

**RESTATED BYLAWS OF
WOLF CREEK PROPERTY OWNERS ASSOCIATION
Effective October 10, 2011**

**SECTION 1
NAME AND LOCATION**

1.1 Name. The name of the Association is WOLF CREEK PROPERTY OWNERS ASSOCIATION ("Association").

1.2 Location. The principle office of the Association shall be in Okanogan County, Washington.

**SECTION 2
PURPOSE**

The Association shall be conducted as a nonprofit corporation for the purposes set forth in the Articles of Incorporation (the "Articles") and in the Covenants. The purposes may be changed by a vote of the Membership as required by the Articles.

**SECTION 3
DEFINITIONS**

Unless otherwise defined herein, the following definitions are incorporated in these Bylaws:

3.1 Property. Property shall be the real property located in Okanogan County, Washington described as follows:

All of Cottonwood Meadows, as per plat thereof recorded in Volume H of Plats, Section 2, page 19, records of the Auditor of Okanogan County, Washington.

All of Green Meadows, as per plat thereof recorded in Volume J of Plats, Section 2, page 20, records of the Auditor of Okanogan County, Washington.

All of Virginia Hills, as per plat thereof recorded in Volume H of Plats, Section 2, page 24, records of the Auditor of Okanogan County, Washington.

3.2 Member. Member shall mean and refer to the record owner, or holder of fee or equitable title to a lot within the Property. This shall include any person having a fee simple title to any lot, but shall exclude persons or entities having any interest merely as security for the performance of any obligation. Further, if a lot is sold under a contract of sale (which contract or notice thereof is recorded), the contract purchaser, rather than the fee owner, shall be considered the Member.

3.3 Common Areas. Common Areas shall mean and refer to the roads, community parks, water system, common utility lines, pipes, poles and appurtenances together with any improvements constructed, or to be constructed thereon, as may be set forth on the plat of the Property.

3.4 Covenants. Covenants shall mean and include the Revised and Restated Declaration of Restrictions and Protective Covenants as recorded on September 20, 2006 under Okanogan County Auditor's File No.3108788, and all duly adopted and recorded amendments and addendums thereto.

SECTION 4 MEMBERSHIP, MEETINGS AND VOTING RIGHTS

4.1 One Class of Membership. The Association shall have one (1) class of voting membership, with voting power being as described herein and in the Articles.

4.2 Voting Rights. Each Member in good standing (whose assessments are fully paid) shall be entitled to vote on all matters, which duly come before the Members for consideration. Each Member is entitled to one (1) vote per tax parcel owned. In all cases, joint ownership shall not entitle Members to more votes than if each tax parcel was owned by a single Member.

4.3 Quorum. The presence in person or by proxy of a simple majority of members in good standing shall constitute a quorum of at least twenty-five percent (25%). Persons voting by mail or by electronic transmission shall be deemed present for all purposes of a quorum, count of votes and percentages of total voting power voting.

4.4 Voting/Proxies. At all meetings of the Members, each Member may vote in person, by mail, by electronic transmission, or by proxy. All proxies shall be in writing and filed with the Secretary. All proxies shall be valid only for the meeting for which the proxies are given (including any reconvened meeting in the event of an adjournment), unless provided otherwise in the proxy (but in no event for a period exceeding eleven (11) months from the date of execution).

4.5 Membership Meetings. Annual and special meetings of Members of the Association shall be held with the frequency, at the time and place and in accordance with the provision of these Bylaws and as set from time to time by the directors.

4.6 Annual Meeting. The annual meeting of the Association shall be held at such time and place as determined by the directors.

4.7 Special Meetings. Special meetings of the Members of the Association may be called by the President or by a majority of the Board. A special meeting may also be called by the Board upon receipt of a written request therefore signed by Members representing not less than ten percent (10%) of the voting Members of the Association.

Only business within the purpose or purposes described in the meeting notice may be conducted at a special meeting.

4.8 Notice. Written notice, or notice given by electronic transmission, stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than fourteen (14) nor more than sixty (60) days before the date of the meeting, either personally, by mail, or by electronic transmission, by or at the direction of the President, Secretary or Board, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his or her address as it appears on the records of the Association, with postage thereon prepaid. If sent by electronic transmission, the notice is deemed to be delivered when sent, addressed to the Member at his or her electronic transmission address as it appears on the records of the Association.

4.9 Membership Action. Any action required by the Membership under these Bylaws must be taken pursuant to duly held meetings. A vote of the majority of the Members voting, with not less than a quorum voting, shall constitute action by the Members, unless a greater percentage of votes is required by the Articles, these Bylaws or by law.

SECTION 5 BOARD OF DIRECTORS

5.1 Number of Directors. The affairs of the Association shall be managed by a Board of Directors who shall be Members of the Association. The number of directors constituting the Board of Directors shall consist of a minimum of five (5) to a maximum of seven (7) directors.

5.2 Term of Office/Election. All directors shall be elected for a two (2) year term by the Members at the annual meeting of the Members, and such term shall commence on July 1 and shall expire two (2) years later, unless a Board position is filled by the Board as a result of a resignation.

Each director shall hold a position from one (1) to seven (7). Director positions one, three, five and seven shall be elected in odd numbered calendar years and shall serve from the date of their election until the annual meeting held in the next odd numbered calendar year. Director positions two, four and six shall be elected in even numbered calendar years and shall serve from the date of their election until the annual meeting held in the next even numbered calendar year. The intent of designating directors by position is to preserve the staggering of terms on a two-year basis.

5.3 Election and Ballots. The election of the Board of Directors shall be by written ballot or by any method acceptable to the Membership, within the provisions of Section 4.4. The persons receiving the largest number of votes shall be elected as directors of the Association.

5.4 Resignations or Removal. A director of the Association may resign at any time by giving written notice to the Board of Directors or any officer of the Association. Any such resignation is effective when the notice is delivered, unless the notice specifies a later date.

The Board of Directors and/or Members by a majority vote of the voting power in the Association present in person, by proxy or voting by mail and entitled to vote at a Membership meeting, at which a quorum is present, may remove any member of the Board of Directors with reasonable cause.

5.5 Vacancies. In the event of death, resignation or removal of a director, the remaining members of the Board shall select a successor to serve the remaining term.

SECTION 6 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. Without limitation on the generality of the foregoing powers and duties, the Board shall be vested with, and responsible for, the following powers and duties:

6.1 To select, appoint, hire, supervise and remove all officers, agents and employees of the Association, to prescribe such powers and duties for them as may be consistent with law and with the Articles, the Covenants and these Bylaws.

6.2 To enforce the applicable provisions of the Articles, Covenants and these Bylaws, and other instruments relating to the ownership, management, architecture and control of the Property, and to provide for the operation, improvement, maintenance, repair and replacement of the Common Areas.

6.3 To contract for casualty, liability, and other insurance on behalf of the Association as required or permitted in the Covenants.

6.4 To keep or cause to be kept, complete and accurate books and records of the receipts and expenditures of the Association, specifying and itemizing the maintenance and repair expenses incurred, and to prepare budgets and financial reports for the Association as required in these Bylaws in accordance with good accounting procedures.

6.5 To borrow money and incur indebtedness for purposes of the Association and to cause to be executed and delivered therefore, in the Association's name, promissory notes or other evidences of debt, subject to the approval requirements of the Articles, these Bylaws, or the law.

6.6 To approve all expenditures of \$2,000.00 or more.

6.7 To fix and collect assessments according to the Covenants and these Bylaws.

6.8 To prepare and file annual tax returns with the federal government as required by law.

6.9 By resolution adopted by a majority of the directors in office, the Board may designate and appoint one or more advisory committees as deemed appropriate. At least one (1) director shall sit on each advisory committee.

6.10 No compensation shall be paid to the Board of Directors or officers of the Association for services rendered for or on behalf of the Association, except reimbursement for actual sums spent on behalf of the Association to the extent authorized by the Board.

SECTION 7 DIRECTORS, MEETINGS AND VOTING

7.1 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors but at least two (2) such meetings shall be held during each fiscal year. A written schedule of regular meetings of the Board of Directors shall be given to the directors personally, by mail or electronic transmission and no further notice of regular meetings shall be required.

7.2 Special Meetings. Special meetings of the Board of Directors may be called by the President or two (2) directors on twenty-four (24) hour notice given to each director personally, by mail, electronic transmission or audio conferencing, which notice shall state the time, place and purpose of the meeting.

7.3 Meetings by Audio Conferencing. Directors may participate in a regular or special meeting or conduct the meeting through the use of, any means of communication by which all directors participating can hear each other during the meeting, provided any interested Member may hear the conference call at a noticed place. A director participating in a meeting by this means is deemed to be present in person at the meeting.

7.4 Waiver. Any director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors in person or by audio conferencing shall constitute a waiver of notice by him or her of the time and place thereof. If all the directors are present in person, or by audio conference or at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

7.5 Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business. The vote of a majority of the directors present at a meeting at which a quorum is present shall constitute the act of the Board of Directors. If there is not a quorum present the board may discuss issues but no vote or action may be taken.

7.6 Adjournments: Closed Executive Session. The Board may, with the approval of a majority of a quorum of the directors, adjourn a meeting and reconvene in closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the governing documents of the Association, and matters involving the possible liability of a Member to the Association. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The Board of Directors shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No motion or other action adopted, passed, or agreed to in closed session may become effective unless the Board of Directors following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified.

7.7 Board Meetings Open to Members. Regular and special meetings of the Board shall be open for observation by all Members and their authorized agents. Provided, however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the unanimous vote of the Board.

SECTION 8 OFFICERS

8.1 Enumeration and Term. The officers of this Association shall be a President, Vice-President, Secretary and Treasurer, and such other officers as the Board may, from time to time, by resolution create. Each officer shall hold office for one (1) year unless he or she shall sooner resign, shall be removed, or otherwise disqualified to serve.

8.2 Election of Officers. The Board shall elect the officers annually at the first meeting of the Board of Directors following each annual meeting of the Members.

8.3 Resignation and Removal. Any officer may be removed from office by a majority vote of the Board at any given time with reasonable cause. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.4 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

8.5 Duties. The duties of the officers shall be as follows:

- A. President: The President shall preside at all meetings of the Association and the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all written instruments, agreements, and orders of the Board; and shall co-sign all checks.
- B. Vice President: The Vice President shall act in the place and stead of the President in the event of his or her absence, inability, or refusal to act and shall exercise and discharge such other duties as may be required of him or her by the Board.
- C. Secretary: The Secretary shall record the votes and keep minutes of all meetings and proceedings of the Board and of the Members, serve notice of meetings of the Board and of the Members, keep appropriate current records showing the Members of the Association, together with their addresses, and shall perform such other duties as required by the Board. In addition, the Secretary may prepare, execute, certify and record amendments to these Bylaws, the Articles or Covenants of the Association.
- D. Treasurer: The Treasurer shall handle all bookkeeping records, issue annual financial reports at the yearly general membership meeting, pay all bills authorized by the President, bill the general membership for annual maintenance and water assessments and follow through on the collection of such bills.

SECTION 9 ASSOCIATION RECORDS

9.1 Financial Reports. The Association or its designated agent shall keep financial and other records sufficiently detailed to enable the Association to fully declare to each Member the true statement of its financial status. All financial and other records of the Association, including but not limited to checks, bank records, and invoices in whatever form they are kept, are the property of the Association. At least annually, the Association shall prepare, a financial report of the Association.

9.2 Budget. Within thirty (30) days after adoption by the Board of Directors, of a regular or special budget of the Association, the Board shall make budget available to the membership.

9.3 Member and Owner Records. All records of the Association, including the names and addresses of Members and other occupants of the lots, shall be available for examination by all Members, holders of mortgages on the lots, and their respective authorized agents for proper purpose, on reasonable advance notice during normal working hours at the offices of the Association or its designated agent. The Association shall not release email addresses and unlisted telephone numbers of any Member. The

Association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the Association in providing access to records.

9.4 Association Bank Accounts. The funds of the Association shall be kept in accounts in the name of the Association and shall not be commingled with the funds of any other association, or with the funds of any manager of the Association or any other person responsible for the custody of such funds.

SECTION 10 ASSESSMENTS, PAYMENT AND LIENS

10.1 Assessments. The Board of Directors shall from time to time, and at least annually, prepare a regular budget for the Association, and determine the amount of the common charges payable by the Members to meet the common expenses of the Association and allocate and assess such common charges as annual assessments among the Members provided that an additional amount may be levied as set by the Board, or as approved by the Membership for capital improvement assessments.

- A. Annual Assessments. The common expenses shall include, among other things, real and personal property taxes on Common Areas, the cost of premiums on all policies of insurance which have been obtained by the Board of Directors, professional fees, road maintenance and repair and snow removal costs, and costs of maintenance, operation and repair of the Association water system, and any common utilities. Common expenses may also include an amount for working capital of the Association, for general operating reserve, for reserve funds for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses shall also be used for the purposes set out in the Articles and as provided in the Covenants. Property owners who by WCPOA original road design do not have access to WCPOA roads will receive a fifty percent (50%) reduction of the annual maintenance assessment.

- B. Special Assessments. In the event of extraordinary expenses, the Board may approve equal special assessments for the purposes therein set forth. The Board of Directors shall advise all Members promptly in writing of the amount of the special assessments, as determined by the Board, and shall furnish copies of such budget on which such charges are based, to all Members.

10.2 Payment of Assessments. Members shall be required to make payment in full of the annual assessments for which they are liable, within thirty (30) days after mailing of notice of such annual assessments to each Member. Members shall be required to make payment in full of any special assessments authorized within sixty (60) days after mailing of statements therefore by the Board or its authorized agent for such purpose.

10.3 Nonpayment of Association Assessments. In the event that any Member shall fail to pay such Member's annual or special assessment when due, or any additional authorized capital improvement assessment as required by Membership vote, then the Board shall have the authority to impose and collect interest, late charges and fines.

10.4 Liens. The Board shall be authorized by vote thereof, to file a lien in form and manner as set forth in RCW, Chapter 60.04, for filing of mechanic's and materialman's liens upon the property of such delinquent Member, and such lien shall be enforced and foreclosed upon in the same manner as provided in RCW Chapter 60.04, except that the time limitations for filing and foreclosing upon the liens as set forth in said Chapter shall not apply. All costs and expenses of collection or of lien filing or foreclosure incurred by the Association, including attorney fees, whether such collection is by court action or not, shall be paid by the delinquent Member and may be added to the amount of the lien. No Member who is delinquent in payment of any assessment shall be entitled to vote at any meeting of Members, or sit on an advisory committee of the Board during the period of any such delinquency as shown on the books of the Association. Assessments shall also be personal obligations of the Member against whom they are assessed and may be collected as such.

SECTION 11 AMENDMENT TO BYLAWS

These Bylaws may be modified or amended by a majority vote of the Board of Directors, or by sixty six and two-thirds percent (66 2/3%) of the total number of votes entitled to be cast by Members at a membership meeting held for such purpose, with not less than a quorum of Members present.

SECTION 12 LIABILITIES OF OFFICERS AND DIRECTORS

12.1 Indemnification. Each director, officer and employee of the Association shall be indemnified by the Association against expenses actually and necessarily incurred by him or her in connection with the defense of any action, suit or proceeding in which he or she is made a party by reason of being or having been such director or officer except for acts or omissions that:

- 1) Involve intentional misconduct
- 2) Involve a knowing violation of law by the director or officer
- 3) Involve a transaction from which the director or officer will personally receive a benefit in money, property, or services to which the director or officer is not legally entitled.

12.2 Exculpation. No director, officer or employee of the Association shall be liable for acts or defaults of any other officer or director for any loss sustained by the Association unless the same has resulted from his or her own willful misconduct or gross negligence.

**SECTION 13
MISCELLANEOUS**

13.1 Regulations. All Members, tenants, and their employees, and any other person that might use the Property in any manner, are subject to the regulations set forth in these Bylaws and to all reasonable rules and regulations enacted pursuant to the Covenants. Acquisition, rental or occupancy of any Property shall constitute acceptance and ratification of the provisions of all such rules and regulations.

ADOPTION

The undersigned Secretary of the Association does hereby certify that the Board of Directors adopted the above and foregoing Restated Bylaws as the Bylaws of the Association, and that the same do now constitute the Bylaws of this Association.

DATED effective the 10th day of October 2011.

Heather Patrick
Secretary

CHANGE RECORD

10/10/2011

Para. 5.1, Change to allow less than 7 directors, minimum of five. Per Board of Director meeting October 10, 2011, unanimous vote.