assessments paid by the Members or by such other means as may be permitted by the Covenants, the Bylaws, the Act, or the laws of the State of Washington.

**6.14.13** To obtain and maintain the insurance coverage required or authorized by these Bylaws, the Covenants and the Act.

**6.14.14** To employ engineers, attorneys, accountants, real estate firms, consultants, specialists, or such other persons, as may be reasonably necessary or convenient to assist the Association and the Board of Directors in the management and administration of the Association.

**6.14.15** To institute, defend and settle, as appropriate, actions of law, in equity or before administrative bodies, to further or protect the interests of the Association, the Members, and the property, and to incur such expenses and attorney's fees as may be reasonable, necessary or convenient for the acknowledgment thereof.

**6.14.16** To exercise and perform all of the rights and duties which are authorized or required by the Act, the Covenants and Bylaws to the extent reasonably

necessary or incidental to the management and administration of the Association and in accomplishing the purposes of the Association.

**6.14.17** To cause to be kept a complete record of all its acts and affairs; and to present a report thereof to the Members at the annual meeting or at any special meeting when such report is requested in writing by Members entitled to cast at least twenty-five percent (25%) of the total votes eligible to be cast.

**6.14.18** The enforcement of any rules, regulations, restrictions and requirements required by the Covenants, these Bylaws, or rules and regulations adopted by the Association or Board, shall not be deemed to have been waived by reason of any failure to enforce the same, irrespective of the number of violations.

Unless otherwise provided by these Bylaws or in the Covenants, or by the Act, the Board may act to comply with the instructions of a majority of the Members, as expressed in a resolution or motion adopted at a meeting of the Association.

Nothing herein shall be construed to authorize the Association or Board of Directors to conduct an active business for profit on behalf of the Owners.

**6.15 Committees.** Standing or special committees may be appointed from the Members by the Board of Directors from time to time and the Board of Directors may from time to time invest such conditions as may be prescribed by such Board. All committees so appointed shall keep regular minutes and shall cause them to be recorded in books kept for that purpose in the office of the Association. The designation of any such committee and the delegation of authority thereto, shall not relieve the Board of Directors, or any Member thereof, of any responsibility imposed by law. If composed entirely of Board Members, such committees shall have, to the extent provided in the resolution establishing the committee, the authority of the Board, but the designation of committees shall not relieve the Board of any responsibility imposed upon it by law, the Covenants or these Bylaws.

Unless otherwise herein provided, each committee shall consist of a chairman and two Members, and shall include at least one Board Member, for Board contact. The committees shall be appointed by the Board of Directors from time to time to serve from the close of such meeting until the close of the next succeeding annual meeting. The Board of Directors may, at any time and at its discretion, dissolve a committee upon a majority approval of the Board of Directors.

**6.16 Disputes and Disagreements.** It shall be the duty of each committee to receive disputes and disagreements from Members on any matter involving Association functions, duties and activities within its field or responsibility. The Committee shall dispose of such disputes and disagreements as it deems appropriate or refer them to such other committee, or Board Member or Board Members, as may be further concerned with the matter presented.

**6.17 Compensation.** No compensation shall be paid to Board Members for their services as Board Members, unless approved by the Members. Nothing herein contained shall be construed to preclude any Board Member from serving the Association in any other capacity and receiving compensation therefor.

**6.18 Loans.** No loans shall be made by the Association to the Board Members.

**6.19 Action by Board Members Without a Meeting.** Any action required or which may be taken at a meeting of the Board of Directors, or of 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 of the Board Members, or all of the Members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote. Any such consent may be circulated electronically, and signed in counterpart by the Board. Notification of any action so taken shall be made available to all Members within twenty-four hours of the last signature on the consent.

**6.20 Action of Board Members by Communications Equipment.** Any action required or which may be taken at a meeting of the Board of Directors, or of a committee thereof, may be taken by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

**6.21 Duties.** A Board Member shall perform his or her duties of a Board Member, including the duties as a Member of any committee of the Board of Directors with ordinary and reasonable care. In performing the duties of a Board Member shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

**6.21.1** One or more officers or employees of the Association whom the Board Member believes to be reliable and competent in the matter presented;

**6.21.2** Counsel, public accountants, or other persons as to matters which the Board Member believes to be within such person's professional or expert competence; or

**6.21.3** A committee of the Board upon which the Board Member does not serve, duly designated in accordance with a provision in the Articles of Incorporation or these Bylaws, and to matters within its designated authority, which committee the Board Member believes to merit confidence.

**6.22 Liability of Board Members in Certain Cases.** In addition to any other liabilities, Board Members shall be liable in the following circumstances unless they comply with the standard provided in Section 6.21 above for the performance of the duties of Board Members:

**6.22.1** Board Members of the Association who vote for or assent to any distribution of assets of the Association to its Members during the liquidation of the Association

without the payment and discharge of, or making adequate provision for, all known debts, obligations, and liabilities of the Association for the value of such assets which are distributed, to the extent that such debts, obligations, and liabilities of the Association are not thereafter paid and discharged; and

**6.22.2** Board Members of the Association who vote for or assent to the making of a loan to any Board Member of the Association, shall be jointly and severally liable to the Association for the amount of such loan until the repayment thereof.

**6.23 No Personal Liability.** No Board Member of the Association shall be personally liable to the Association or its Members, nor to any other party, including the Association, for any damage, loss or prejudice that results from such person's conduct as a Board Member; provided, however, that this provision shall not eliminate any Board Member's personal liability for acts or omissions that involve intentional misconduct or a knowing violation of law by the acting party, or for benefit in money, property or service to which the actor is not legally entitled. The Association shall indemnify the Board Member acting in good faith on behalf of the Association and utilizing ordinary and reasonable care, from damage and liability incurred or imposed by virtue of his or her conduct as a Board Member. The Association may purchase insurance consistent with this indemnity and otherwise covering the Board Members for their actions on behalf of the Association.

**6.24 Resolution of Disputes.** In the event of any dispute or disagreement between any Members relating to the property, or any question of Interpretation or application of the provisions of these Bylaws or the Covenants or other governing documents, the determination thereof by the Board shall be final and binding on each and all of such Lots.

**6.25 Entry by Board.** The Board, or its agents or employees, may enter any Lot when necessary in connection with any maintenance or reconstruction for which the Board or the Association is responsible, or which the Board has the right or duty to do. Such entry shall be made with as little inconvenience to the Members as practicable, and any damage caused thereby shall be repaired by the Board at the expense of the General Fund.

**6.26 Insurance.** The Association shall maintain insurance consistent with that required by law and shall have the authority to acquire such other insurance as it deems advisable. This provision may be altered by the Board, which shall provide notice to all Members of any such amendment.

## **ARTICLE VII.**

### **Indemnification of Board Members, Employees and Agents**

**7.1** A Board Member shall not be personally liable to the Association or its Members for monetary damages for conduct as a Board Member, except for liability of the Board Member (i) for acts or omissions that involve intentional misconduct by the director or a knowing violation of law by the Director, (ii) for conduct violating Chapter 24.03 of the Washington Nonprofit



Corporations Act, or (iii) for any transaction from which the Board Member will personally receive a benefit in money, property or services to which the Board Member is not legally entitled. If RCW 24.03 authorizes or is amended to authorize corporate action further eliminating or limiting the personal liability of a Board Member, then the liability of a Board Member of the Association shall be eliminated or limited to the fullest extent permitted by the Washington Nonprofit Miscellaneous and Mutual Corporations Act, as so amended.

**7.2** The Association has the power to indemnify, and to purchase and maintain insurance for its Directors, officers, trustees, employees, and other persons and agents and (without limiting the generality of the foregoing) shall indemnify its Board Members against all liability, damage, and expenses arising from or in connection with service for, employment by, or other affiliation with this Association or other firms or entities to the maximum extent and under all circumstances permitted by law.

## **ARTICLE VIII.**

### **Contracts, Loans, Checks and Deposits**

**8.1 Contracts.** The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

**8.2 Loans.** No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board and approved by a majority vote of the Members in Good Standing in a manner permitted in Article V. Such authority may be general or confined to specific instances.

**8.3 Checks, Drafts, etc., Special Rule for "Reserve Funds".** All Checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, of the Association and in such manner as is from time to time determined by resolution of the Board; provided that reserve funds of the Association, if any, shall be kept in a segregated account and any transaction affecting such funds, including the issuance of checks, shall require the signature of at least two (2) persons who are Board Members of the Association.

**8.4 Deposits.** All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

## **ARTICLE IX.**

### **Obligations of Lot Owners**

**9.1 Assessments.** All Owners are obligated to pay assessments imposed by the Association to meet all common expenses and reserve accounts of the Association as provided by law, in the Covenants, and in these Bylaws. Each Lot shall be subject assessments or charges

in an amount to be determined by the Association on an annual basis and may be paid in a single payment or on a semi-annual basis as set forth by the Board

**9.1.1** The amount of the annual assessments shall be equal for all Lots except for Special Assessments as set forth in Section 11.4.

**9.1.2** The Board or an officer of the Association designated by the Board shall, upon written demand, furnish a certificate in writing, setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be set by the Board for the issuance of these certificates. These assessment certificates only pertain to sale or purchase of Lots requested by entities involved in the sales process, not to the Association Members.

In addition to the assessments authorized above, the Board may levy, in any year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of facilities in the Common Areas, including the necessary fixtures and personal property related thereto, or for any other purpose determined necessary by the Board. The special assessment shall be equal for all Lots. Special assessment may be payable in monthly installments, quarterly installments, or such other periodic installments as shall be determined by the Board.

**9.2** **Owner Responsibility.** If due to the act or neglect of an Owner or of a Member of his or her family, or of a guest or other authorized occupant or visitor of such Owner, damage shall be caused to the common areas or to the Lot or Lots owned by others, requiring maintenance, repairs, or replacements which would otherwise be at the common expense, and which is not otherwise covered by insurance, then such Owner shall pay for such damage and such maintenance, repairs and replacements as may be determined by the Board, to the extent not covered by insurance.

**9.3** **No Limitation on Covenants.** These rules are in addition to those specified in the Covenants and are in no way to be considered as limitation thereon.

## **ARTICLE X. Handling of Funds**

**10.1** **Accounts.** The Association shall establish the necessary account(s) for the operation of the property. Maintenance and supervision of these accounts shall be the responsibility of the Treasurer and meet generally accepted accounting practices. The Treasurer shall administer the various accounts in such a way that the funds are secure and that the signature cards for the accounts at the various institutions holding the funds are up to date.

**10.2** **Reserve Account.** The Board may authorize the Treasurer to establish an account in a federally insured depository to be known as a Reserve Account. The purpose of a Reserve Account is to provide for major expenses relating to the Association, for financial stability during periods of special stress or replacement of equipment, 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.

**10.3 General Account.** The Treasurer shall cause to be established a checking account to be known as the General Account. This account will be the working account for the current operation of the Association and will normally receive all assessments and all other funds received by the Association. Checks shall be issued from this account for all insurance, management, maintenance, and operation expenditures necessary for the Association.

**10.4 Audits.** The Board at any time, or by written request of Owners having at least fifty percent (50%) of the total votes, may require that an audit of the Association and management books be presented at any special meeting. An Owner, at his own expense, may at any reasonable time make an audit of the books of the Board and Association.

**10.5 Status of Association Funds.** All funds paid to the Association or contributions or assessments shall belong to the Association as common property, in trust for the benefit of the Members, in the accounts to which such funds are from time to time allocated. Individual owners shall not have any person or individual claim to such funds as against the Association.

## **ARTICLE XI.**

### **Books and Records, Fiscal Year and Budget**

**11.1 Books and Records.** The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members and Board of Directors; and shall keep, at its registered office or principal place of business or with the Secretary, a record of its Members, giving the names and addresses of all Members. Any bonds, records, and minutes may be in written form or any other form capable of being converted into written form within a reasonable time.

**11.2 Inspection.** The Association shall keep financial records in accordance with commonly prudence and practice. All financial and other records shall be made reasonably available for examination by any Owner and the Owner's authorized agents.

**11.3 Fiscal Year.** The fiscal year of the association shall be the calendar year.

**11.4 Budget and Assessments.** Prior to the annual meeting, the Board shall estimate the common expenses which it anticipates will be incurred during the forthcoming calendar year, and determine the annual assessment and any special assessments to be paid during such year. Provision shall be made for funding and maintaining reasonable reserves for contingencies, operations, repair, replacement and improvement or acquisition of common areas and facilities. Account shall be taken of any expected income and any surplus available from the prior year's operations. The Board may also from time to time, impose special assessments for any purposes it determines to be appropriate against one or more Lots. If any sums estimated and budgeted for any purposes at any time prove inadequate for any reason

(including nonpayment for any reason of any Member's assessments), the Board may at any time levy a further assessment.

**11.5 Assessments, Debt - Payment by Lot Owners - Installment - Interest.** All assessments shall be the joint and several obligations of the Owner or Owners of the Lot for which they are assessed as of the time they are assessed. Each Owner shall pay the annual assessment in a single lump sum payment or on a semi-annual basis on the due dates as directed by the Board or in such reasonable manner as directed by the Board. Special assessments shall be paid in such installments and on such due dates and to such parties as the Board may direct. Any assessment installment unpaid when due shall be delinquent, and bear interest from its due date until paid at the highest rate then permissible for nonusurious consumer transaction in the State of Washington.

**11.6 Lien.** The amount of any annual or special assessment, plus interest due on any unpaid installments thereof and any collection costs, including reasonable attorneys' fees, whether or not suit is actually commenced, shall be a lien upon the Lot to which assessed, including its appurtenant percentage of interest in common areas, plus its limited common areas. This lien shall commence as of the date the assessment is announced by the Board and shall have priority over all other liens and encumbrances, recorded or unrecorded, except that such priority shall be limited as provided herein, the Covenants, and in the Act. The Board may (but is not required to) authorize or direct recording of a notice of any assessment or installment relating to any Lot which may include unpaid assessments or installments which may be maintained without foreclosing or waiving this lien.

**11.7 Statement Regarding Assessment.** A statement signed and acknowledged by the Treasurer or President of the Association, or other agent authorized by the Board, which may state the amount of the current total assessments, installments included, and any delinquencies, shall be furnished on request to any Member, prospective purchaser, mortgagee or prospective mortgagee, or any escrow or closing agent, regarding any Lot with which they are directly concerned. This statement shall be furnished within a reasonable time, in recordable form for a reasonable fee, and shall be conclusive upon the Board and Association in favor of all persons who rely thereon in good faith to establish the amount of the current assessment, installments or any installments unpaid.

**11.8 Purpose.** All funds collected hereunder shall be expended for the purposes designated in or permitted by this Covenants, the Bylaws, or the Act.

## **ARTICLE XII. Notification and Transfer of Association Membership**

**12.1 Notification.** At such time as any Lot shall be sold, it shall be the responsibility of the seller to provide to the new Owner a copy of the Covenants, Bylaws, and rules and regulations. Copies of these documents can be obtained from the Secretary of the Association

and it shall be required that the new Owner shall sign a receipt for these documents. It shall be the Owner's responsibility to see that all tenants, guests, agents, or other agents, invitees or other persons on the property are informed of the applicable rules and regulations.

**12.2 Statement.** The Association, within ten (10) days after receiving a written request from an Owner, shall furnish a statement containing the information necessary to enable the Owner to sell the Owner's Lot. The Association may assess the Owner a reasonable fee for preparing the statement, which the Owner must pay prior to the Association releasing the statement to the Owner

### **ARTICLE XIII.**

#### **Amendments to Articles of Incorporation and Covenants**

**13.1 Articles of Incorporation.** The Articles of Incorporation may be amended as provided for in Chapter 24.03 RCW.

**13.2 Covenants.** The Covenants, as defined herein, may be amended as provided for in the Covenants.

### **ARTICLE XIV.**

#### **No Judicial Partition**

There shall be no judicial partition of the Common Area. Each Owner, whether by deed, gift, devise, or operation of law, for his or her own benefit and the benefit of all other Owners, specifically waives and abandons all rights, interests and cases of action for judicial partition of any interest in the Common Area and does further agree that no action for judicial partition shall be instituted, prosecuted or reduced to judgment.

### **ARTICLE XV.**

#### **Severability**

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other portion or provision.

### **ARTICLE XVI.**

#### **Notices and Electronic Communications**

**16.1 Manner and Delivery of Notice.** Any notice permitted or required to be delivered under the provisions of these Bylaws may be delivered either personally, by mail or by electronic transmission as described herein. Notice under this Article includes material that these Bylaws, the Articles of Incorporation, the Covenants or the Act requires or permits to accompany the notice.

**16.2 By Mail.** If delivery is made by mail, any such notice shall be deemed to have been delivered forty-eight (48) hours after a copy has been deposited in the United States mail, postage prepaid, for first class mail, addressed to the person entitled to such notice at the most recent address given by such person to the Board, in writing, for the purpose of service of such notice, or to the most recent address known to the Board. Notice to the Owner or Owners of any Lot shall be sufficient if mailed to the Lot of such person or persons if no other mailing address has been given to the Board by any of the persons so entitled, or if made by electronic transmission as provided below. Mailing addresses may be changed from time to time by notice in writing to the Board. Notice to be given to the Board shall be given to the President or Secretary of the Board. The ineffectiveness of a good-faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting by ballot as otherwise authorized herein.

**16.3 By Electronic Transmission.** Notice may be provided in an electronic transmission as follows:

**16.3.1 *Consent Required.*** Notice to Members or Directors by electronic transmission is effective only upon recipients who have consented, in the form of a record, 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 this chapter and applicable law.

**16.3.1.1** Any person who has consented to receipt of electronically transmitted notices may revoke this consent by delivering a revocation to the Association in the form of a record.

**16.3.1.2** The consent of any person 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.

**16.3.1.3** 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.

**16.3.2 *Posting on Network.*** Notice to Members or Board Members who have consented to receipt of electronically transmitted notices may be provided by posting the notice on an electronic network and delivering to the Member or Board Member a separate record of the posting, together with comprehensible instructions regarding how to obtain access to the posting on the electronic network.

**16.3.3 Effective Date.** Notice provided in an electronic transmission is effective as of the date it: is electronically transmitted to an address, location, or system designated by the recipient for that purpose; or 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.

**16.4 Other Method.** Notice may be given by any other method reasonably calculated to provide notice to the recipient.

**16.5** For the purposes of these Bylaws:

**16.5.1** “Electronic transmission” or “electronically transmitted” means any 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 of the communication, and that may be directly reproduced in a tangible medium by a sender and recipient.

**16.5.2** “Record,” when used as a noun, means information inscribed on a tangible medium or contained in an electronic transmission.

Adopted by the Board of Directors on the 21st day of November 2020, and approved by more than a (2/3) two-thirds vote of the Association Membership on the 21st day of November, 2020.

ASPEN SHORES WASTE MANAGEMENT  
SYSTEMS AND HOMEOWNERS ASSOCIATION

By: \_\_\_\_\_  
Name: Kim Rose  
Title: President

By: \_\_\_\_\_  
Name: Idy Huth  
Title: Treasurer

By: \_\_\_\_\_  
Name: Laine Lasker  
Title: Vice President

By: \_\_\_\_\_  
Name: Scott Bailey  
Title: Director-at-large

By: \_\_\_\_\_  
Name: Leslie Bigos  
Title: Secretary