

## AMENDMENT TO BYLAWS

FOR

### AUTUMN WIND HOMEOWNERS' ASSOCIATION

THIS AMENDMENT to the BYLAWS of the Autumn Wind Homeowners' Association is made this \_\_\_\_\_ day of \_\_\_\_\_, 1995.

Whereas, the Association has determined that certain amendments to the Bylaws for the Autumn Wind Homeowners' Association are required to bring provisions of the Bylaws into compliance with Engrossed Substitute House Bill No. 1471, passed by the 1995 Washington State Legislature, and to correct certain minor errors contained therein.

NOW, THEREFORE, the Association amends the sections of the Bylaws set forth below to read as follows:

Article II, Section 9:

"Development Period" shall mean the period defined in paragraph 8 of the Declarations.

Article III, Section 1: ANNUAL MEETINGS

The first annual meeting of the members shall be held on the first Monday in November, 1995, and each subsequent regular annual meeting of the members shall be held on the first Monday of November of each year thereafter, at the hour of 7:30 p.m. If the day for the annual meeting is on a legal holiday, the meeting will be held at the same hour on the first Monday following which is not a legal holiday.

Article III, Section 2: SPECIAL MEETINGS

Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote ten percent (10%) of all the votes of the membership.

Article III, Section 3: NOTICE OF MEETINGS

It shall be the duty of the Secretary to mail by first class prepaid United States mail or to cause to be hand-delivered to the Owner of each Lot (as shown in the records of the Association) a notice of each annual or special meeting of the Association. If an Owner wishes notice to be given at an address other than the Lot, the Owner shall designate by notice in writing to the Secretary such other

address. The mailing or delivery of a notice of meeting in the manner provided in this Section shall be served not less than fourteen (14) nor more than sixty (60) days before a meeting. The notice of any special meeting shall state the date, time, and place of such meeting and the business to be placed on the agenda by the Board of Directors for a vote by the members, including the general nature of any proposed amendment to the Articles of Incorporation, Bylaws, any budget or changes in the previously approved budget that result in a change in assessment obligation, and any proposal to remove a director.

#### Article III, Section 4: QUORUM

The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one tenth (1/10) of the votes of the membership shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

#### Article IV, Section 1: NUMBER

Initially, the affairs of this Corporation shall be managed by a board of three (3) directors, referred to as the Initial Board. At the first annual meeting of members, following the adoption of this amendment of the Bylaws, the Board of Directors shall be fixed at three (3) directors, provided that the Board shall, after the end of the Development Period, have the option to change the number of directors to any odd number between three (3) and nine (9) directors. The members of the Initial Board shall be appointed by the Incorporator or its assigns and shall serve until the first election of a Board of Directors pursuant to these amended Bylaws. The Initial Board shall serve without compensation.

#### Article IV, Section 2: TERM OF OFFICE

The Initial Board of Directors shall act until an election occurs pursuant to Article IV, Section 1. At such meeting, the members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years. All subsequently elected members shall serve for a three (3) year term, provided that if the Board elects to increase the number of Board members, the Board shall set the terms of the additional members so as to allow for a reasonable rotation of the terms of the members of the Board.

#### Article IV, Section 3: REMOVAL

Any director may be removed from the Board, with or without cause, by a majority vote of the voting members of the Corporation. In the event of the death, resignation or removal of a director, his or her successor shall be selected by the

remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

#### Article VI, Section 1: REGULAR 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 directors, but, following the end of the Development Period, at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the regular meeting schedule shall constitute sufficient notice of such meetings. Prior to the end of the Development Period, only one annual meeting of the Directors shall be required.

#### Article VI, Section 3: QUORUM

One-third (1/3) but not less than two (2) of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

#### Article VI, New Section 4: OPEN MEETINGS

All meetings of the Board shall be open to all members. The Board of Directors shall keep minutes of all actions taken by the Board, which shall be available to all members.

#### Article VI, New Section 5: EXECUTIVE SESSIONS

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 violation of the Article of Incorporation, Declaration and/or Bylaws of the Association, and matters involving the possible liability of a member of 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 their 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 subsection shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

#### Article VII, New Section 3: RATIFICATION OF BUDGETS

Within thirty (30) 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 members 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 members 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 members shall be continued until such time as the members ratify a subsequent budget proposed by the Board of Directors.

#### Article VII, New Section 4: LIMITATIONS ON AUTHORITY OF BOARD OF DIRECTORS

Notwithstanding any other provision in these Bylaws, the Board of Directors may not act on behalf of the Association to amend the Articles of Incorporation, to terminate the Association, to elect member of the Board of Directors (other than to fill a vacancy pursuant to Article, IV, Section 3), or to determine the qualifications, powers, duties or terms of office of members of the Board of Directors.

#### Article VIII, Section 8(a): PRESIDENT

The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes. The President shall prepare, execute, certify, and record amendments to the Articles of Incorporation, the Declaration, and these Bylaws, at the request and under the direction of the Board of Directors, as authorized by the members when applicable.

#### Article X, Section 1: 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 record 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.

Article X, New Section 2: MEMBERSHIP 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 members, 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 member. The Association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the Association in providing access to records.

Article X, New Section 3: FINANCIAL STATEMENTS

At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association. In the event annual assessments by the Association are fifty thousand dollars (\$50,000.00) or more, the financial statements 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 members, in person, or by proxy, at a meeting of the Association at which a quorum is present, vote each year to waive the audit.

Article X, New Section 4: ASSOCIATION 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, nor with the funds of any manager of the Association or any other person responsible for the custody of such funds.

The Secretary of the Association is directed to prepare a complete set of Bylaws, incorporating the changes set forth above.

Approved pursuant to Article XIII of the Bylaws by a vote of at least 75% of the voting members of the Association at a duly scheduled meeting of the Association held on the \_\_\_\_\_ day of \_\_\_\_\_, 1995.

AUTUMN WIND HOMEOWNERS' ASSOCIATION  
BOARD OF DIRECTORS

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