

**BYLAWS OF  
KEANLAND PARK PRRD  
HOMEOWNERS' ASSOCIATION**

**Table of Contents**

<b>ARTICLE I Principal Place of Business; Registered Agent/Office .....</b>	<b>1</b>
1.1 Principal Place of Business	
1.2 Registered Office and Registered Agent	
<b>ARTICLE II Plan of Lot Ownership; Definitions .....</b>	<b>1</b>
2.1 Bylaws Applicability	
2.2 Lots; Property	
2.3 Personal Application	
2.4 Definitions	
2.5 Washington Homeowners' Association Statutes	
2.6 Transition Date	
<b>ARTICLE III – Association Membership .....</b>	<b>2</b>
3.1 Membership in the Association	
<b>ARTICLE IV – Board of Directors .....</b>	<b>2</b>
4.1 Number	
4.2 Qualifications	
4.3 Powers and Duties	
4.3.1 Election of Officers	
4.3.2 Budget	
4.3.3 Budget Prior to Transition Date	
4.4 Election and Term of Office	
4.5 Removal	
4.6 Resignation	
4.7 Vacancies	
4.8 Annual Meetings	
4.9 Special Meetings	
4.10 Board Meetings – Executive Session	
4.11 Quorum	
4.12 Waiver of Notice	
<b>ARTICLE V – Officers .....</b>	<b>5</b>
5.1 Number	
5.2 Qualifications	
5.3 Powers and Duties	
(a) President	
(b) Treasurer	
(c) Secretary	

5.4	Term of Office	
5.5	Election	
5.6	Removal	
5.7	Vacancies	
<b>ARTICLE VI</b>	<b>– Meetings of Members</b>	<b>6</b>
6.1	Meetings	
6.2	Quorum	
6.3	Majority of Quorum	
6.4	Notices of Association Meetings	
6.5	Minutes	
6.6	Voting	
6.7	Effective Date	
<b>ARTICLE VII</b>	<b>– Books and Records</b>	<b>7</b>
7.1	Books and Records	
7.2	Reliance on Certification	
<b>ARTICLE VIII</b>	<b>– Amendment of Bylaws</b>	<b>8</b>
8.1	Amendment of Bylaws	
<b>ARTICLE IX</b>	<b>– Contracts</b>	<b>8</b>
9.1	Contracts	
<b>ARTICLE X</b>	<b>– Indemnifications of Directors and Officers</b>	<b>8</b>
10.1	Indemnification of Directors and Officers	
<b>ARTICLE XI</b>	<b>– Finances</b>	<b>9</b>
11.1	Notes	
11.2	Bank Accounts	
11.3	Financial Records	
11.4	Handling of Records	
11.5	Annual Financial Statement	
11.6	Handling of Funds	
<b>CERTIFICATION OF ADOPTION</b>		<b>10</b>

**BYLAWS OF  
KEANLAND PARK PRRD  
HOMEOWNERS ASSOCIATION**

**ARTICLE I**

**Principal Place of Business, Registered Office**

1.1 Principal Place of Business. The principal place of business of the Association shall be 17348 MARSH ROAD SW, TENINO, WASHINGTON 98589 until Directors have been elected, at which time the principal place of business may change as determined by the Board of Directors.

1.2 Registered Office and Agent. The registered office of the Association shall be at 17348 MARSH ROAD SW, TENINO, WASHINGTON 98589. The registered agent at such office shall be TODD A. HANSEN. The Association may also have offices at such other places as the Board of Directors may from time to time appoint, or the business of the Association may require.

**ARTICLE II**

**Plan of Lot Ownership; Definitions**

2.1 Bylaws Applicability. These Bylaws apply to the Lots and the Common Area in Keanland Park, a Planned Rural Residential Development in Thurston County, Washington, that have been subjected to the Declaration of Covenants, Easements, Conditions, and Restrictions of Keanland Park (“Covenants”) recorded with the Auditor of Thurston County, Washington, under Auditor’s File No. \_\_\_\_\_, presently in full force and effect, is hereby incorporated by reference into these Bylaws. Any provision therein contained shall supersede any provision herein with which a conflict may exist. All words defined in the Covenants shall have the same meaning in the Bylaws. These Bylaws also apply to the Keanland Park PRRD Homeowners’ Association (the “Association”) and the entire management structure thereof.

2.2 Lots; Property. The Lots and Common Area may be collectively referred to in these Bylaws as the “Property” and the Lots individually as a “Lot” or collectively as the “Lots.”

2.3 Personal Application. All present or future Owners, Tenants, Occupants, and their employees, and any other person that might occupy any portion of the Property in any manner, shall be subject to the provisions set forth in these Bylaws. The acquisition, rental, or occupancy of any of the Lots shall constitute acceptance and ratification of these Bylaws and agreement to comply with the provisions hereof.

2.4 Definitions. Capitalized terms used but not defined herein shall have meanings attributed to them in Article 2 of the Covenants.

2.5 Washington Homeowners’ Association Statutes. The Property, all Lots and Owners thereof, the Association and all Members thereof, shall be subject to the applicable provisions of RCW 64.38.005, et seq.

2.6 Transition Date. The “Transition Date” shall be sixty (60) days after Developer has

transferred title to seventy-five percent (75%) of the Lots in the Plat to Members.

### **ARTICLE III** **Association Membership**

3.1 Membership in the Association. Upon recordation of a conveyance or contract to convey a Lot, the grantee or purchaser named in such conveyance or contract shall automatically be and shall remain a Member of the Association until such time as such person's ownership ceases for any reason. For all purposes of the Covenants and the administration of the Property, Lot ownership shall be determined from the records maintained by the Association. The record shall be established by the Owner filing with the Association a copy of the deed to or land sale contract for such Owner's Lot, to which shall be affixed the certificate of the recording officer of Thurston County, Washington, showing the date and place of recording of such deed or contract. No person shall be recognized as an Owner unless a copy of the deed of contract has been filed with the Association as provided above showing such Owner to be the current Owner or contract purchaser of a Lot. Notwithstanding the foregoing, Declarant shall be the Owner of all previously unsold Lots, although no deed or land sale contract, with respect to such Lots, has been filed with the Association.

### **ARTICLE IV** **Board of Directors**

4.1 Number. The affairs of the Association shall be managed by a Board of Directors, and the initial number of Directors shall be as recited in the Articles of Incorporation. At the **Transition Date, the Developer shall appoint a Transitional Board of Directors, as provided in the Articles of Incorporation. The number of Directors may be increased or decreased, but not fewer than three (3) nor more than seven (7) after the Transition Date.** No decrease, however, shall have the effect of shortening the term of any incumbent director.

4.2 Qualifications. A director must be a Member of the Association, with the exception of the Transitional Directors, who will be appointed by the Developer and are not required to be Members of the Association.

4.3 Powers and Duties. The authority of and the duties and obligations of the Board of Directors generally are those powers and duties conferred upon an Association pursuant to the Washington State Homeowners' Association laws contained in the Revised Code of Washington Chapter 64.38.020 and as described within these Bylaws. The Board of Directors, through an affirmative majority vote, has the authority to delegate any and all powers conferred upon it to effectuate the timely completion of the business of the Association to any third party or managing agent. The Initial Director(s) and Transitional Board of Directors shall have all of the authority, duties, and obligations of Directors under this Section, except that the Initial Director(s) shall not adopt a regular budget and instead shall provide financial reporting according to Section 4.3.3.

4.3.1 Election of Officers. It shall be the duty of the Board of Directors at their annual meeting to elect Officers of the Association from among the Members of the Board.

4.3.2 Budget. Within (30) thirty days after adoption by the Board of Directors of any proposed regular or special budget of the Association, the Board shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing of the summary. Unless at that meeting the Owners holding a Majority of the votes in the Association reject the budget, in person or by proxy, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors. As part of the summary of the budget provided to all Owners, the Board of Directors shall disclose to the Owners:

(a) The current amount of regular assessments budgeted for contribution to the reserve account, the recommended contribution rate from the reserve study, and the funding plan upon which the recommended contribution rate is based;

(b) If additional regular or special assessments are scheduled to be imposed, the date the assessments are due, the amount of the assessments per each owner per month or year, and the purpose of the assessments;

(c) Based upon the most recent reserve study and other information, whether currently projected reserve account balances will be sufficient at the end of each year to meet the Association's obligation for major maintenance, repair, or replacement of reserve components during the next thirty (30) years;

(d) If reserve account balances are not projected to be sufficient, what additional assessments may be necessary to ensure that sufficient reserve account funds will be available each year during the next thirty (30) years, the approximate dates assessments may be due, and the amount of the assessments per owner per month or year;

(e) The estimated amount recommended in the reserve account at the end of the current fiscal year based on the most recent reserve study, the projected reserve account cash balance at the end of the current fiscal year, and the percent funded at the date of the latest reserve study;

(f) The estimated amount recommended in the reserve account based upon the most recent reserve study at the end of each of the next five (5) budget years, the projected reserve account cash balance in each of those years, and the projected percent funded for each of those years; and

(g) If the funding plan approved by the Association is implemented, the projected reserve account cash balance in each of the next five (5) budget years and the percent funded for each of those years.

4.3.3 Budget Prior to Transition Date. Prior to Transition Date, the Developer shall produce and publish an annual financial report that meets all requirements contained herein.

This report shall be published within one (1) year following transfer of the first Lot and shall be published annually thereafter until the Transition Date. After the Transition Date, the Transitional Board of Directors shall adopt a regular budget subject to rejection by the Owners and all other requirements in this Section.

4.4 Election and Term of Office. The director(s) shall be chosen by the Members at the end of the term of any incumbent director(s). The Directors shall be chosen at the annual meeting of the Members; provided, however, that if for any reason the annual meeting is not held or if at said meeting the new Board of Directors is not elected, the old Directors shall continue to hold office until their successors have been elected and qualified at some regular or special meeting called for that purpose.

4.5 Removal. At a special meeting of Members called expressly for that purpose, where quorum is reached, the entire Board of Directors, or any Member thereof, may be removed, with or without cause, by a vote of sixty-seven percent (67%) of the membership then entitled to vote at an election of such directors. The notice of the special meeting shall state the purpose of the meeting is the removal of a director or directors.

4.6 Resignation. Any Director may resign his/her office at any time; such resignation to be made in writing and to take effect from the time it is delivered to the President.

4.7 Vacancies. In any case where a vacancy occurs on the Board of Directors between the annual meetings, the remaining Directors shall fill such vacancy. In case the Board shall increase the number of Directors, the Board shall fill the vacancies thus created, and the persons named as such Directors shall hold office until the next annual meeting or until their successors have been elected and qualified.

4.8 Annual Meetings. The Board of Directors shall hold a meeting annually, immediately following the annual Members' meeting, and at the same place. No notice need be given of the annual meeting of the Directors, these Bylaws constituting a sufficient notice of the time and place thereof.

4.9 Special Meetings. Special meetings of the Board of Directors may be held at the Association's principal place of business at any time designated by any director who may desire to call such a meeting; provided that such director shall notify the Secretary, who shall thereupon give notice by mail to each director at least fourteen (14) days prior to the time fixed for said meeting.

4.10 Board Meetings – Executive Session. Except as provided in this Section, all meetings of the Board of Directors shall be open for observation by all Owners of record and their authorized agents. The Board of Directors shall keep minutes of all actions taken by the Board, which shall be available to all Owners. Upon the affirmative vote in open meeting to assemble in closed session, the Board of Directors may convene in closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal

counsel; and discuss likely or pending litigation, matters involving possible violations of the

governing documents of the Association, and matters involving the possible liability of an Owner to the Association. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The Board of Directors shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the Board of Directors, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirements of this Section shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

4.11 Quorum. A majority of the Directors shall constitute a quorum for the transaction of all business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. A lesser number than a majority may adjourn any meeting to a definite time and place.

4.12 Waiver of Notice. Any notice herein required to be given may be waived in writing by any director. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting.

## **ARTICLE V** **Officers**

5.1 Number. The Officers of this Association shall consist of a President, a Secretary and a Treasurer.

5.2 Qualifications. Any two or more offices may be held by the same person, except the offices of President and Secretary. Provided, however, in the event there is only one Member, there need be only one officer to fulfill the functions of all the offices of the Association. Officers shall serve a term of one year.

5.3 Powers and Duties. The authority of and the duties and obligations of the Officers of the Association generally are as follows:

(a) President. The President shall be the chief executive officer of the Association and shall have general care, supervision and direction over the affairs of the Association, and perform such other duties as may be assigned to him/her by the Board of Directors. The President must be a director of the Association. The President shall preside at all meetings of Directors and Members of the Association.

Unless otherwise authorized by the Board of Directors, all contracts, leases, deeds, deeds of trust, mortgages, powers of attorney to transfer stock and for other purposes, and all other documents requiring the signature of the Association shall be executed for and on behalf of the Association by the President. The President is also authorized to prepare, execute, certify, and record amendments to the governing documents of the association.

(b) Treasurer. The Treasurer shall keep the custody of the corporate funds and

securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Association.

(c) Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and Members. The Secretary shall give such notices to Directors and Members as may be required by law or by these Bylaws. The Secretary shall have charge of all books, papers, contracts and documents belonging to the Association, except those pertaining to the office of the Treasurer. The Secretary shall keep, or cause to be kept, a record showing the names and addresses from time to time of each Member of the Association.

5.4 Term of Office. The Officers of the Association shall hold office until their successors are chosen and qualify in their stead.

5.5 Election. All the Officers shall be elected by the Board of Directors.

5.6 Removal. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors.

5.7 Vacancies. If any office becomes vacant for any reason, the vacancy may be filled by the Board of Directors at any regular or special meeting. Officers may be elected to consecutive terms.

## **ARTICLE VI** **Meetings of Members**

6.1 Meetings. A meeting of the Members of the Association must be held at least once each year. The first Annual Association Meeting shall be held within one (1) year of the Transition Date. Special meetings of the Association may be called by the President, a Majority of the Board of Directors, or by Owners having ten percent (10%) of the votes in the Association.

6.2 Quorum. “Quorum” means the minimum number of Members required to be present at a meeting to transact the general business of the Association. A quorum shall be established if at least thirty- four percent (34%) of the Members are present to vote, either in person or by proxy at the beginning of the meeting. Less than a quorum may adjourn to any specified time and a quorum meeting pursuant to such adjournment, or adjournments, of any annual or special meeting may be taken without new notice being given; but any meeting at which Directors are to be elected shall be adjourned only from day to day until the Directors have been elected.

6.3 Majority of Quorum. “Majority” means the minimum number of Member votes required to transact business of the Association. When a quorum is present at any meeting, the vote of the holders of a Majority of the Members of the Association, present in person or represented by proxy at said meeting, shall decide any question brought before the meeting, unless the question

is one upon which, by express provision of the statutes of the State of Washington, the Articles of Incorporation, the Declaration of Covenants, Easements, Conditions and Restrictions, or these Bylaws, a different vote is required in which case such express provision shall govern and control the decision of such question.

6.4 Notices of Association Meetings. Not less than fourteen (14) nor more than sixty (60) days in advance of any meeting of the Association, the Secretary shall provide written notice to each Owner of record by:

(a) Hand-delivery to the mailing address of the Owner or other address designated in writing by the Owner;

(b) Prepaid First-Class United States mail to the mailing address of the Owner or to any other mailing address designated in writing by the Owner; or

(c) Electronic transmission to an address, location, or system designated in writing by the Owner. Notice to Owners by an electronic transmission complies with this Section only with respect to those Owners who have delivered to the Secretary a written record consenting to receive electronically transmitted notices. An Owner who has consented to receipt of electronically transmitted notices may revoke the consent at any time by delivering a written record of the revocation to the Secretary. Consent is deemed revoked if the Secretary is unable to electronically transmit two consecutive notices given in accordance with the consent.

6.5 Minutes. Minutes of all Board of Directors and Association meetings will be available to each Owner of record to examine and copy no more than sixty (60) days following a meeting. Previous Association minutes must be approved at the next Association meeting.

6.6 Voting. When authorized by the Board for a particular matter or election, votes may be taken by mail or by electronic transmission as provided in RCW 24.03.085.

6.7 Effective Date. The provisions of Article IV shall not apply to meetings of the Association until the first meeting after the Transition Date.

## **ARTICLE VII** **Books and Records**

7.1 Books and Records. The Association shall keep, at its principal office for business, complete books and records of accounts, budgets, and minutes of the proceedings of the Board of Directors and Members, and shall keep a record of the Members giving their respective names and addresses, including electronic transmission addresses designated in writing by a Member.

7.2 Reliance on Certification. Any person dealing with the Association may rely upon a copy of any of the records of the proceedings, resolutions, or vote of the Board of Directors, when certified by the President or Secretary. Such certificate shall be conclusive evidence of the matters therein stated.

## **ARTICLE VIII** **Amendment of Bylaws**

8.1. Amendment of Bylaws. These Bylaws may be amended, altered, repealed or new Bylaws may be adopted by the affirmative vote of a Majority of the Board of Directors at any meeting of the Board if notice of the proposed alteration or amendment is contained in the notice of the meeting; provided, however, that the Board of Directors shall not amend, alter or repeal any Bylaws in such manner as to affect in any way the qualifications, classification, or term of office or the number of Directors.

## **ARTICLE IX** **Contracts**

9.1. The Association may enter into contracts and other transactions with its Directors, Officers and Members and with associations, firms and entities in which they are or may become interested as Directors, Officers, Members, or otherwise, as free as though such adverse interest did not exist, even though the vote, action or presence of such Director, Officer or Member may be necessary to obligate the Association upon such contracts or transactions; and in absence of fraud, no such contract or transaction shall be void and no such Director, Officer or Member shall be held liable to account to the Association, by reason of such adverse interest, or by reason of any fiduciary relationship to the Association arising out of such office or stock ownership, for any profit or benefit realized by him/her through any such contract or transaction; provided that in the case of Directors and Officers of the Association the nature of the interest of such director or officer, though not necessarily the details or extent thereof, shall be disclosed to the Board of Directors of the Association at the meeting thereof at which such contract or transaction is authorized or confirmed. A general notice that a Director or Officer of the Association is interested in any association, firm or entity shall be sufficient disclosure as to such Director or Officer with respect to all contracts and transactions with the association, firm or entity.

## **ARTICLE X** **Indemnifications of Directors and Officers**

10.1 Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, including appeals, whether civil, criminal, administrative or investigative, and whether brought by or in the name of the Association or otherwise, by reason of the fact that he/she is or was a Director or Officer of the Association, or is or was serving at the request of the Association as a director or officer of any other Association, partnership, joint venture, association or other enterprise, shall be indemnified by the Association in accordance with the provisions of this Article against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding; except that, with respect to any threatened, pending or completed action, suit or proceeding by the Association, there shall be no indemnity for judgments, fines, or amounts paid in settlement of such action, suit or proceeding.

A person claiming indemnification under this Article who has been successful on the merits or otherwise in defending any action, suit or proceeding, or in defense of any claim, issue or matter therein, shall be entitled to be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him/her in connection therewith. Any other person claiming indemnification under the first paragraph of this Article shall be entitled to be indemnified by the Association only upon a determination that such person acted in good faith and in a manner he/she reasonably

Bylaws Page | 8

believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. Such determination shall be made either: (1) by the Board of Directors who were not parties to such action, suit or proceeding; (2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors that so direct, by independent legal counsel chosen by the Board of Directors (who may be the regular counsel of the Association) in a written opinion; or (3) by the Members. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he/she reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

Expenses incurred in defending any action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by a majority vote of the Board of Directors (which need not consist of a disinterested quorum) upon receipt of an undertaking by or on behalf of the Director or Officer to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by the Association as authorized in this Article.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which persons may be entitled under any law, agreement, vote of Members or disinterested Directors or otherwise.

## **ARTICLE XI** **Finances**

11.1 Notes. No notes or obligations of the Association shall be made or entered into without the authority of the Board of Directors.

11.2 Bank Accounts. The funds of the Association shall be deposited to its credit in such bank or banks as the Board of Directors may designate. All checks drawn upon such funds shall be signed or countersigned by such Officers of the Association or other persons as may be authorized by the Board of Directors from time to time.

11.3 Financial Records. The Association or its managing agent shall keep financial and other records sufficiently detailed to enable the Association to fully declare to each Owner the true statement of its financial status. All financial and other records of the Association, including but not limited to, checks, bank records, and invoices, in whatever form they are kept, are the property of the Association. Each Association managing agent shall turn over all original books and records to the Association immediately upon termination of the management relationship with the Association, or upon such other demand as is made by the board of Directors. An Association managing agent is entitled to keep copies of Association records. All records which the managing agent has turned over to the Association shall be made reasonably available for the examination and copying by the managing agent.

11.4 Handling of Records. All records of the Association, including the names and addresses of Owners and other occupants of the Lots, shall be available for examination by all

Owners, holders of mortgages on the Lots, and their respective authorized agents on reasonable advance notice during normal working hours at the offices of the Association or its managing agent. The Association shall not release the unlisted telephone number of any Owner. The Association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the Association in providing access to records.

11.5 Annual Financial Statement. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association. The financial statements of associations with annual assessments of fifty thousand dollars (\$50,000.00) or more shall be audited at least annually by an independent certified public accountant, but the audit may be waived if sixty-seven percent (67%) of the votes cast by Owners, in person or by proxy, at a meeting of the Association at which a quorum is present, vote each year to waive the audit.

11.6 Handling of Funds. The funds of the Association shall be kept in accounts in the name of the Association and 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.

### **CERTIFICATE OF ADOPTION**

The undersigned being the Chairman of the Board of Directors of Keanland Park PRRD Homeowners' Association hereby certifies that the foregoing are the Bylaws adopted at the first meeting of the Board of Directors of said Association held on the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

**KEANLAND PARK PRRD HOMEOWNERS'  
ASSOCIATION**, a Washington non-profit  
corporation,

By: \_\_\_\_\_

Todd A. Hansen

Its: Chairman, Board of Directors