

SUDDEN VALLEY COMMUNITY ASSOCIATION
SPECIAL BOARD OF DIRECTORS MEETING
TUESDAY, AUGUST 18, 2015
Dance Barn
7:00 P.M.

- I. CALL TO ORDER
- II. ROLL CALL
- III. ADOPTION OF AGENDA
- IV. MEETINGS OF THE EXECUTIVE COMMITTEE
- V. ANNOUNCEMENTS
- VI. PROPERTY OWNER COMMENTS
- VII. BOARD COMMENTS
- VIII. TREASURER
- IX. CONTINUING BUSINESS AND VOTING AS NECESSARY
 - A. Discussion of proposed Bylaw amendments
 - i. Corrective pp. 2-57
 - ii. Substantive pp. 58-74
 - iii. Shortening pp. 75-85
- X. NEW BUSINESS AND VOTING AS NECESSARY
 - A. Discussion of proposed 2016 budget
- XI. ADJOURNMENT

SVCA *[change/replace -*
“Sudden Valley Community Association”
BYLAWS

**ARTICLE I NAME, MEMBERSHIP AND
DEFINITIONS**

Section 1. Name.

The name of the Association shall be Sudden Valley Community Association (hereinafter referred to as the “Association”).

Section 2. Membership.

The membership of the Association shall be described as follows:

(a) A “member of the Association” is defined as any person(s), corporation, partnership, trust or any other legal entity who owns all or a part of an interest in one *[insert “(1)”]* or more lots in Sudden Valley to which membership is appurtenant. A purchaser under contract to purchase an interest in a lot shall be deemed the owner for membership purposes. A member “in good standing” is any person who is current in the payment of all annual ~~*[delete “annual”]*~~ dues and ~~*[delete “and”]*~~ assessments and all special assessments, *[insert “and”]* any charges associated therewith ~~*[change/replace —“with membership”]*~~ for each lot owned, including/as well as *[just use the single word “including”]* any and all use fees and monetary fines or penalties established pursuant to these Bylaws. “Current in the payment” is defined as having made payment in full, or pursuant to such other special and specific terms as

may be stipulated to ~~to~~ in writing by the Board, within thirty (30) days of the due date.

(b) The membership shall consist of and be limited to the owners of lots in Sudden Valley ~~change/replace - "within the boundary of the Association"~~ who shall have one ~~insert "(1)"~~ membership for each lot. No lot, whether owned by one ~~insert "(1)"~~ or more persons, corporations, partnerships, trusts or any other entities, shall have more than one ~~insert "(1)"~~ membership per lot. In the event of multiple owners of a lot, votes and rights of use and enjoyment shall be as provided in the Restrictive Covenants, these Bylaws, the Rules and Regulations, and resolutions adopted by the Board of Directors (hereinafter referred to as the "Board"), but in no event shall more than one ~~insert "(1)"~~ vote be cast for each membership.

(c) No membership privileges shall be suspended; ~~remove ";~~ except for nonpayment of annual ~~delete "annual"~~ dues and ~~delete "and"~~ assessments, special assessments or any charges associated therewith. Membership shall be appurtenant to ownership of a lot and no member may withdraw except upon transfer of title to the real property to which it is appurtenant.

(d) Each member shall remain personally obligated to pay all annual ~~delete "annual"~~ dues, ~~delete ";~~ assessments, special assessments, and any charges associated therewith accruing during his/her ownership of the lot without regard to forfeiture of the rights and privileges of membership in the Association as provided herein.

(e) Each member shall be subject to the provisions of the Restrictive Covenants, the Articles of Incorporation, these Bylaws and the Rules

and Regulations including the ~~the~~ *“the”* personal liability for the payment of all annual dues, assessment ~~change/replace~~ *“dues assessments”*, special assessments, and any charges associated therewith. Publication in the newsletter of the Association of amendments to the Rules and Regulations approved by the Board shall be deemed official notice. Non-receipt by a member shall not constitute a release from compliance. ~~delete as redundant - topic already in R&R section III.C.24~~

(f) Upon sale of a lot or at the time when a contract to purchase has been entered into, the membership appurtenant to the lot shall become the property of the new owner or contract purchaser (hereinafter collectively referred to as “New Owner”). Only the New Owner shall be entitled to the privileges and rights of membership in the Association. At the request of the New Owner, who shall provide satisfactory proof of ownership, the Secretary shall change the Association records to ~~change/replace~~ *“ensure the Association records”* reflect the new ownership. Unless otherwise provided herein, the New Owner may exercise all of the rights and privileges of membership in the Association and shall be subject to all of the liabilities of membership from the time the New Owner becomes the record owner of the lot.

Section 3. Definition. ~~change/replace~~ *“Definitions.”*

Unless prohibited by the context, certain words used in these Bylaws or in any amendment thereof shall have the meaning set forth herein.

(a) “Association” shall mean and refer to Sudden Valley Community Association, a non-profit Washington corporation, its successors and assigns.

[insert “Budget” definition and renumber]

“(b) “Budget,” as voted on by the members, shall mean a consolidated consideration and explicit determination of

“(i) all operational expenses,

“(ii) reasonable expectable operational income, and

“(iii) all capital reserve funding as required by the Restrictive Covenants and recommended by the periodic capital reserve studies mandated by prudent business practice and the laws of Washington state.”]

(b) *[change/replace - “(c)”]* “Bylaws” shall mean the Bylaws of Sudden Valley Community *[change/replace - “the”]* Association.

(c) *[change/replace - “(d)”]* “Common Property” shall mean any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the owners.

(d) *[change/replace - “(e)”]* “Director” shall refer to a duly elected member of the Board of Directors *[delete]* of the Sudden Valley Community *[delete]* Association.

(e) *[change/replace - “(f)”]* “Lot” shall refer to any platted lot within the Plats of Sudden Valley recorded in the office of the Auditor of Whatcom County, whether or not improvements are constructed thereon, which constitutes or will constitute, after construction of improvements, a single-family dwelling site as shown on the plat of the community, or

**Ver.9 Corrective
(REDLINE)**

8/9/15

any amendments thereto. A “lot” shall also refer to a single-family condominium unit in a multi-family condominium complex within the Sudden Valley Development [*change/replace - “Association boundary”*] and shall also refer to a single-family dwelling site composed of two [*insert “(2)”*] or more of the platted lots in the Sudden Valley Development [*change/replace - “Association boundary”*], which have been bound together by [*insert “lot line erasure, or”*] an Irrevocable Covenant to Bind Lots and Forfeit Membership(s) in the form prescribed by the corporation’s Board of Directors [*delete*] and in the manner prescribed in the corporation’s Bylaws. The ownership of each lot shall include, and there shall pass with each lot as an appurtenance thereto, whether or not separately described, all of the right, title and interest of an owner including, without limitation, membership in the Association.

(f) [*change/replace - “(g)”*] “Majority” shall mean those eligible votes, owners, or other groups as the context indicate totaling more than fifty percent (50%) of the total eligible number.

(g) [*change/replace - “(h)”*] “Mortgage” shall mean any mortgage, deed to secure debt, and any and all other similar instruments used for the purpose of conveying or encumbering real property as security for the payment or satisfaction of an obligation.

(h) [*change/replace - “(i)”*] “Mortgagee” shall mean the holder of a mortgage.

(i) [*change/replace - “(j)”*] “Owner” shall mean the record owner of a lot, whether one [*insert “(1)”*] or more person, corporation, partnership, trust or any other legal entity, who holds fee simple title, provided, however, [*change/replace - “provided moreover”*] that a contract

purchaser or vendee on a real estate contract for purchase of a lot shall *[insert “also”]* be deemed the “owner” for the purposes hereof.

(j) *[change/replace - “(k)”]* “Person” shall mean any natural person, as well as a corporation, joint venture, partnership (general or limited), association, trust or other legal entity.

[move “Budget” and reorder all alphabetically]

(k) “Budget” *[insert “, as voted on by the members,”]* shall mean a consolidated consideration and explicit determination of

(I) *[change/replace - “i”]* all operational expenses,

(II) *[change/replace - “ii”]* reasonable expectable operational income, and

(III) *[change/replace - “iii”]* all capital reserve funding as required by the Restrictive Covenants and recommended by the periodic capital reserve studies mandated by prudent business practice and the laws of Washington state.

ARTICLE II ASSOCIATION: MEETINGS, QUORUM, VOTING

Section 1. Place of Meetings.

Meetings of the Association shall be held at the principal office of the Association *[change/replace - “Association’s principal office”]* or such other suitable place convenient to the members as may be designated by the Board.

Section 2. Annual *[insert “General”]* and Special *[insert “General”]* Meetings.

The Board shall set the annual meeting *[change/replace - “Annual General Meeting”]* to occur on the first Saturday of November of each year to commence at 1:00 p.m. The President shall have the authority to call special meetings *[change/replace - “Special General Meetings”]* of the Association. In addition, it shall be the duty of the President to call a special meeting *[change/replace - “Special General Meeting”]* of the Association if so directed by resolution of a majority of the Board or upon a petition signed by members having ten percent (10%) of the votes in the Association, said petition specifying the purpose of the special meeting *[change/replace - “Special General Meeting”]*. The President, upon receipt of the petition, shall cause notice to be given as herein provided for a special meeting *[change/replace - “Special General Meeting”]* to be held within sixty (60) days of the President’s receipt of the petition.

Section 3. Notice of Meeting.

It shall be the duty of the Secretary to mail or cause to be delivered to each member, at the address set forth in the Association’s records, a notice of each annual or special meeting *[change/replace “Annual or Special General Meeting”]* of the Association stating the date, time and place of such meeting, and the agenda for the meeting as adopted by the Board of Directors *[delete]*. In addition, all matters to be presented for a vote of the members at any general or special meeting *[change/replace - “such Annual or Special General Meeting”]* shall be generally described in the notice. No business shall be transacted at any general or special meeting *[change/replace - “such Annual or Special General Meeting”]* except as stated in the notice. The mailing or delivery of a notice of a

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(REDLINE)**

8/9/15

meeting in the manner provided in this section *[insert “, as well as more fully described in Section VI.3.,”]* shall be considered service of notice. Notices shall be served personally or deposited in the United States Mail, with postage thereon prepaid, *[change/replace - “Notice shall be posted, and personally delivered or mailed,”]* not less than thirty (30) nor more than fifty (50) days prior to the date of the meeting. Additionally, notice of each general or special meeting shall be posted on the bulletin board of the Association. *[delete as unnecessary]*

Commented [C-SW1]: Larry – I would detail where it should be posted. I.e. Posted online? Posted on the bulletin board? Posted at the entrance for Gate 1? Posted by itself could mean anything and, therefore, means potentially nothing.

[final text to read as:

“It shall be the duty of the Secretary to mail or cause to be delivered to each member, at the address set forth in the Association’s records, a notice of each Annual or Special General Meeting of the Association stating the date, time and place of such meeting, and the agenda for the meeting as adopted by the Board. In addition, all matters to be presented for a vote of the members at any such Annual or Special General Meeting shall be generally described in the notice. No business shall be transacted at any such Annual or Special General Meeting except as stated in the notice. The mailing or delivery of a notice of a meeting in the manner provided in this section, as well as more fully described in Section VI.3., shall be considered service of notice. Notice shall be posted, and personally delivered or mailed, not less than thirty (30) nor more than fifty (50) days prior to the date of the meeting.”]

Section 4. Waiver of Notice.

Waiver of notice of a meeting of the members *[change/replace - “Annual or Special General Meeting”]* shall be deemed the equivalent of proper notice. Any member may, in writing, waive notice of any meeting of the members *[change/replace - “Annual or Special”]*

General Meeting”, either before or after such meeting. Attendance at a meeting by a member or submission of a mail-in *[change/replace - “mailed”]* ballot shall be deemed waived *[change/replace - “a waiver”]* by such member of notice of the meeting, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

Section 5. Quorum.

The presence of fifty (50) eligible members shall constitute a quorum at the general meeting and all special meetings *[change/replace - “any Annual or Special General Meeting”]* of the Association. Once a quorum is established at a meeting, a quorum shall be deemed to exist throughout the meeting regardless of whether a quorum shall cease to exist.

Section 6. Adjournment of Meeting.

If any meeting *[change/replace - “Annual or Special General Meeting”]* of the Association cannot be held because a quorum is not present at such time as the meeting is *[change/replace - “the time”]* called, the meeting shall be automatically continued to a specified time and place to occur within thirty (30) days of the initially scheduled meeting. The required quorum at the adjourned meeting shall be fifty (50) members. At such adjourned meeting, no business shall be transacted other than the business which was originally scheduled to be considered at the meeting originally called.

Section 7. Voting.

(a) A member shall be entitled to one *[insert “(1)”]* vote for each lot which he/she owns which is current in the payment of all annual ~~delete~~

~~“annual”~~ dues, ~~[delete “,”]~~ assessments, special assessments, and any charges associated therewith. *[change/replace - “as prescribed in paragraph (b) below.”]*

[final sentence to read as:

“A member shall be entitled to one (1) vote for each lot which he/she owns as prescribed in paragraph (b) below.

(b) At duly constituted meetings *[change/replace - “Annual or Special General Meetings”]*, each member in good standing may vote for candidates for the Board, candidates for the Nominations and Elections Committee and *[insert “the”]* Architectural Control Committee, and any other issues as determined by the Board. This vote shall be by mail-in *[change/replace - “mailed”]* ballot or in person at the meeting based on the number of lots owned. All members, including those who are not in good standing, may vote on the proposed budget in person or by mail-in *[change/replace - “mailed”]* ballot. All members may vote in person on procedural issues raised at any meeting. Voting for election of candidates to the Board, *[insert “the”]* Nominations and Elections Committee, and *[insert “the”]* Architectural Control Committee shall also be subject to the terms otherwise set forth in these Bylaws. No member shall be entitled to cumulate votes. *[insert - “, such that a member is entitled to no more than one (1) vote per lot for any single candidate”]* *A member in good standing is defined as a member that is current in payment of all annual dues, assessments, special assessments, and any charges associated therewith.*

(c) If a lot is owned by two *[insert “(2)”]* or more persons, the several owners shall designate one *[insert “(1)”]* person to cast the vote for each lot so owned. If a lot owner owns more than one *[insert “(1)”]* lot,

such owner may cast one *[insert "(1)"]* vote for each lot owned. A corporation, partnership, trust or other legal entity which owns an interest in any lot must designate one *[insert "(1)"]* person to cast the vote for each lot owned. Each person who has the right to cast the one *[insert "(1)"]* vote for each lot owned shall be called the voting member. The voting member is hereby designated as the proper party to receive notices of meetings and other notices as provided hereunder. The Association shall designate the voting member for each lot which has failed to designate a voting member on its behalf.

(d) Any member entitled to vote in the election of Board members may cast a vote in person or by mail-in ballot *[delete "-in ballot"]*, provided that:

(i) The ballot is on a form authorized by, and the original provided by, the Nominations and Elections Committee; and

(ii) The ballot is sent in a special recognizable envelope with the signature and division and lot number of the member on the outside with only one (1) ballot sealed inside and enclosed in a separate ballot envelope to the Chairman *[change/replace - "Chairperson"]* of the Nominations and Elections Committee. *[change/replace - ", whether delivered or mailed, shall be sealed within a special recognizable ballot envelope with the signature, division and lot number of the member on the outside, with no other ballot inside; further, that ballot envelope shall be enclosed in a delivery envelope addressed to the Chairperson of the Nominations and Elections Committee, with no other ballot envelope inside."]* All mail-in *[change/replace - "mailed"]* ballots

must be received by the day prior to the election in order to be valid.

[final text to read as:

“(ii) The ballot, whether delivered or mailed, shall be sealed within a special recognizable ballot envelope with the signature, division and lot number of the member on the outside, with no other ballot inside; further, that ballot envelope shall be enclosed in a delivery envelope addressed to the Chairman of the Nominations and Elections Committee, with no other ballot envelope inside. All mailed ballots must be received by the day prior to the election in order to be valid.”]

(e) The Association shall not be allowed to cast votes for lots owned by it.

Section 8. Conduct of Meetings.

The President, or his/her designee, shall preside over all meetings of the Association. The Secretary shall keep minutes of the meeting and record in the Minute Book all resolutions adopted at the meeting as well as a record of all transactions occurring during the meeting. The Association shall have a parliamentarian, who is not a member of the Association, present at any meetings of the Association where a vote of the membership may be taken. The latest edition of the Roberts *[“Robert’s”]* Rules of Order shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order or resolutions the Association may adopt.

ARTICLE III BOARD OF DIRECTORS:
COMPOSITION, MEETINGS,
POWERS *[delete as redundant]*

A. Composition and Selection.

Section 1. Governing Body: *[change/replace - "and"]* **Composition.**

The affairs of the Association shall be governed by a Board in which all powers of the Association shall be vested unless otherwise provided herein. *[change/replace - "as defined below at Section C. 16"]* The *[insert "members of the Board are"]* directors *[insert "who"]* shall be members in good standing of the Association *[delete as redundant]*; provided, however, no person *[make plural]* from the same household or persons who jointly own Sudden Valley property may *[insert "together"]* serve either as a voting or nonvoting member of the Board at the same time. *[insert "No director shall receive any compensation from the Association for acting as a director unless approved by a majority of the voting membership."]*

[final text to read as:

"Section 1. Governing Body and Composition.

"The affairs of the Association shall be governed by a Board in which all powers of the Association shall be vested as defined below at Section C. 16. The members of the Board are directors who shall be members in good standing; provided, however, no persons from the same household or persons who jointly own Sudden Valley property may together serve either as a voting or nonvoting member of the Board at the same time. No director shall receive any compensation from the Association for

acting as a director unless approved by a majority of the voting membership.”]

Section 2. Number of Directors.

The Board shall consist of nine (9) voting directors who shall be members in good standing throughout their respective terms in office. In addition, the Board shall be composed of the following non-voting members:

- (a) The Chairperson of the Architectural Control Committee; and
- (b) The Chairperson of the Nominations and Elections Committee
[missing “.”]

Section 3. Nominations *[make singular]* of Directors.

Nomination and election of members to the Board shall be governed by the following:

- (a) The Nominations and Elections Committee shall solicit nominations of eligible candidates for the Board of Directors *[delete as redundant]* starting at least ninety (90) days prior to the Annual General Meeting. If a vacancy occurs at any other time, the Nominations and Elections Committee shall solicit candidates at least (30) days prior to appointment by the Board. Any member may submit in writing to the Nominations and Elections Committee the name or names of eligible nominees for the Board of Directors *[delete as redundant]* along with a Disclosure of Interest Statement for each nominee and a written consent signed by each named nominee. All candidate Disclosure of Interest Statements for the annual general *[delete as redundant]* election must be received and date stamped at the Administration Office *[change/replace*

- *“Association’s principal office”*] by close of business the day after Labor Day.

(b) In order to be eligible for election to the Board of Directors *[delete as redundant]*, a candidate must be a member in good standing and must remain so. Candidates must submit a Disclosure of Interest Statement to the Nominations and Elections Committee in the form prescribed by the Committee by close of business the day after Labor Day. The statement shall contain the business and financial interests of the candidate together with an agreement to disclose potential conflicts of interest in any action under consideration by the Association. Board members shall recuse themselves from discussion *[insert - “of the action at issue,”]* and abstain from *[insert - “discussing or”]* voting on any motion in which they have a direct personal or financial *[change/replace - “or substantial”]* interest not common to other members of the organization. *[change/replace - “Association” per I.3(a)]*

[final text of last sentence to read as:

“Board members shall recuse themselves from discussion of the action at issue, and abstain from discussing or voting on any motion in which they have a direct or substantial interest not common to other members of the Association.”]

(c) No member shall be eligible for election to the Board for more than two (2) consecutive terms, plus the unexpired portion of a term to which he or she is appointed provided that it does not exceed one (1) year. After the expiration of one (1) year, the member shall again be eligible for election to the Board.

(d) All eligible candidates shall have an equal opportunity to communicate their qualifications to members and to solicit votes.

(e) The Chairperson of the Nomination *[make plural]* and Elections Committee shall submit to the membership the names of all eligible candidates along with a mail-in *[delete "mail-in"]* ballot at least thirty (30) days prior to the annual meeting *[change/replace - "Annual General Meeting"]*.

(f) The Nominations and Elections Committee shall supervise the handling of mail-in *[change/replace - "mailed"]* ballots, count *[change/replace - "supervise the counting of"]* all ballots *[insert ","]* and submit a written report to the President of the Board detailing the results of the election, including new members of the Nominations and Elections Committee and *[insert "the"]* Architectural Control Committee, and any issues raised on the floor at the meeting.

(g) No candidate for election to the Board of Directors *[delete]*, the Nominations and Elections Committee, or the Architectural Advisory *[change/replace - "Control"]* Committee, nor members of their families or their households, shall assist in the counting of the votes. *[change/replace - "assist in counting ballots"]*

Section 4. Election and Term of Office.

Directors shall be elected and hold office as follows:

(a) All eligible members of the Association shall be entitled to vote in the manner set forth in these Bylaws for all directors to be elected, and the candidate(s) receiving a plurality vote shall be elected. No more than three (3) directors shall be elected each year, except when additional directors are necessary to fill vacancies otherwise existing on the Board.

(b) The term of office of each director shall be three (3) years or until their respective successors have been elected by the Association, provided, however, that *[change/replace - "Association. However,"]* a director who has replaced a director who has resigned or otherwise ceases to be a member of the Board except as provided in Sections below, *[unclear, inaccurate, and redundant - change/replace - "by appointment"]* shall serve until the conclusion of the following annual meeting of the Association *[change/replace - "Annual General Meeting"]* and until a successor is elected. In the election of two (2) or more directors, the candidates receiving the most votes shall be awarded the longest available term. Newly elected directors shall take office immediately following the annual meeting of the membership *[change/replace - "Annual General Meeting"]*.

Section 5. Removal of Directors.

[insert "(a) Procedure."] At any regular or special meeting *[change/replace - "Annual or Special General Meeting"]* of the Association duly called, any one *[insert "(1)"]* or more members of the Board may be removed, with or without cause, by a two-thirds *[insert "(2/3)"]* vote of the members voting in person or by mail-in ballot *[change/replace - "mail"]*, and a successor may then be elected to complete the term of office of the removed director. A director whose removal will be considered at the annual meeting *[change/replace - "any Annual or Special General Meeting"]* shall be given at least ten (10) days written notice thereof and *[remove reference to notice period as inconsistent with AGM notice period requirements at II.3.]* shall be given the opportunity to be heard at the meeting. A director whose removal will be considered at any special meeting of the Association

shall be given written notice thereof in accordance with Article II, Section 3 of these Bylaws and shall be given an opportunity to be heard at the meeting. *[delete as redundant]*

[insert “(b) Causes.”]

[insert “(i)”] Any director who has three (3) consecutive absences unexcused by the President from Board meetings or four (4) absences unexcused by the President; *[change/replace - “three (3) consecutive absences, or four (4) total absences, unexcused by the President,”]* from board meetings during the fiscal year shall automatically be removed from the Board.

[insert “(ii)”] A Board member who has violated the Restrictive Covenants, Bylaws or Rules and Regulations, or who has failed to pay any annual dues assessments, special assessments, fines or charges associated therewith within thirty (30) days of the due date *[change/replace - “maintain membership in good standing”]* may be removed from the Board by a vote of the majority of the remaining Board members.

[insert “(iii)”] A Board member shall be automatically suspended from participating as a Board member when charged with a gross misdemeanor or felony *[insert “,”]* which suspension shall continue until the case is disposed of, provided, however, that *[change/replace - “a”]* conviction will result in the Board member being automatically removed from the Board.

[final text to read as:

“(b) Causes.

“(i) Any director who has three (3) consecutive, or four (4) total, absences from Board meetings, unexcused by the President, during a fiscal year shall automatically be removed from the Board.

“(ii) A Board member who has violated the Restrictive Covenants, Bylaws or Rules and Regulations, or who has failed to maintain membership in good standing may be removed from the Board by a vote of the majority of the remaining Board members.

“(iii) A Board member shall be automatically suspended from participating as a Board member when charged with a gross misdemeanor or felony, which suspension shall continue until the case is disposed of, provided, however, a conviction will result in the Board member being automatically removed from the Board.”]

Section 6. Vacancies.

If a director resigns or otherwise *[delete as redundant]* ceases to be a member of the Board, *[add “for any reason”]* excluding the removal *[change/replace - “temporary suspension”]* of a director as set forth in Section 5 above, the Board shall immediately request the Nominations and Elections Committee to submit not less than two (2) nominees to fill the vacancy. *[change/replace - “one (1) nominee more than the number of vacancies to be filled.”]* The remaining directors shall, by majority vote, elect a *[change/replace - “the required”]* successor(s) from the nominees who shall serve until the conclusion of the following annual meeting of the Association *[change/replace - “Annual General Meeting”]*. The Board shall *[insert “endeavor to”]* fill any such vacancy within sixty (60) days.

[final text to read as:

“If a director ceases to be a member of the Board, for any reason excluding the temporary suspension of a director as set forth in Section 5 above, the Board shall immediately request the Nominations and Elections Committee to submit not less than one (1) nominee more than the number of vacancies to be filled. The remaining directors shall, by majority vote, elect the required successor(s) from the nominees who shall serve until the conclusion of the following Annual General Meeting. The Board shall endeavor to fill any such vacancy within sixty (60) days.”]

B. Meetings.

Section 7. Organizational Meeting.

The first meeting of the members [*delete as redundant*] of the Board following each annual meeting of the membership [*change/replace - “Annual General Meeting”*] shall be held within ten (10) days thereafter at such time and place as shall be determined by the Board. The purpose of the organizational meeting will be for the purpose of [*delete as redundant*] electing [*change/replace - “to elect”*] officers.

Section 8. Regular Meetings.

Regular meetings of the Board shall be held at the principal office of the Association or at such other suitable place at a time as shall be determined by the majority of the directors. At least four (4) such meetings shall be held during each fiscal year. If such meetings are scheduled by the Board on a routine basis, notice of the prearranged schedule shall be given and no further notice need be given. Alternately, at least forty-eight (48) hours prior to each meeting, the Secretary shall give each Board member notice of the meeting and shall provide public

notice, including the agenda, by posting the same at the Association office. *[change/replace - "pursuant to Section VI.3."]*

Section 9. Special Meetings.

Special meetings of the Board may be held when requested by the President or by a majority of the Board. At least forty-eight (48) hours prior to each meeting, the Secretary shall give each Board member notice of the meeting and shall provide public notice, including the agenda, by posting the same at the Association office *[change/replace - "pursuant to Section VI.3."]*.

Section 10. Waiver of Notice.

The transactions of any meeting of the Board, however called and noticed or wherever held, shall be valid as though taken at a meeting duly held after regular call or notice, if

- (a) a quorum is present, and
- (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes.

The waiver of notice, or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting, before or at its commencement, about the lack of adequate notice.

Section 11. Quorum of the Board.

At all meetings of the Board, a majority of the voting directors shall constitute a quorum for the transaction of business, and the votes of a majority of the voting directors present at a meeting at which

[change/replace - “where”] a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. In exceptional circumstances ~~which~~ make it extremely difficult or impossible for a quorum to be present, the President shall have the authority to allow the Board to conduct its meeting by means of a conference telephone or other communications equipment which allows all persons participating in the meeting to communicate with each other at the same time, so long as a quorum of directors are *[change/replace - “is”]* present either in person or via communications equipment as specified herein. *[change/replace - “such equipment.”]* In all other instances, if *[delete as redundant and inconsistent]* any meeting cannot be *[change/replace - “be”]* held because a quorum is not physically *[delete as inconsistent]* present, a majority of the voting directors who are present at such meeting may adjourn the meeting to a time not less than five (5) and not more than thirty (30) days from the date thereof. When the meeting is reconvened, any business which might have been transacted at the original meeting may be transacted without further notice.

Section 12. Compensation.

No director shall receive any compensation from the Association for acting as a director unless approved by a majority of the membership.

Section 13. Open Meetings.

{RCW} 64.38.035 (2) *[actually is “(4)” but delete as inappropriate]*
Except as provided in this subsection, all meetings of the Board of Directors *[delete]* shall be open for observation by all owners of record

and their authorized agents. The Board of Directors *[delete]* 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 *[delete]* 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, *[initial cap]* and matters involving the possible liability of an owner to the association. *[initial cap]* 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 *[delete]* 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 *[delete]*, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. *[add missing final sentence from RCW: "The requirements of this subsection shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure."]*

Section 14. Conduct of Meeting.

The President shall preside over all meetings of the Board. The Secretary shall keep the Minute Book of the Board, recording all resolutions adopted by the Board and all transactions occurring at the meeting. The latest edition of Roberts *["Robert's"]* Rules of Orders shall govern the conduct of all Board Meetings *[lower case]* when not in

conflict with these Bylaws and any special rules of order or resolutions the Board may adopt.

Section 15. Action without a *[change/replace - “Without] Formal Meeting.*

Any action to be taken at a meeting of the directors *[insert “,”]* or any action that may be taken at a meeting of the directors *[change/replace - “such a meeting,”]* may be taken without a meeting if all of the directors consent thereto in writing, provided that a good faith effort has been made *[insert “to call a meeting”]*.

C. Powers and Duties.

Section 16. Powers.

The Board shall be responsible for the affairs of the Association and shall have all of the powers necessary and convenient to conduct the affairs of the Association and, as provided by law, may do all acts and things except those which are reserved for the members by the Articles of Incorporation, these Bylaws, or the laws of the State of Washington. The Board may not transfer any of its responsibilities to a third party. However, it may delegate the execution of any aspects of its affairs, provided that such delegation is accompanied by clear and specific definition of accountability, authority, performance, expectations, and the means by which performance will be measured.

Section 17. Management Agent. *[change/replace - “Agent(s)”]*

The Board may employ a management agent(s) *[change/replace - “one (1) or more management agents”]* at a compensation established by the Board to perform such duties and services as the Board may authorize *[insert “pursuant to Section 16 above”]*. The term of any management

[insert "relationship"] shall be established by mutual agreement of the parties.

[final text to read as:

"Section 17. Management Agent(s)

"The Board may employ one (1) or more management agents at a compensation established by the Board to perform such duties and services as the Board may authorize pursuant to Section 16 above. The term of any management relationship shall be established by mutual agreement of the parties."

Section 18. Borrowing.

The Board shall have the power to borrow money for proper purposes without the approval of the members of the Association.

Section 19. Annual ~~Annual~~ Dues, ~~Assessments~~, ~~and~~ Special Assessments.

(a) Annual dues and special ~~change/replace "Dues"~~ assessments shall be established by the Board and approved by a vote of not less than sixty (60%) percent ~~change/replace - "percent (60%)"]~~ of the members present in person or *[insert "by mailed ballot"]* at any annual or special meeting ~~change/replace - "Annual or Special General Meeting"]~~. Annual dues and ~~change/replace "Dues"~~ assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the owners, including maintenance of the Association's real and personal property, all as may be more specifically authorized from time to time by the Board. Annual dues and ~~change/replace "Dues"~~ assessments shall be payable annually, quarterly, or monthly, or as

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otherwise determined by the Board *[missing “,”]* and are due on such dates as fixed by the Board. If payment in full is not received when due, the account shall be deemed delinquent and the balance of any unpaid annual dues and ~~*change/replace – “dues”*~~ assessments and charges associated therewith shall become immediately due and payable. Delinquent accounts shall be subject to a late charge and a lien filing fee as approved by the Board. In addition, the unpaid balance shall accrue interest at a rate established by the Board until paid in full. The Association shall also be entitled to recover, from the member, all attorneys’ fees and costs incurred because of a failure of the member to pay dues. A member is personally obligated to pay all annual dues and ~~*change/replace – “dues”*~~ assessments accruing on a lot during the tenure of his/her ownership thereof. A member is also personally liable for the payment of interest accruing on any unpaid annual dues and ~~*change/replace – “dues”*~~ assessments, together with *[change/replace - “as well as on unpaid”]* court costs, attorneys’ fees, lien filing fees, and other reasonable costs of collection. In the event of delinquency, the entire amount of any unpaid annual dues, and ~~*change/replace – “dues”*~~ assessments, interest, attorneys’ fees, lien filing fees, and other reasonable costs of collection shall become a lien against the lot upon which they accrue, which may be foreclosed as provided by law and/or collected from the member, his/her heirs, successors and assigns.

(b) In addition to the annual dues and ~~*change/replace – “dues”*~~ assessments, a special assessment may also be levied by the Board for the purpose of paying the costs of capital improvements *[insert “, including any loans related thereto,”]* and repair and other proper purposes as determined *[change/replace - “approved”]* by the

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membership. Special assessments shall be established [*change/replace - “proposed”*] by the Board and approval [*change/replace - “approved”*] by a vote or [*change/replace - “of”*] not less than sixty percent (60%) of the members present in person or by mail-in ballot [*change/replace - “mail”*] at an annual or special meeting [*change/replace “any Annual or Special General Meeting”*]. If payment in full is not received when due, the account shall be deemed delinquent and the balance of any unpaid special assessment and charges associated therewith shall become immediately due and payable. Delinquent accounts shall be subject to a late charge and lien filing fees as approved by the Board. In addition, the unpaid balance shall accrue interest at a rate established by the Board until paid in full. The Association shall also be entitled to recover, from the member, all attorneys’ fees and costs incurred because of a failure of the member to pay any special assessment. A member is personally obligated to pay all special assessments accruing on a lot during the tenure of his/her ownership thereof. A member is also personally liable for the payment of interest accruing on any unpaid special assessments, together with [*change/replace - “as well as on unpaid”*] court costs, attorneys’ fees, lien filing fees, and other reasonable costs of collection. In the event of delinquency, the entire amount of any unpaid special assessments, interest, attorneys’ fees, lien filing fees, and other reasonable costs of collection shall become a lien against the lot upon which they accrue, which may be foreclosed as provided by law and/or collected from the member, his/her heirs, successors and assigns.

(c) The subscription fee for the newsletter published by the Association shall be included in the annual [*delete “annual”*] dues and [*delete “and”*] assessments and [*insert “the newsletter”*] shall be mailed to the

voting member at the address of record of each lot so long as the lot *[change/replace - "member"]* is current in the payment of annual dues and assessments and any charges associated therewith, including any special assessments. *[change/replace - "in good standing"]* Additional subscriptions per lot are available at an additional cost as shall be determined from time to time by the Board.

(d) Suspension of membership *[insert "privileges"]* due to nonpayment of annual dues, *[delete ", "]* assessments, special assessments, or any charges associated therewith *[change/replace - "failure to maintain membership in good standing"]*, and/or termination of membership due to transfer of title to the real property to which said membership is appurtenant *[insert ", "]* shall not constitute a release from the personal obligation to pay such annual ~~dues,~~ *[remove the ", "]* assessments, special assessments, or any charges associated therewith.

(e) The Association shall be exempt from payment of annual dues, assessments and special *[change/replace "all"]* assessments on lots owned by the Association.

Section 20. Use Fees.

Use fees may be levied against members in amounts to be determined by the Board for services which benefit specific members, including fees for use of amenities or facilities, recreational fees, trash service fees and other special fees. Such fees may be levied against those members determined by the Board to benefit from or otherwise take advantage of the services or benefits so provided.

Section 21. Use Rights.

The Board may grant other *[delete]* use rights, upon the payment of such

charges as it deems appropriate, to persons who are not members of the Association. Such use rights shall be subject to the Restrictive Covenants, these bylaws *[capitalize; missing “,”]* and any Rules and Regulations or other use restrictions promulgated by the Association, *[remove the “,”]* or the Board, but such rights shall not include any voting privileges.

Section 22. Fines and Penalties.

The Board is authorized to impose monetary fines and other penalties against members for violations of the Restrictive Covenants, these Bylaws, and Rules and Regulations of the Association as might be applicable to the lots, Common Property or other property of the Association. The Board shall not impose a monetary fine or other penalty unless and until notice of the provision alleged to have been violated has been provided as required in the respective documents or as herein provided. A violator shall be offered the opportunity to appear before the Appeals Committee of the Board to explain why a fine or penalty should not be *[change/replace - “be”]* levied or to request an adjustment of the fine or penalty levied. The Board may assign its power to impose monetary fines and other penalties to the management staff of the Association. A late charge shall not constitute a fine. Members shall be personally liable for the payment of monetary fines and/or other penalties which, if not paid when due, shall become a lien against the property which may be foreclosed as provided by law and/or collected from the members, his/her heirs, successors and assigns.

Section 23. Actions of the Board Directly Benefiting Board Member.

[insert “(a)”] Any member of the Board who can reasonably expect to benefit in a direct or substantial way *[insert - “not common to other*

members of the Association”] from the possible outcome of the Board action under discussion must disclose each time it is discussed that he/she has such an interest and abstain from voting on any motion affecting that interest. *[change/replace - “comport themselves as required by paragraph 3(b) above.”]*

(a) *[change/replace - “(b)”]* The Board may contract or otherwise deal with any company of which a Board member is a director, shareholder or an employee, provided such Board member does not vote on any motion respecting the contract or participate in any discussion thereof.

(b) *[change/replace - “(c)”]* With approval of the Board, a member may be reimbursed for expenses incurred in carrying out business of the Board.

(c) *[change/replace - “(d)”]* No person closely related to a director or an employee shall be employed by the Association unless approved by the Board.

Section 24. Rules and Regulations.

In addition to such other powers conferred upon the Board, the Board shall have the power to promulgate such rules and regulations as it deems appropriate. Members shall be responsible for complying with the rules and regulations adopted by the Board and ensuring that their guests and tenants comply therewith. Publications of the Rules and Regulations in the Sudden Valley Views *[change/replace - “Association newsletter”]* shall be deemed official notice to the member *[change/replace - “all members”]* of the existence of the rule and regulation *[make plural]* and the obligation to comply therewith.

ARTICLE IV OFFICERS

Section 1. Officers.

The officers of the Association shall be the President, Vice President, Secretary and Treasurer. Any two *[insert “(2)”]* or more offices may be held by the same person, except the office of president *[initial cap]*. The Board may also elect such other officers as it deems necessary, such officers having the authority to perform duties as prescribed by the Board and the applicable laws of the State of Washington.

Section 2. Election, Term of Office and Vacancies.

The officers of the Association shall be elected annually by a majority vote of the Board at the organizational meeting of the Board following each annual meeting of the membership *[change/replace - “Annual General Meeting”]*. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board for the unexpired portion of the term.

Section 3. Removal.

Any officer may be removed by a majority vote of the Board whenever, in its judgment, the best interests of the Association will be served thereby.

Section 4. President.

The President shall be the Chief Executive Officer of the Association and shall preside at all meetings of the Association and of the Board, unless the President shall direct management or others to preside. The President shall have all the general powers and duties which are incident to the office of the President of a corporation organized under the applicable laws of the State of Washington.

Section 5. Vice President.

The Vice President shall act in the President's absence and shall have all powers, duties and responsibilities provided for the President when so acting.

Section 6. Secretary.

The Secretary shall keep the minutes of all meetings of the Association and of the Board and shall be in charge of such books and papers as the Board may direct and shall, in general, conduct all duties incident to the office of the Secretary of a corporation organized under the applicable laws of the State of Washington.

Section 7. Treasurer.

[insert "(a)"] The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable affects in the name of the Association in such depositories as may be designated by the Board.

[insert "(b)"] All checks shall require two (2) signatures as provided by resolution of the Board. The Treasurer shall cause an annual audited financial statement to be made available to the Association and cause quarterly *[delete as redundant]* financial statements to be published on a quarterly basis in the newsletter of the Association.

Section 8. Absence of Officers.

In the absence of both the President and Vice President from a meeting, the directors present shall, by majority vote, elect from the remaining

directors present, other than the Secretary, a director to be Chairperson of that meeting. In the absence of the Secretary, the directors present shall choose from among themselves one *[insert “(1)”]* director, other than the President, to serve as Secretary at that meeting.

Section 9. Compensation.

No officer shall receive any compensation from the Association for acting as such.

Section 10. Resignation.

Any officer may resign *[insert “their executive office”]* at any time by giving written notice to the Board, the President or the Secretary of the Association. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Acceptance of a written resignation shall not be necessary to make it effective.

Section 11. Agreements, Contracts, Deeds, Licenses, Checks, Etc.

All agreements, contracts, deeds, leases and other instruments of the Association shall be executed by at least two (2) officers or by such other person(s), including managing agents, as may be designated by resolution of the Board.

ARTICLE V COMMITTEES

Section 1. General.

The Board is authorized to organize committees to perform tasks and to serve for such periods as the Board may, by resolution, specify. Committees shall perform the specific duties as provided in the resolution adopted by the Board. Subject to approval of the Board, each

committee shall adopt its own rules or procedure: *[change/replace - “procedures;”]* provided that

(a) a minimum of four (4) meetings shall be *[change/replace - “be”]* held each year,

(b) notice of each meeting shall be posted, *[insert - “pursuant to Section VI.3.,”]*

(c) no business shall be conducted with less than a quorum of appointed *[delete “appointed”]* voting members present, and

(d) minutes of each meeting shall be filed with the Secretary of the Board.

The members of these committees shall be members in good standing throughout the term of office *[change/replace - “their term”]* and shall be appointed by the Board, except as otherwise provided herein.

[change/replace - final text of Sec.1. to read as:

“(a) Operation. The Board is authorized to organize committees to perform tasks and to serve for such periods as the Board may, by resolution, specify. Committees shall perform the specific duties provided in the resolution adopted by the Board. Subject to approval of the Board, each committee shall adopt its own rules or procedures; provided that:

“(i) a minimum of four (4) meetings shall be held each year,

“(ii) notice of each meeting shall be posted pursuant to Section VI.3, normally including an agenda,

“(iii) no business shall be conducted with less than a quorum of appointed voting members present, and

“(iv) minutes of each meeting shall be filed with the Secretary of the Board.

“(b) Membership. The members of these committees shall be members in good standing throughout their term and shall be appointed by the Board, except as otherwise provided herein.”]

Section 2. Architectural Control Committee.

(a) The Architectural Control Committee shall be composed of nine (9) members in good standing who shall henceforth *[delete as redundant]* be elected in person or by mail-in *[change/replace - “mailed”]* ballot to serve until their successors are elected. Members of the Committee shall serve rotating three (3) year terms staggered such that only three (3) members are to be elected each year, and selection of Committee members shall be bound by the following:

(1) *[change/replace - “(i)”]* Election of the Committee shall be concurrent with election of Nominations and Elections Committee members, immediately following voting for Board members at the Annual *[insert “General”]* Meeting.

(2) *[change/replace - “(ii)”]* No member of the Committee shall serve more than two (2) consecutive elected or appointed *[delete as redundant]* terms regardless of whether they are elected or appointed to those terms, or a maximum of six (6) successive years even if no successor has been elected for that seat. After expiration of one (1) year, the member shall again be eligible for election or

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appointment to the Architectural Control *[delete as redundant]*
Committee.

(3) *[change/replace - "(iii)"]* The Chairperson of the Committee shall be elected by the members of the Committee during the first meeting each year *[insert "after the Annual General Meeting,"]* and shall serve as a non-voting member of the Board of Directors *[delete]*. No other Committee member may serve on the Board concurrently with their Committee membership.

(4) *[change/replace - "(iv)"]* A plurality of votes shall elect members of the Committee.

(5) *[change/replace - "(v)"]* If a member of the Committee fails to serve a full term for any reason, or must step down due to the six (6) year service limit, the Board shall fill that Committee member's seat by appointment, and such appointee shall serve through the normal end of that seat's term, and until a successor is elected (if any). In the event a Committee member retains their seat at the end of their three (3) year term by virtue of no successor having been elected at the prior Annual General Meeting, that Committee member's seat shall be filled by election at the following Annual General Meeting, and the term of the member elected (if any) to fill that seat shall only be for the remainder of the seat's normal three (3) year term length.

(b) The Architectural Control Committee shall have such powers as are specifically set forth in the Restrictive Covenants. The Committee may also perform such additional duties as the Board may, from time to time, designate. Acting in accordance with the provisions of the Restrictive

Covenants, these Bylaws, Rules and Regulations of the Association and the Guidelines, the Committee shall act as the hearing tribunal of the Association for architectural control matters as defined in the Restrictive Covenants and as may be assigned by the Board. The Association, through its management staff, shall enforce the provisions of this Section and may stop any construction in violation of these restrictions by issuing written cease and desist orders or by application with the court for injunctive relief. A lot owner who violates any ruling of the Architectural Control Committee shall be subject to fine for violation of a rule, regulation or policy of the Association. Fines for violation of this Section shall be established by the Board, and assessed by the Board or the management staff of the Association, not the Committee.

(c) Any member of the Committee, or any management staff of the Association, as well as any member of the Board, shall have the right, during reasonable hours, to enter upon any lot to inspect said lot and any improvements thereon for the purpose of ascertaining whether or not the Restrictive Covenants, these Bylaws, the Guidelines, and the Rules and Regulations of the Association have been or are being complied with. Such person or persons shall not be deemed guilty of trespass by reason of such entry.

Section 3. Nominations and Elections Committee.

The Nominations and Elections Committee shall be composed of five (5) members in good standing who shall be elected in person or by mail-
in [*change/replace - "mailed"*] ballot to serve until their successors are elected. Normally, members of the Committee will be elected for two (2) year terms except that terms are to be staggered so that continuity of experience will be maintained. For any year in which more than two (2)

vacancies are to be filled, the others *[change/replace - “additional vacancies”]* will be for one (1) year or two (2) year terms, chosen so that no more than two (2) terms will expire in any year. The Committee shall follow the provisions of Article III, Section 3 of these Bylaws, and shall be bound by the following:

(a) Election of the Committee shall immediately follow voting for Board members at the annual meeting *[change/replace - “Annual General Meeting”]*.

(b) The Chairperson of the Committee shall be elected by the members of the Committee during the first meeting of each year *[insert “after the Annual General Meeting,”]* and shall serve as a non-voting member of the Board of Directors *[delete]*.

(c) No person nominated as a Board member or as a member of the Nominations and Elections Committee or *[insert “the”]* Architectural Control Committee, nor members of their family or their household, shall assist in counting votes for any election.

(d) No person shall be elected to consecutive terms on the Committee but shall be eligible for re-election after a waiting period of one (1) year.

(e) No person shall serve on the Committee and the Board concurrently, other than the Chairperson of the Committee serving as the representative of the Committee.

(f) A plurality of votes shall elect the members of the Committee.

(g) If a member of the Committee fails to serve a full term for any reason, the Committee shall appoint someone to replace that member until the next regular election is held.

(h) The Committee shall solicit nominations for candidates for election to the Board, the Nominations and Elections Committee, and the Architectural Control Committee, as well as solicit for applicants to serve on the Finance Committee.

(i) The Committee shall supervise the balloting during elections, as set forth in Article III, Section 3 *[insert “,”]* of these Bylaws.

(j) The Committee shall supervise elections conducted during any annual or special meetings *[change/replace - “Special or Annual General Meeting”]* as set forth in Article III, Section 3(f) *[insert “,”]* of these Bylaws.

(k) No person may serve on the Nominations and Elections Committee who is related to a sitting Board member or member of the Architectural Control Committee.

Section 4. Finance Committee.

I *[change/replace - “(a)”]* Membership.

The Finance Committee of the Board shall consist of a minimum of five (5) members and a maximum of seven (7) members as determined annually by the Board. The Treasurer shall automatically *[delete]* be a member of the committee *[insert “and serve as the Chairperson”]*. The remaining committee members shall be comprised of at least one (1) Board member and at least two (2) SVCA members. The majority of the committee members must have experience or training in accounting, financial management, or corporate finance. **The Treasurer shall serve as the Chairperson of the committee.** *[move/shorten]* Annually the Treasurer shall submit to the Board a list of names of individuals to serve on the committee in the coming year. The Board shall consider,

but shall not be required, to select committee members from the list submitted by the Treasurer.

III *[change/replace - "(b)"]* **Purpose.**

The Finance Committee's purpose is to assist the Board in overseeing SVCA's *[change/replace - "the Association's"]* financial affairs in the areas of financial management, accounting, reporting and internal controls. The committee may also make recommendations to the Board concerning creation, modification or implementation of financial policies and/or procedures and make recommendations pertaining to capital expenditures, budgets, investments and other matters related to the SVCA's *[change/replace - "Association's"]* financial affairs.

III *[change/replace - "(c)"]* **Meetings and Procedures.**

The Finance Committee shall meet at least ten (10) times annually. All meetings shall be conducted in accordance with Robert's Rules of Order.

IV *[change/replace - "(d)"]* **Responsibilities.**

The SVCA *[delete]* Finance Committee shall provide assistance to the Board in fulfilling its oversight responsibilities related to management of SVCA *[change/replace - "the Association's"]* financial affairs which assistance shall consist of:

- (a) *[change/replace - "(i)"]* Determining whether SVCA's *[change/replace - "the Association's"]* accounting policies, procedures, and internal controls are adequate to safeguard SVCA's *[change/replace - "its"]* assets and to assure legal compliance.

- (b) *[change/replace - "(ii)"]* Monitoring income and expenses to determine whether they conform to the budget approved by the Board. *[change/replace - "approved by the members."]*
- (c) *[change/replace - "(iii)"]*, and *[change/replace - "Reviewing department and/or operational"]* budgets and make *[change/replace - "making"]* recommendations to the Board with respect thereto.
- (d) *[change/replace - "(iv)"]* Periodically reviewing SVCA's *[change/replace - "the Association's"]* financial policies and procedures and making recommendations to the Board with respect to updates or modifications thereto.
- (e) *[change/replace - "(v)"]* Evaluating the performance of the outside auditor and when appropriate, however, at least annually, make recommendations to the Board concerning retention or replacement of the outside auditor. The outside auditor is ultimately accountable to the Board.
- (f) *[change/replace - "(vi)"]* Annually reviewing the proposed scope of the outside audit and the proposed fee and make recommendations to the Board with respect thereto.
- (g) *[change/replace - "(vii)"]* Reviewing SVCA's *[change/replace - "the Association's"]* investment policies and performances.
- (h) *[change/replace - "(viii)"]* Consulting with the Board concerning long-range financial planning.

(i) [*change/replace - "(ix)"*] Performing such additional duties as the Board may, from time to time, designate by resolution.

Section 5. Executive Committee.

The Executive Committee shall be composed of not less than three (3) officers of the Association and not more than five (5) voting Board members, provided, that the total number is not less than four (4). The Executive Committee shall have general supervision of the affairs of the Association between Board meetings and may perform such other duties as specified by the Board.

Section 6. Appeals Committee.

The Appeals Committee shall be composed of three (3) Board members of the Association, who shall provide any individual who has received a notice of violation of the Restrictive Covenants, these Bylaws [*add “,”*] or the Rules and Regulations of the Association [*add “,”*] with an opportunity for an impartial hearing before a hearing panel, except as otherwise provided in these Bylaws or in the Restrictive Covenants. The Committee shall elect a **Chairperson** from its members to serve a one-year [*change/replace “one (1) year”*] term. A hearing panel shall meet as needed to hear requests for adjustments of fines and penalties levied as a result of violations of the Restrictive Covenants, these Bylaws, or the Rules and Regulations or the Association. Each member of the hearing panel shall be given notice, either oral or written, at least ten (10) calendar days prior to the date of any meeting. In the event that a member of the hearing panel does not receive notice as provided herein, his/her presence at the hearing shall constitute a waiver of the right to receive notice of said meeting. The Appeals Committee shall prepare written guidelines and procedures by which members may request a

hearing before a hearing panel to contest the merits of any alleged violation. These guidelines shall include the right of a member to appeal a hearing panel decision to the majority of the remaining Board, and shall set forth the procedure by which said appeal must be filed.

Section 7. Document Review Committee.

A. *[change/replace - "(a)"]* **Membership:** *[change/replace - "."]* The Document Review Committee of the Board shall consist of at least three (3) members: two (2) Board members, one (1) acting as Chair, and at least one (1) additional Association member in good standing *[delete as redundant]* with experience in corporate governance or law.

B. *[change/replace - "(b)"]* **Purpose:** *[change/replace - "."]* The purpose of the Document Review Committee is to:

1. *[change/replace - "(1)"]* locate and maintain in the Association offices *[change/replace - "Association's principal office"]* a current and correct copy of all Association governing documents, including policies, procedures, handbooks or manuals, and studies, as well as any other official corporate records of the Association;
2. *[change/replace - "(2)"]* review all of the aforesaid governing documents and similar materials and identify any of them which are not
 - (a) *[change/replace - "(i)"]* consistent with any applicable statutory and regulatory requirements,
 - (b) *[change/replace - "(ii)"]* verifiable as having been properly voted on, passed or otherwise established,

(c) *[change/replace - "(iii)"]* internally consistent or in harmony with all other said documents and materials, or

(d) *[change/replace - "(iv)"]* any longer necessary, or otherwise contributing to the efficient, harmonious operation of the Association or the Sudden Valley community, and then make complete *[delete as unnecessary]* recommendations to the Board for all necessary and appropriate corrections of any such deficiency as identified;

3. *[change/replace - "(3)"]* make additional complete *[delete as unnecessary]* recommendations, including as may be initiated or suggested by any community member or other reasonable source, to the Board for all other useful or necessary, and appropriate, additions *[add ","]* modifications or deletions of provisions in any Association governing document, or policy, procedure, handbook or manual, in order to better facilitate the efficient harmonious operation of the Association and *[insert "the"]* Sudden Valley community.

C. *[change/replace - "(c)"]* **Meetings and Procedures:**
[change/replace - "."]

1. Notices of scheduled Committee meetings shall be posted on an appropriate Association web page as may exist, including its place and time, and written minutes of all meetings shall be provided to the Secretary for similar publication. *[delete - not necessary as this already applies to all committees (V.1.)]*

2. *[change/replace - "(1)"]* The Committee, no later than 30 days prior to each AGM *[change/replace - "Annual General Meeting"]*, shall submit to the Board a written report of all of its activities and all recommendations made to the Board since the preceding AGM *[change/replace - "Annual General Meeting"]*, and may also provide to the AGM *[change/replace - "Annual General Meeting"]* attendees a brief oral summary of said report. The Board may also direct the Committee to provide interim reports at any other time.

3. *[change/replace - "(2)"]* If any activity of the Committee will require the expenditure of funds to be paid or reimbursed by the Association *[spelling]*, the Committee shall first obtain authorization ~~therefore~~ *[change/replace - "therefor"]* from the Board.

ARTICLE VI MISCELLANEOUS

Section 1. Fiscal Year.

The fiscal year of the Association shall be determined by resolution of the Board. In the absence of such a resolution, the fiscal year shall be the calendar year.

Section 2. Books and Records.

(a) **Inspection by Members.** The Articles of Incorporation, these Bylaws and the membership register, books of accounting, and minutes of meetings of members, the Board, and of the committees shall be made available for inspection and copying by any member of the Association

or by his/her representative at any reasonable time for any reasonable purpose.

[insert "(i)"] The inspection shall take place at the Association's principal place of business. Use *[change/replace - "Commercial use"]* or sale of membership lists by a member, obtained through exercise of these inspection rights, is prohibited.

(b) *[replace/change "(ii)"]* The Board shall establish reasonable rules with respect to the type of notice to be given to the custodian of records by the member desiring to make the inspection, hours and days of the week when such inspections may be made, and payment of the cost of reproducing copies of documents requested by a member.

(c) *[replace/change "(b)"]* **Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The directors' rights shall include the right to make extra copies of documents at reasonable cost to the Association.

Section 3. Notices. *[insert "Member"]*

Unless otherwise provided herein, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally, sent by electronic mail (as specified by RCW 24.03.009 or RCW 64.38.06[3] *[change/replace - "64.38.035(2)(c)"]*), or sent by first class mail, postage prepaid:

(a) if to a member, at the address or electronic mail address which the member has designated in writing and filed with the Secretary, or if no such address has been designated, at the last known address *[insert “mailing”]* of the member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association *[change/replace - “Association’s principal office”]* or such other mailing address or electronic mail address as shall be designated by notice in writing to the members pursuant to this section.

Section 4. Audit.

The Board shall have an annual audit of the accounts of the Association prepared by a certified public accountant.

Section 5. Amendment.

These Bylaws may be amended at any annual or special meeting *[change/replace - “Annual or Special General Meeting”]* by a two-thirds *[insert “(2/3)”]* vote of the members in person or by mail-in ballot *[change/replace - “mail”]* on the proposal for change in the Bylaws; provided, however, that notwithstanding any other provision hereof, ballots and notice of the meeting shall be sent to all members entitled to notice at least (30) days prior to said meeting, *[change/replace - “, with notice thereof as provided in Sections II.3 and VI.3.,”]* including written notice of the proposed change, or a summary thereof. In the event that a summary is provided, the members shall be entitled to obtain a copy of the text of the proposed change from the Association at its principal place of business. Amendments shall become effective immediately upon their adoption unless otherwise stated in the amendment.

Section 6.A. *[change/replace - "(a)"]* Lot Line Erasure Procedures.

(a) *[change/replace - "(i)"]* Any member *[change/replace per definition section - "owner,"]* who meets the requirements set forth in paragraph (b) hereof *[change/replace - "below"]* and any non-member, who wishes to acquire or who has acquired *[redundant when using "owner" as defined]* two (2) or more lots having contiguous lot lines as originally platted *[move]* who seeks to consolidate two (2) or more lots having contiguous lot lines as originally platted the lots *[delete as redundant]* into one *[insert "(1)"]* lot may apply to the Board for a reduction in annual dues, assessments *[change/replace - "dues assessments"]* and special assessments.

(b) *[change/replace - "(ii)"]* The Board will not consider any request for reduction in annual dues, assessments *[change/replace - "dues assessments"]* and special assessments unless the member *[change/replace per definition section - "owner,"]* submitting the application is current in the payment of annual dues, assessments, special assessments and charges associated therewith, on *[change/replace - "could qualify as a member in good standing for"]* all of the lots which he or she proposes to consolidate into one lot *[redundant]*.

(c) *[change/replace - "(iii)"]* If the applicant, whether a member or non-member, *[redundant]* seeks to obtain Board approval for a reduction in annual dues, assessments *[change/replace - "dues assessments"]* and special assessments prior to acquiring one *[insert "(1)"]* or more of the lots, the Board's approval, if granted, shall be deemed to be binding for a period not to exceed 120

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[change/replace - "one-hundred-twenty (120)"] days in which time the applicant must acquire the lot(s) and obtain final approval of the lot line erasure from Whatcom County. The Board has the discretion to extend this deadline for good cause shown.

(d) *[change/replace - "(iv)"]* The Board shall approve all requests submitted by members *[change/replace - "applications by owners"]* who meet the requirements set forth in Section 6(b) hereof *[change/replace - "subparagraph (ii) above"]*, provided that the request seeks to consolidate no more than two *[insert "(2)"]* lots into one *[insert "(1)"]* and, provided further, that neither of the lots being consolidated have been subject to any prior consolidation. In all other instances, the decision to grant a reduction in annual dues, assessments ~~*[change/replace - "dues assessments"]*~~ and special assessments, and the amount of any such reduction shall be strictly discretionary with the Board.

(e) *[change/replace - "(v)"]* The Board will consider only applications which are in the form prescribed by the Association and accompanied by a payment of one *[insert "(1)"]* year's advanced annual dues, assessments ~~*[change/replace - "dues assessments"]*~~ and special assessments on the lot to be created by means of consolidation.

(f) *[change/replace - "(vi)"]* Except in instances set forth in subsection (c) *[change/replace - "(iii)"]* hereof, if the Board approves an application for a reduction in annual dues, assessments ~~*[change/replace - "dues assessments"]*~~ and special assessments, such approval shall be binding for a period not to exceed 120 *[change/replace - "one-hundred-twenty (120)"]* days in which

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time the applicant must obtain final approval of the lot line erasure from Whatcom County. The Board has the discretion to extend this deadline for good cause shown.

(g) *[change/replace - "(vii)"]* A member *[change/replace - "An owner"]* who has consolidated two (2) or more lots into one *[insert "(1)"]* shall execute and record a covenant in the office of the Auditor of Whatcom County prohibiting himself/herself, his/her heirs, successor's *[not possessive]* and assigns from later subdividing the newly constituted lot.

(h) *[change/replace - "(viii)"]* Any member *[change/replace - "owner"]* consolidating any number of lots into one *[insert "(1)"]* lot shall be entitled to one *[insert "(1)"]* vote *[insert "for such lot"]*, regardless of the number of lots combined or the number of annual dues, assessments and special assessments paid *[change replace - "amount of applicable dues, assessments and special assessments."]*

Section 6.B. *[change/replace - "(b)"]* Lot Consolidation Procedure
[make plural].

(a) *[change/replace - "(i)"]* Any member *[change/replace per definition section - "owner,"]* who meets the requirements set forth in paragraph (b) hereof *[change/replace - "below"]* and any non-member, who wishes to acquire or who has acquired *[redundant when using "owner" as defined]* two (2) or more lots having contiguous lot lines as originally platted *[move]* who seeks to consolidate two (2) or more lots having contiguous lot lines as originally platted the lots *[delete as redundant]* into one *[insert*

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“(1)” lot by means of an Irrevocable Covenant to Bind Properties and Forfeit Membership(s) in a form approved by the Board may apply to the Board for a reduction in annual dues, assessments ~~[change/replace - “dues assessments”]~~ and special assessments.

(b) ~~[change/replace - “(ii)”]~~ The Board will not consider any request for reduction in annual dues, assessments ~~[change/replace - “dues assessments”]~~ and special assessments unless the member ~~[change/replace per definition section - “owner,”]~~ submitting the application is current in the payment of annual dues, assessments, special assessments and charges associated therewith, on ~~[change/replace - “could qualify as a member in good standing for”]~~ all of the lots which he or she proposes to bind into one lot ~~[redundant]~~.

(c) ~~[change/replace - “(iii)”]~~ If the Board approves an application for a reduction in annual dues, assessments ~~[change/replace - “dues assessments”]~~ and special assessments, such approval shall be binding for a period not to exceed one hundred twenty ~~[change/replace - “one-hundred-twenty”]~~ (120) days in which time the applicant must complete the process of consolidating the lots by:

1. Complying with the administrative Rules and Regulations and policies adopted by the Board governing lot consolidation.
2. Recording with the Whatcom County Auditor an Irrevocable Covenant to Bind Properties and Forfeit Membership(s) in the form approved by the Board which is signed by the owner(s) of

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the lots being consolidated, all lien holders of record, Whatcom County and SVCA *[change/replace - "the Association"]*; and

3. Providing SVCA *[change/replace - "the Association"]* with verification from a title insurance company, in a form acceptable to the Board, that the legal owner(s) of the lots and all lien holders of record are bound by the Irrevocable Covenant to Bind Properties and Forfeit Membership(s). The Board has the discretion to extend this deadline for good cause shown.

(d) *[change/replace - "(iv)"]* The Board shall approve all requests submitted by members *[change/replace - "applications by owners"]* who meet the requirements set forth in Section 6(b) hereof, *[change/replace - "subparagraph (ii) above,"]* provided that the request seeks to consolidate no more than two *[insert "(2)"]* lots into one *[insert "(1)"]* and, provided further, that neither of the lots being consolidated have been subject to any prior consolidation. In all other instances, the decision to grant a reduction in annual dues, assessments ~~*[change/replace - "dues assessments"]*~~ and special assessments, and the amount of any such reduction shall be strictly discretionary with the Board.

(e) *[change/replace - "(v)"]* The Board will consider only applications which are in the form prescribed by the Association and accompanied by a payment of one *[insert "(1)"]* year's advanced annual dues, assessments ~~*[change/replace - "dues assessments"]*~~ and special assessments on the lot to be created by means of consolidation.

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(f) *[change/replace - "(vi)"]* Any member *[change/replace - "owner"]* consolidating any number of lots into one *[insert "(1)"]* lot shall be entitled to one *[insert "(1)"]* vote, regardless of the number of lots combined number of annual dues, assessments and special assessments paid *[change replace - "or the amount of applicable dues, assessments and special assessments."]*

Section 6.C. *[change/replace/title - "(c) Fee Waiver."]*

The Board may, by motion, waive the requirements in Sections 6.A.(e) and 6.B.(e) *[change/replace - "subsections 6(a) and 6(b) above"]* concerning the payment of one *[insert "(1)"]* year's advanced annual dues, assessments ~~*[change/replace - "dues assessments"]*~~ and special assessments; provided, however, that such waiver shall be applied to all lot consolidation requests which are properly submitted during such waiver period and, further, that such waiver period shall not extend beyond the end of the then *[change/replace - "that"]* current fiscal year.

Section 7. Leasing.

A member *[since both words are used interchangeably in this paragraph, insert "or owner"]* may lease or otherwise transfer use or occupancy of any lot for residential purposes only. The term "tenant" as used herein is defined as a person(s) to whom a member(s) has extended use of his/her lot as evidenced by a written lease or rental agreement, a copy of which shall be filed with the Association. Only one *[insert "(1)"]* couple with their dependents, or not more than three (3) unrelated adults, are permitted in any one *[insert "(1)"]* single family dwelling unit and are considered tenants for amenity use purposes. A member in good standing who leases his/her residential unit may assign membership privileges to the tenant; provided, however, that the tenant

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shall have no right to vote or right to notice of any regular or special meeting of the Association. All occupants of any leased lot, by occupying the lot, agree to abide by, and be subject to, all provisions of the Restrictive Covenants, these Bylaws and the Rules and Regulations of the Association, use restrictions, fines, penalties, or injunctive relief promulgated pursuant thereto by the Association or the Board, which govern the conduct of owners and which provide for sanctions against owners, notwithstanding the absence of any such agreement of the tenant set forth in such tenant's lease agreement. If the Association agrees, the Lessor may delegate and assign to the Association the authority to evict the tenant on behalf of and for the benefit of the owner. In the event the Association proceeds to evict the tenant, any costs, including attorneys' fees and court costs, associated with the eviction shall be specially assessed against the owner, and shall be a personal obligation of the owner. Once membership rights are assigned by an owner, the owner shall not have privileges to use the amenities or facilities unless otherwise provided by resolution of the Board. Privileges shall be reinstated automatically upon expiration of the lease. Neither the lease nor the rental agreement shall relieve or release owners from obligations and responsibilities incidental to their membership, including the personal obligation to pay annual dues, assessments, ~~change/replace~~ ~~"dues assessments,"~~ special assessments and charges associated therewith. If an owner rents to another member in good standing, then the owner need not assign his membership rights and privileges.

Section 8. Dissolution.

In the event of dissolution of the Association, the assets of the Association shall be distributed in the manner provided by Law.

Section 9. Indemnification.

Every director, officer, agent and employee of the Association now or hereafter serving as such shall be entitled to indemnification to the extent permitted by state law as the same may, from time to time, exist.

Section 10. Sudden Valley Views Publication. *[change/replace - "Association Newsletter."]*

(a) It is the intent of the membership that the Association's newspaper *[change/replace - "newsletter"]*, Sudden Valley Views or it *["its"]* successor, be a vehicle for an uncensored community exchange of opinions, ideas, and positions of any and all matters of community interest.

(b) The Board or their designated representative shall be the publisher of the Association newspaper *[change/replace - "newsletter"]*, but the publisher shall always adhere to the principles of freedom of the press.

(c) The Editor shall, by contract with the SVCA *[delete]* Board, be an independent contractor as that term is specifically used and not as *[delete "as"]* an employee of the Association.

(d) The Editor's contract shall provide the Editor with complete control of the written content of the Association's newspaper *[change/replace - "newsletter"]* with the sole exception of any and all materials submitted by the Board of Directors *[delete]* under its signature for inclusion in any edition.

As approved and adopted by member vote at the 2015 AGM;

DRAFT: 2015 Bylaw
Amendments

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**IN WITNESS WHEREOF, the Board of Directors of Sudden Valley
Community Association has by motion caused these Bylaws to be
executed and sealed.**

**ARTICLE I NAME, MEMBERSHIP AND
DEFINITIONS**

...

Section 2. Membership.

The membership of the Association shall be described as follows:

...

(f) Upon sale of a lot or at the time when a contract to purchase has been entered into, the membership appurtenant to the lot shall become the property of the new owner or contract purchaser (hereinafter collectively referred to as "New Owner"). Only the New Owner shall be entitled to the privileges and rights of membership in the Association. At the request of the New Owner, who shall provide satisfactory proof of ownership, the Secretary shall ~~change~~ *[change/replace - "caused to be changed"]* the Association records to reflect the new ownership. Unless otherwise provided herein, the New Owner may exercise all of the rights and privileges of membership in the Association and shall be subject to all of the liabilities of membership from the time the New Owner becomes the record owner of the lot.

...

ARTICLE III BOARD OF DIRECTORS

A. Composition and Selection.

Section 1. Governing Body and Composition.

The affairs of the Association shall be governed by a Board in which all powers of the Association shall be vested as defined below at Section C.16. The members of the Board are directors who shall be members in good standing; provided, however, no persons from the same household or persons who jointly own Sudden Valley property may together serve either as a voting or nonvoting member of the Board at the same time.

[insert, moved from 12 below - “No director shall receive any compensation from the Association for acting as a director unless approved by a majority of the membership.”]

...

Section 3. Nomination of Directors.

Nomination and election of members to the Board shall be governed by the following:

...

(f) The Nominations and Elections Committee shall supervise the handling of mailed ballots, count *[change/replace - “supervise the counting of”]* all ballots, and submit a written report to the President of the Board detailing the results of the election, including new members of the Nominations and Elections Committee and Architectural Control Committee, and any issues raised on the floor at the meeting.

...

Section 6. Vacancies.

If a director ceases to be a member of the Board, excluding the temporary suspension of a director as set forth in Section 5 above, the Board shall immediately request the Nominations and Elections Committee to submit not less than one (1) nominee more than the number of vacancies to be filled. The remaining directors shall, by majority vote, elect the required successor(s) from the nominees who shall serve until the conclusion of the following Annual General Meeting. The Board shall *[insert “endeavor to”]* fill any such vacancy within sixty (60) days.

B. Meetings.

...

Section 8. Regular Meetings.

Regular meetings of the Board shall be held at the principal office of the Association or at such other suitable place *[insert “convenient to the members”]* at a time as shall be determined by the majority of the directors. At least four (4) such meetings shall be held during each fiscal year. If such meetings are scheduled by the Board on a routine basis, notice of the prearranged schedule shall be given and no further notice need be given. Alternately, at least forty-eight (48) hours prior to each meeting, the Secretary shall give *[change/replace - “cause to be given to”]* each Board member notice of the meeting and shall provide *[change/replace - “cause to be provided”]* public notice, including the agenda, by posting the same pursuant to Section VI.3.

...

Commented [C-SW1]: Larry – this would open up meetings to be challenged by a member claiming that the meeting place was not “convenient” to the member. I recommend deleting this.

Section 10. Waiver of Notice.

The transactions of any meeting of the Board, however called and noticed or wherever held, *[insert “convenient to the members,”]* shall be valid as though taken at a meeting duly held after regular call or notice, if

...

Section 11. Quorum of the Board.

At all meetings of the Board, a majority of the voting directors shall constitute a quorum for the transaction of business, and the votes of a majority of the voting directors present at a meeting where a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. *In exceptional circumstances which make it extremely difficult or impossible for a quorum to be present, the President shall have the authority to allow the Board to conduct its meeting by means of a conference telephone or other communications equipment which allows all persons participating in the meeting to communicate with each other at the same time, so long as a quorum of directors is present either in person or via such equipment. [revise and move sentence to 12 below]* If any meeting cannot be held because a quorum is not present, a majority of the voting directors who are present at such meeting may adjourn the meeting to a time not less than five (5) and not more than thirty (30) days from the date thereof. When the meeting is reconvened, any business which might have been transacted at the original meeting may be transacted without further notice.

Commented [C-SW2]: Larry – this would open up a challenge to Board action if a member claimed the meeting place was not “convenient” to the members. I would not recommend including this.

Section 12. Compensation. *[change/replace - “Tele-meetings.”]*

No director shall receive any compensation from the Association for acting as a director unless approved by a majority of the membership.

[move original to 1 above; change/replace with revised text from 11 above - “In exceptional circumstances, including those that might make it extremely difficult or impossible for a quorum to be present, the President shall have the authority to allow the Board to conduct its meeting by means of a conference telephone or other telecommunications equipment which allows all persons participating in the meeting to communicate with each other at the same time, so long as a quorum of directors is present either in person or via such equipment.”]

...

C. Powers and Duties.

Section 18. Borrowing.

The Board shall have the power to borrow money for proper *[change/replace - “Association”]* purposes without the approval of the members of the Association.

Section 19. Dues Assessments and Special Assessments.

(a) Assessments.

...

(iii) Special assessments shall be for the purpose of paying the costs of *[insert - “, and any loans related to,”]* capital

improvements and repair and other proper *[change/replace - "Association"]* purposes.

...

Section 24. Rules and Regulations.

In addition to such other powers conferred upon the Board, the Board shall have the power to promulgate such rules and regulations as it deems appropriate. Members shall be responsible for complying with the rules and regulations adopted by the Board and ensuring that their guests and tenants comply therewith. Publications of the Rules and Regulations in the Association newsletter shall be deemed official notice to all members of the existence of the rules and regulations and the obligation to comply therewith. *[insert "At least every five (5) years after adoption, the Board must reconsider all rules and regulations, including ACC Guidelines, after a review of their continuing relevance and validity."]*

Commented [C-SW3]: If the Board does not complete the required review, what happens? One possibility is that members could claim that the rules are invalid and inapplicable. Also, how do you confirm that the review occurred? If you adopt this revision, I recommend indicating that failure to timely complete such review shall not affect the validity or enforceability of any such R&R or Guideline.

ARTICLE IV OFFICERS

...

Section 5. Vice President.

The Vice President shall act in the President's absence and shall have all powers, duties and responsibilities provided for the President when so acting. *[insert "The Vice President shall serve as the chair of the Appeals Committee, and normally shall serve on the Document Review Committee."]*

Section 6. Secretary.

The Secretary shall keep the minutes of all meetings of the Association and of the Board and shall be in charge of such books and papers as the Board may direct and shall, in general, conduct all duties incident to the office of the Secretary of a corporation organized under the applicable laws of the State of Washington. *[insert “The Secretary normally shall serve on the Document Review Committee, and as chair of any Communications Committee.”]*

Section 7. Treasurer.

(a) The Treasurer shall have the responsibility for the Association’s funds and securities and shall be responsible for keeping full and accurate financial records and books of accounts showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable affects in the name of the Association in such depositories as may be designated by the Board. *[revise; change/replace - “be responsible for financial and fiscal oversight of the Association, and for ensuring*

(i) “ Association financial records and books of account are full and accurate, showing all receipts and disbursements,

(ii) “ proper preparation and filing of all required financial statements and tax returns, and

(iii) “ deposit of all monies and other valuable affects in the name of the Association in such depositories as may be designated by the Board.”]

(b) All checks shall require two (2) *[insert "officer"]* signatures as provided by resolution of the Board *[delete]*. The Treasurer shall cause an annual audited financial statement to be made available to the Association and cause financial statements to be published on a quarterly basis in the newsletter of the Association.

...

ARTICLE V COMMITTEES

Section 1. General.

(a) Operation. ...

...

(ii) notice of each meeting shall be posted pursuant to Section VI.3, *[insert - "normally including an agenda,"]*

(iii) no business shall be conducted with less than a quorum of voting members present, *[insert "as may be established pursuant to Robert's Rules of order or by the Board,"]* and

...

(b) Membership.

[insert “(i)”] The members of these committees shall be members in good standing throughout their term and shall be appointed by the Board, except as otherwise provided herein.

[insert “(ii) Other than the Board and Appeals Committee, committees may request that a hearing panel of the Appeals Committee be convened to consider whether one (1) or more members of the requesting committee shall be removed by decision of that hearing panel.

“1. A committee decision to make such a request of the Appeals Committee shall be reached in a non-public session of the requesting committee,

“2. which session shall be held with a quorum of the committee in attendance, in addition to the affected member(s), and

“3. which decision shall be obtained by an affirmative vote of two-thirds (2/3) of the committee members actually present, regardless of abstentions, but not including the affected member(s) who shall have no vote.

“(iii) The standard for any and all evaluation of removal from a committee shall be conduct severely disruptive to, or interfering with, assigned activities and responsibilities of the committee, or other seriously egregious conduct unbecoming of a committee member, including a violation of these Bylaws.”]

Section 2. Architectural Control Committee.

...

(c) Any member of the Committee, or any management staff of the Association, as well as any member of the Board, shall have the right, during reasonable hours *[insert - “and upon reasonable notice”]*, to enter upon any lot to inspect said lot and any improvements thereon for the purpose of ascertaining whether or not the Restrictive Covenants, these Bylaws, the Guidelines, and the Rules and Regulations of the Association have been or are being complied with. Such person or persons shall not be deemed guilty of trespass by reason of such entry.

...

Section 4. Finance Committee.

...

(d) **Responsibilities.** The Finance Committee shall provide assistance to the Board in fulfilling its oversight responsibilities related to management of *the Association’s* financial affairs which assistance shall consist of:

...

(v) Evaluating the performance of the outside auditor and when appropriate, however, at least annually, make recommendations to the Board concerning retention or replacement of the outside auditor. The *[insert “annual audit, including the auditor’s management report, are created for the Board’s use, and the”]* outside auditor is ultimately accountable to the Board.

...

Section 5. Executive Committee.

The Executive Committee shall be composed of not less than three (3) officers of the Association and not more than five (5) voting Board members, provided, that the total number is not less than four (4). The Executive Committee shall have general *[delete]* supervision of the affairs of the Association between Board meetings *[change/replace - "in any special situation where forty-eight (48) hours notice cannot be given for a special Board meeting and thus for its own meeting(s), the Executive Committee may meet in closed session to prepare for a closed session of the Board,"]* and may perform such other duties as specified by the Board. *[insert "Actions taken by the Executive Committee shall be presented to the Board at the next available Board meeting for the Board's consideration and ratification. Executive Committee actions authorizing expenditures or incurring Association legal obligations, if taken in severe-emergency situations, authorizing expenditures or incurring Association legal obligations cannot be summarily denied or repudiated by the Board, although they may be grounds for removal of the officers involved from the Executive Committee."]*

Section 6. Appeals Committee.

The Appeals Committee shall be composed of three (3) Board members of the Association, who shall provide any individual who has received a notice of violation of the Restrictive Covenants, these Bylaws, or the Rules and Regulations of the Association, with an opportunity for an impartial hearing before a hearing panel, except as otherwise provided in these Bylaws or in the Restrictive Covenants. The Committee shall elect a Chairperson from its members to serve a one (1) year term. A hearing

panel shall meet as needed to hear requests for adjustments of fines and penalties levied as a result of violations of the Restrictive Covenants, these Bylaws, or the Rules and Regulations of the Association. Each member of the hearing panel shall be given notice, either oral or written, at least ten (10) calendar days prior to the date of any meeting. In the event that a member of the hearing panel does not receive notice as provided herein, his/her presence at the hearing shall constitute a waiver of the right to receive notice of said meeting. The Appeals Committee shall prepare written guidelines and procedures by which members may request a hearing before a hearing panel to contest the merits of any alleged violation. These guidelines shall include the right of a member to appeal a hearing panel decision to the majority of the remaining Board, and shall set forth the procedure by which said appeal must be filed. *[reorganize, revise to reflect actual practice and committee-member decisions, change/replace - final text to read as:*

(a) “ *The Appeals Committee shall be composed of members of the Board ~~members of the Association~~, three (3) of whom at any one (1) time shall sit as a hearing panel to provide any individual who has received a notice of violation of the Restrictive Covenants, these Bylaws or the Rules and Regulations of the Association with an opportunity for an impartial hearing before that panel. The Vice President shall serve as chair.*

(b) “ *A hearing panel shall meet in non-public session, without public notice or agenda, as needed to hear requests for waiver or adjustments of fines and penalties levied as a result of the aforesaid alleged violations, and to hear committee requests to remove a committee*

member. The hearing panel's decision regarding such ~~committee~~ requests will immediately take effect unless appealed as specified herein.

(c) "The Appeals Committee shall prepare, update, publish, and operate pursuant to, written guidelines and procedures. These guidelines

(i) "shall include the right of a member (not a Committee) to appeal any hearing panel decision directly affecting that member personally to the remaining Board members – those not having served on the relevant hearing panel – for a final decision by majority vote of that number, and

(ii) "shall set forth the procedure by which said appeal must be filed."]

...

[insert new Committee Section 8:

"Section 8. Long Range Planning Committee.

There shall be a Long Range Planning Committee (LRPC).

(a) "**Membership.** The Committee shall be composed of eleven (11) voting members and one (1) staff member: two (2) Board Members and nine (9) SVCA community members. The Board shall appoint the two (2) Board Members and one (1) staff member. One (1) of the appointed Board members shall serve as the Chair of the Committee. The remaining members shall serve terms of three (3) years, with three (3) members' terms expiring annually. Each year, the Chair and at least one (1) other committee member shall choose from amongst applicants for the committee three (3) candidates to present to the Board for

Commented [C-SW4]: Larry – this selection and appointment process is confusing to me. I don't understand how this is supposed to work. How long are the Board and staff terms on this committee? Are they 3 year terms as well?

approval. In the event that a member of the committee resigns or otherwise ceases to be a member, the committee shall choose from applicants one (1) individual to serve the remainder of that member's term. After the expiration of one (1) year, a member whose term has expired shall be eligible for a new term. Members who are serving the remainder of a term may immediately serve another term if selected to do so. The committee may further establish subcommittees, task teams and/or advisory committees consisting of members and/or outside professional resources as required for specific planning elements.

(b) “ **Purpose.**

(i) “ *The Committee shall continually maintain a comprehensive, relevant and vital Sudden Valley Community Plan, covering the next three (3), five (5), and ten (10) years, including a formal assessment of community membership needs, with annual updates, and a major review at least every three (3) years.*

(ii) “ *The Sudden Valley Community Plan shall focus on SVCA community development, services, parks and recreation, infrastructure, facilities, and increasing non-dues revenue. The Plan shall also provide recommendations for the creation or elimination of specific policies essential to achieving the goals of the plan.*

(c) “ **Responsibilities.**

(i) “ *The Committee shall provide written and oral reports to the Board periodically throughout the year. At least once annually, the Committee shall provide to the Board the SVCA Community Plan as described above.*

(ii) “ When new Boards are elected, no later than the second meeting of that Board, leadership from the committee will present the current 3, 5 and 10 year plans to the new Board.

(iii) “ It is the responsibility of the Board to ensure the Sudden Valley Community Plan is utilized in annual departmental budget development as well as in development of the annual budget proposed for approval by the members.

(d) “ The Board may approve specific amendments to the Sudden Valley Community Plan if necessary to meet changed circumstances, including but not limited to introduction of new state/county laws, changes in financial circumstances, loss of SVCA assets, etc. Such amendments must be approved by a 2/3 majority of the Board.

(i) “ The Committee shall coordinate with the Communication Committee to communicate with the community as needed.

(ii) “ The Committee shall coordinate with the Finance Committee to maintain awareness of financial issues and to assist in budget planning processes as necessary to ensure strategic goals are met.”]

ARTICLE VI MISCELLANEOUS

...

Section 2. Books and Records.

(a) **Inspection by Members.** The Articles of Incorporation, these Bylaws and the membership register, books of accounting, and minutes of meetings of members, the Board, and of the committees shall be made available for inspection and copying by any member of the Association or by his/her representative at any reasonable time for any reasonable purpose. *[insert "The requirements of this subsection shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure."]*

...

Section 4. Audit.

The Board shall have an annual *[insert "independent"]* audit of the accounts of the Association prepared by a certified public accountant *[insert "with no interest potentially conflicting with the proper performance of their professional responsibilities."]*

...

Section 6. Lot Consolidation.

(a) **Procedures.**

...

(v) The Board shall approve all applications by owners who meet the requirements set forth herein for requests that seek to

consolidate no more than two (2) lots into one (1), provided that neither of the lots being consolidated have been subject to any prior consolidation. In all other instances, the decision to grant consolidation, and any reduction in dues and special assessments, as well as the amount of any such reduction, shall be discretionary with the Board. *[insert “However, the maximum reduction of dues, assessments and special assessments shall not exceed fifty percent (50%) of the reasonably potential maximum yearly assessment revenue for each lot to be absorbed by means of consolidation.”]*

(vi) Applications for lot consolidations must be in a form approved by the Board and accompanied by payment of a fee equivalent to one (1) year’s advanced dues assessments and current special assessments for the lot to be created *[change/replace - “each lot to be absorbed”]* by means of consolidation.

...

(c) **Fee Waiver.** The Board may, by motion, waive the requirements in subsection (a)(vi) above concerning the payment of one (1) year’s advanced dues assessments and special assessments; provided, however, that such waiver shall be applied to all lot consolidation requests which are properly submitted during such waiver period and, further, that such waiver period shall not extend beyond the end of that current fiscal year.

...

ARTICLE III BOARD OF DIRECTORS

...

C. Powers and Duties.

...

Section 19. ~~Dues Assessments~~ Annual Dues, Assessments, and Special Assessments.

(a) **Dues** assessments shall be established by the Board and approved by a vote of not less than sixty **percent (60%)** of the members present in person or **by mailed ballot** at any **General Meeting**. **Dues** assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the owners, including maintenance of the Association's real and personal property, all as may be more specifically authorized from time to time by the Board. **Dues** assessments shall be payable annually, quarterly, or monthly, or as otherwise determined by the Board, and are due on such dates as fixed by the Board. If payment in full is not received when due, the account shall be deemed delinquent and the balance of any unpaid **dues** assessments and charges associated therewith shall become immediately due and payable. Delinquent accounts shall be subject to a late charge and a lien filing fee as approved by the Board. In addition, the unpaid balance shall accrue interest at a rate established by the Board until paid in full. The Association shall also be entitled to recover, from the member, all attorneys' fees and costs incurred because of a failure of the member to pay dues. A member is personally obligated to pay all **dues** assessments accruing on a lot during the tenure of his/her ownership thereof. A member is also personally liable for the payment of interest accruing on any unpaid **dues** assessments, **as well as on unpaid** court costs, attorneys'

fees, lien filing fees, and other reasonable costs of collection. In the event of delinquency, the entire amount of any unpaid **dues** assessments, interest, attorneys' fees, lien filing fees, and other reasonable costs of collection shall become a lien against the lot upon which they accrue, which may be foreclosed as provided by law and/or collected from the member, his/her heirs, successors and assigns.

(b) In addition to the **dues** assessments, a special assessment may also be levied by the Board for the purpose of paying the costs of capital improvements and repair and other proper purposes as **approved** by the membership. Special assessments shall be **proposed** by the Board and **approved** by a vote of not less than sixty percent (60%) of the members present in person or by **mail** at **any General Meeting**. If payment in full is not received when due, the account shall be deemed delinquent and the balance of any unpaid special assessment and charges associated therewith shall become immediately due and payable. Delinquent accounts shall be subject to a late charge and lien filing fees as approved by the Board. In addition, the unpaid balance shall accrue interest at a rate established by the Board until paid in full. The Association shall also be entitled to recover, from the member, all attorneys' fees and costs incurred because of a failure of the member to pay any special assessment. A member is personally obligated to pay all special assessments accruing on a lot during the tenure of his/her ownership thereof. A member is also personally liable for the payment of interest accruing on any unpaid special assessments, **as well as on unpaid** court costs, attorneys' fees, lien filing fees, and other reasonable costs of collection. In the event of delinquency, the entire amount of any unpaid special assessments, interest, attorneys' fees, lien filing fees, and other reasonable costs of collection shall become a lien against the lot upon

which they accrue, which may be foreclosed as provided by law and/or collected from the member, his/her heirs, successors and assigns.

[delete duplicative text and reorganize the remainder - final text to read as:

Commented [C-SW1]: All of my suggested revisions to this reorganized version are included below and not above.

“(a) Assessments.

“(i) All dues and assessments, whether ~~dues~~ annual or special, shall be proposed for member approval by vote of the Board, which approval shall be by a vote of not less than sixty percent (60%) of the members present in person or by mailed ballot at any Annual or Special General Meeting.

“(ii) ~~Dues~~ Annual dues and assessments shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit and enjoyment of the owners, including maintenance of the Association’s real and personal property, all of which may be more specifically authorized from time to time by the Board.

“(iii) Special assessments shall be for the purpose of paying the costs of capital improvements and repair and other proper purposes.

“(b) Due and Payable. All dues and assessments, whether ~~dues~~ annual or special, shall be payable annually, quarterly, monthly, or as otherwise determined by the Board, and are due on such dates as fixed by the Board.

“(i) **Delinquency.** *If payment in full is not received when due, the account shall be deemed delinquent and the balance of any unpaid dues, assessments, and charges associated therewith, shall become immediately due and payable. Delinquent accounts shall be subject to late charges and lien filing fees as established by the Board. In addition, the unpaid balance of assessments, charges and fees shall accrue interest at a rate established by the Board until paid in full. The Association shall also be entitled to recover, from the member, all attorneys’ fees and costs incurred because of a failure of the member to pay ~~dues~~ annual dues, assessments, ~~or~~ special assessments or charges in a timely manner.*

“(ii) **Personal Liability.** *A member is personally obligated to pay all dues, assessments, special assessments or charges accruing on a lot during the tenure of his/her ownership thereof. A member is also personally liable for the payment of interest accruing on any unpaid dues, assessments, special assessments or charges ~~assessments~~, as well as on unpaid court costs, attorneys’ fees, lien filing fees, and other reasonable costs of collection.*

“(iii) **Liens.** *In the event of delinquency, the entire amount of any unpaid dues, assessments, special assessments, charges ~~assessments~~, interest, attorneys’ fees, lien filing fees, and other reasonable costs of collection shall become a lien against the lot or other property upon which they accrue, which may be foreclosed as provided by law and/or collected from the member, his/her heirs, or other successors and assigns.”]*

...

ARTICLE VI MISCELLANEOUS

...

Section 6.

(a) Lot Line Erasure Procedures.

(i) Any owner who meets the requirements set forth in paragraph (b) below and who seeks to consolidate two (2) or more lots having contiguous lot lines as originally platted into one (1) lot may apply to the Board for a reduction in dues, assessments and special assessments.

(ii) The Board will not consider any request for reduction in dues, assessments~~dues assessments~~ and special assessments unless the owner submitting the application could qualify as a member in good standing for all of the lots which he or she proposes to consolidate.

(iii) If the applicant seeks to obtain Board approval for a reduction in dues, assessments~~dues assessments~~ and special assessments prior to acquiring one (1) or more of the lots, the Board's approval, if granted, shall be deemed to be binding for a period not to exceed one-hundred-twenty (120) days in which time the applicant must acquire the lot(s) and obtain final approval of the lot line erasure from Whatcom County. The Board has the discretion to extend this deadline for good cause shown.

(iv) The Board shall approve all applications by owners who meet the requirements set forth in subparagraph (ii) above, provided that the request seeks to consolidate no more than two (2) lots into one (1) and, provided further, that neither of the lots being consolidated

Ver.9 Shortening

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have been subject to any prior consolidation. In all other instances, the decision to grant a reduction in dues, assessments ~~dues assessments~~ and special assessments, and the amount of any such reduction shall be strictly discretionary with the Board.

(v) The Board will consider only applications which are in the form prescribed by the Association and accompanied by a payment of one (1) year's advanced dues, assessments ~~dues assessments~~ and special assessments on the lot to be created by means of consolidation.

(vi) Except in instances set forth in subsection (iii) hereof, if the Board approves an application for a reduction in dues, assessments ~~dues assessments~~ and special assessments, such approval shall be binding for a period not to exceed **one-hundred-twenty (120)** days in which time the applicant must obtain final approval of the lot line erasure from Whatcom County. The Board has the discretion to extend this deadline for good cause shown.

(vii) An owner who has consolidated two (2) or more lots into one (1) shall execute and record a covenant in the office of the Auditor of Whatcom County prohibiting himself/herself, his/her heirs, **successors** and assigns from later subdividing the newly constituted lot.

(viii) Any owner consolidating any number of lots into one (1) lot shall be entitled to one (1) vote **for such lot**, regardless of the number of lots combined or the **amount of applicable** dues, assessments and special assessments ~~assessments~~.

(b) Lot Consolidation Procedures.

(i) Any owner who meets the requirements set forth in paragraph (b) below and who seeks to consolidate two (2) or more lots having contiguous lot lines as originally platted into one (1) lot by means of an Irrevocable Covenant to Bind Properties and Forfeit Membership(s) in a form approved by the Board may apply to the Board for a reduction in dues, assessments ~~dues assessments~~ and special assessments.

(ii) The Board will not consider any request for reduction in dues, assessments ~~dues assessments~~ and special assessments unless the owner submitting the application could qualify as a member in good standing for all of the lots which he or she proposes to bind.

(iii) If the Board approves an application for a reduction in dues, assessments ~~dues assessments~~ and special assessments, such approval shall be binding for a period not to exceed one-hundred-twenty (120) days in which time the applicant must complete the process of consolidating the lots by:

1. Complying with the administrative Rules and Regulations and policies adopted by the Board governing lot consolidation.
2. Recording with the Whatcom County Auditor an Irrevocable Covenant to Bind Properties and Forfeit Membership(s) in the form approved by the Board which is signed by the owner(s) of the lots being consolidated, all lien holders of record, Whatcom County and the Association; and

3. Providing **the Association** with verification from a title insurance company, in a form acceptable to the Board, that the legal owner(s) of the lots and all lien holders of record are bound by the Irrevocable Covenant to Bind Properties and Forfeit Membership(s). The Board has the discretion to extend this deadline for good cause shown.

(iv) The Board shall approve all **applications by owners** who meet the requirements set forth in **subparagraph (ii) above**, provided that the request seeks to consolidate no more than two **(2)** lots into one **(1)** and, provided further, that neither of the lots being consolidated have been subject to any prior consolidation. In all other instances, the decision to grant a reduction in **dues, assessments** ~~dues assessments~~ and special assessments, and the amount of any such reduction shall be strictly discretionary with the Board.

(v) The Board will consider only applications which are in the form prescribed by the Association and accompanied by a payment of one **(1)** year's advanced **dues, assessments** ~~dues assessments~~ and special assessments on the lot to be created by means of consolidation.

(vi) Any **owner** consolidating any number of lots into one **(1)** lot shall be entitled to one **(1)** vote, regardless of the number of lots combined **or the amount of applicable dues, assessments and special assessments** ~~assessments~~.

[delete duplicative text and reorganize the remainder - final text to read as:

“Section 6. Lot Consolidation.

“(a) Procedures.

“(i) The procedures of this section apply to both “lot line erasures” and “Irrevocable Covenants to Bind Properties and Forfeit Membership(s)” as specified herein, unless otherwise explicitly stipulated.

“(ii) Any owner who, pursuant to the requirements of this section, is permitted to consolidate two (2) or more lots having contiguous lot lines as originally platted into one (1) lot shall henceforth be responsible for all dues, assessments and special assessments for that resulting consolidated lot as one (1) single lot, or as otherwise determined by the Board pursuant to this section, but shall be entitled only to one (1) vote, regardless of the number of lots combined or the amount of dues and other assessments paid.

“(iii) Lots may not be consolidated unless the owner seeking to consolidate such lots could qualify as a member in good standing.

“(iv) Lot consolidation does not take effect until the lots have been acquired and the owner has made all necessary filings with, and obtained all necessary approvals from, Whatcom County. If that process takes longer than one-hundred-twenty (120) days from that date of the request for consolidation, the Board may require resubmittal of the owner’s application.

“(v) The Board shall approve all applications by owners who meet the requirements set forth herein for requests that seek to consolidate no more than two (2) lots into one (1), provided that neither of the lots being consolidated have been subject to any prior consolidation. In all other instances, the decision to grant

consolidation, and any reduction in dues, assessments and special assessments, as well as the amount of any such reduction, shall be discretionary with the Board.

“(vi) Applications for lot consolidations must be in a form approved by the Board and accompanied by payment of a fee equivalent to one (1) year’s advanced dues, assessments and current special assessments the lot to be created by means of consolidation.

“(vii) An owner who has consolidated lots shall immediately execute and record a covenant in the appropriate office of Whatcom County prohibiting himself/herself, his/her heirs, successors and assigns from later subdividing the newly constituted lot.

*“(b) **Lot Line Erasures and Irrevocable Covenants to Bind.** Before being recognized by the Association:*

“(i) Lot line erasures must be approved by Whatcom County.

“(ii) Irrevocable Covenants to Bind Properties and Forfeit Membership(s) must comply with the following:

“(1) Recording, with the appropriate office of Whatcom County, the covenant and forfeiture in a form approved by the Board which is signed by the owner(s) of the lots being consolidated, all lien holders of record, Whatcom County, and the Association; and

“(2) Providing the Association with verification from a title insurance company, in a form acceptable to the Board, that the legal owner(s) of the lots and all lien holders of record are

bound by the Irrevocable Covenant to Bind Properties and Forfeit Membership(s).”]

[revise the next subsection to conform numbering:]

(c) Fee Waiver. The Board may, by motion, waive the requirements in *subsection (a)(vi)* above concerning the payment of one (1) year’s advanced dues assessments and special assessments; provided, however, that such waiver shall be applied to all lot consolidation requests which are properly submitted during such waiver period and, further, that such waiver period shall not extend beyond the end of that current fiscal year.

...