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Thurston County Washington
COUGAR RIDGE HOMEOWNERS ASSOCIATION



Restatement of the
BYLAWS OF
COUGAR RIDGE HOMEOWNERS' ASSOCIATION
(a non-profit corporation)

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Restatement of the
BYLAWS OF
COUGAR RIDGE HOMEOWNERS' ASSOCIATION

INTRODUCTION

Cougar Ridge is a vibrant, planned 94 Lot neighborhood with great community spirit located just southwest of Olympia. Nestled in the forests surrounding the Black Hills and bordering the McLane Creek Nature Trail, Cougar Ridge includes a greenbelt and many beautifully landscaped islands as part of our common area. Cougar Ridge also owns and operates its own water system.

ARTICLE I – GOVERNANCE

The Cougar Ridge Homeowners' Association is governed by the Washington Homeowners' Association Act (See RCW 64.38), the Washington Nonprofit Corporation Act (See RCW 24.03A) and certain provisions of the Washington Uniform Common Interest Ownership Act (See RCW 64.90.080). It is structured as a non-profit corporation under the Washington Nonprofit Corporation Act (See RCW 24.03A and Articles of Incorporation) to function as a homeowners' association and to provide a domestic water supply to its Member Lots. Each Lot is subject to the easements, assessments and water use fees, covenants, conditions, and restrictions (CCRs or Covenants) as well as the Bylaws and Rules of Cougar Ridge. In the case of any conflict, the (1) provisions of state law, (2) the Association's Declaration of Covenants, Conditions and Restrictions (CCRs), (3) the Articles of Incorporation, (4) these Bylaws, and (5) Association Rules shall prevail, in that order. The affairs of the Association are managed by a Board of Directors.

ARTICLE II - NAME, LOCATION AND FISCAL YEAR

Section 1. Name. The name of the Corporation is Cougar Ridge Homeowners' Association, hereinafter called the "Association" or "Corporation".

Section 2. Location. Both the principal office street address and the registered agent street address are located at 5948 Capitol Forest Dr. SW, Olympia, WA 98512.

Section 3. Fiscal Year. The Fiscal Year for the Association is the calendar year.

ARTICLE III – PURPOSES OF THE ASSOCIATION

In general, the fundamental purpose of the Association is to benefit the Cougar Ridge community and its Members. The overall goal is to support property values and develop a sense of community where Members and residents can coexist in harmony and enjoy community life as much as possible. More specific purposes of the Association are to:

- a) Care for the improvements and maintenance of the Common Area of Cougar Ridge. This includes the public easements, streetlights, parkways, grass plots, landscape islands and entries, parking areas, gateways and any community facilities which now exist or which may be installed or constructed at a later date. The “Common Area” of Cougar Ridge is described in Exhibit B of the Covenants.
- b) Cooperate with the Members to keep their Lots in good order and condition and to take appropriate action necessary so they do not become a nuisance and detriment to the beauty and values of Cougar Ridge.
- c) Aid and cooperate with Association Members in the enforcement of the CCRs, these Bylaws and Association Rules and to counsel with the Thurston County Planning Department having jurisdiction in relation to any zoning that may affect Cougar Ridge.
- d) Own and operate the Cougar Ridge water system and to maintain other property and equipment necessary for the production, sale and distribution of a domestic water supply for its Member Lots.

ARTICLE IV - DEFINITIONS

Section 1. “Board” means the Board of Directors, with primary authority to manage the affairs of the association (See Articles of Incorporation).

Section 2. “Common expense” means the costs incurred by the Association to exercise any of the powers and duties provided for by state law, Association Covenants, Articles of Incorporation, Bylaws and Rules.

Section 3. “Covenants” or “CCRs” means the First Restatement of Declaration of Covenants, Conditions and Restrictions for Cougar Ridge, recorded on March 31, 2011 under Thurston County Auditor’s File No. 4204681 and amended September 18, 2020.

Section 4. “Good Faith” means a sincere intention to be fair, open and honest.

Section 5. “Member in Good Standing” means any Member who is not delinquent in payment of assessments, water use fees or associated penalty assessments, late fees and interest by more than sixty (60) days and who is not in current violation of the Association Covenants, Bylaws, or Rules.

Section 6. “Proxy” means a written authorization signed by a Member or the authorized representative of the Member that gives another Member the power to vote on behalf of that Member.

Section 7. “Reserve Study” means a planning document and budget model for the Association’s expenses whose infrequent and significant nature make them impractical to be included in an annual operating budget (e.g., booster pumps for the water system) and helps prepare the Association for the significant maintenance, repair & replacement expenses it can expect to face over time, while minimizing or eliminating “surprises” and special assessments (See RCW 64.38.065, 64.38.070, 64.90.525 and 64.90.545).

Section 8. “Reserve Study Professional” means an independent person who is suitably qualified by knowledge, skill, experience, training, or education to prepare a Reserve Study in accordance with state law (See RCW 64.90.010(47)).

Section 9. “Rule” means any rule, regulation, policy, procedure, guideline, or restriction of the Association not found in the Covenants, the Articles of Incorporation, or these Bylaws that governs the conduct of persons or the use or appearance of property within Cougar Ridge.

Section 10. “Water Use Fees” means the quarterly charge to each Member from the Association for use of the Cougar Ridge water system.

ARTICLE V – ASSOCIATION MEMBERSHIP

Section 1. Membership.

Every Owner of a Lot in Cougar Ridge shall be a Member of the Association and is subject to the Covenants of record and to assessments and water use fees of the Association. When more than one person holds title to a Lot, all such persons collectively shall be the Member for the Lot in question. Association Membership may not be separated from Lot ownership.

Section 2. Membership Obligation.

Membership includes an obligation by each Lot owner to comply with and be bound to the Association Covenants, Bylaws, and Rules.

Section 3. Membership Delegation of Rights.

A Member may delegate their right of enjoyment to the Common Area and use of the water system to a family member or tenant who is legally residing in the Member's house on their Cougar Ridge Lot. However, a Member may not assign Association voting rights or Director nomination rights to family members or a tenant who may be legally residing in the Member's house on their Cougar Ridge Lot.

Section 4. Suspension of Member's Rights.

Members are subject to suspension of certain membership rights when they fall behind in payment of assessments, water use fees or associated penalty assessments, late fees and interest by more than sixty (60) days or they are currently in violation of the Association Covenants, Bylaws, or the Rules. Any Member in this position is no longer a Member in Good Standing and the following membership rights may be suspended:

- a) Association voting rights.
- b) Use of the Water System rights.
- c) Director nomination rights.

These rights are restored when payment of delinquent amounts are paid in full, including penalty assessments, interest and late fees and any violations of the Covenants, these Bylaws, or the Rules of the Association have been resolved to the satisfaction of the Board.

Section 5. Termination of Membership.

Association membership shall terminate upon the sale of the Lot(s) owned by the Member.

ARTICLE VI – MEMBERSHIP VOTING RIGHTS

Section 1. Voting Rights.

Voting rights are based on one vote per Lot owned. Each Member in good standing shall be entitled to vote on each matter submitted to a vote of the Members. When more than one person holds an interest in any Lot, all such persons, collectively, shall be considered one (1) Member. The vote for such Lot shall be exercised as the person(s) who holds an interest in the

Lot determines, but in no event shall more than one vote be cast with respect to any Lot. The Association shall be entitled to presume that any ballot tendered by one or more persons who hold an interest in the Lot was the result of agreement by all other persons holding an interest in the Lot. If conflicting ballots are cast by persons holding an interest in the Lot, none will be counted.

Section 2. Voting in Person, by Absentee Ballot or By Proxy

At all Meetings of Members, each Member may vote in person, by absentee ballot or by proxy. All proxies shall be in writing and filed with the Inspector(s) of Elections. Every proxy shall be revocable and shall automatically cease upon sale by the Member of their Lot(s). No proxy shall be valid after the election(s) for which it was created.

Section 3. Voting by Absentee Ballot (Association Obligations)

When a vote of the Members is conducted without a meeting, the Association must notify the Members that a vote will be taken by ballot, to be provided with the notice. The notice must comply with RCW 64.38.120 and include:

- a) The time and date that the ballot must be delivered to the Association to be counted, which may not be fewer than fourteen days after the date of the notice;
- b) The percent of votes needed to meet quorum requirements and to approve each matter other than election of Board members;
- c) The time, date, and manner by which Members wishing to deliver information to all owners regarding the subject of the vote may do so.

Absentee ballots sent to Members with the meeting notice must describe each proposed action and provide an opportunity to vote for or against the action. If the Association does not receive a sufficient number of votes to constitute a quorum or to approve the proposal by the date and time established for return of ballots, the Board may extend the deadline for a reasonable period not to exceed eleven months.

ARTICLE VII – MEMBER MEETINGS AND NOTICE

Section 1. Meetings of the Association.

Meetings of the Association may be conducted by telephonic, video, or other conferencing process if: (a) The meeting notice states the conferencing process to be used and provides information explaining how Members may participate in the conference directly or by meeting

at a central location or conference connection; and (b) the process provides all Members the opportunity to hear the discussion, pose questions and to make comments (See RCW 64.38.035(5) and RCW 24.03A.390).

Section 2. Annual Meeting of the Members.

The annual Meeting of the Members of the Association for the election of Directors, ratification of proposed budgets, annual assessments, water use fees and special assessments and for the transaction of such other business as may properly come before the meeting shall be held each year during November or December on such date, time and location as determined by the Board and indicated in the Annual Meeting of the Members Notice.

Section 3. Conduct of Meetings.

All Meetings of the Members shall be conducted in a manner consistent with generally accepted parliamentary procedure.

Section 4. Voting by Secret Ballot.

Notwithstanding any other law or provision of the governing documents, elections regarding election and removal of Board Member(s) and amendments to the governing documents shall be held by secret ballot in accordance with a rule adopted by the Board for this purpose.

Section 5. Inspector(s) of Election.

Inspector(s) of election are appointed by the Board to act impartially at Meetings of the Members and make a report to the Board recording their determinations. Duties of the Inspector(s) includes:

- a) Determining the number of Members in good standing present in person, by proxy or absentee ballot at the start of a meeting and the validity of any proxies and absentee ballots;
- b) Counting all the votes and determining the result in accordance with the Association Secret Ballot rule adopted for this purpose.

An Inspector may, but need not, be a Director, Member, or Officer of the Association (See RCW 24.03A.460). Any person who is a candidate or related to a candidate for office to be filled at the meeting may not be an Inspector.

Section 6. Minutes for Meetings of the Members.

The Association must make available to each Member minutes from the previous Meeting of the Members not more than sixty (60) days after the meeting. Minutes of the previous Annual

Meeting of the Members must be approved at the next annual Meeting of the Members (See RCW 64.38.035(1)). Minutes from any previous Meeting of the Members will be sent to each Member by Email and posted to the Association website (cougarridgehoa.com). Members may contact the Secretary for a copy of the minutes from the previous Meeting of the Members.

Section 7. Proposed Budgets and Special Assessments

Within thirty (30) days after adoption of any proposed budgets, annual assessments, water use fees and special assessments, the Board must provide a copy of the proposed budget package to all Members and set a date for the annual Meeting of the Members not less than fourteen (14) nor more than fifty (50) days after providing the proposed budget package (see RCW 64.90.080, and RCW 64.90.525). A copy of the proposed budget package will be sent to each Member by US mail, Email (if applicable) and posted to the Association website (cougarridgehoa.com). The proposed budget package must disclose to the Owners:

- a) The projected income and common expenses to the Association, by category;
- b) The amount of the assessments and their purposes, by Lot, and the date the assessments are due;
- c) The current amount of regular assessments or proposed special assessments budgeted for contribution to the reserve account, the recommended contribution rate from the Reserve Study, and the funding plan (e.g., fully funded) upon which the recommended contribution rate is based;
- d) A statement of whether the Association has a reserve study that meets the requirements of RCWs 64.38.070 and 64.90.550 and, if so, the extent to which the budgets meet or deviate from the recommendations of that Reserve Study;
- e) Whether the currently projected reserve account balances will be sufficient to meet the Association's major maintenance and capital financial obligations each year for the next thirty years;
- f) If reserve account balances are not projected to be sufficient and available each year for the next thirty years, what additional assessments may be needed to ensure sufficient availability of funds by Lot for each year;
- g) The estimated amount recommended in the reserve account at the end of the current fiscal year based on the most recent Reserve Study, the projected reserve account cash balance at the end of the current fiscal year, and the percent funded at the date of the latest Reserve Study; and
- h) The estimated amount recommended in the reserve account based upon the most recent Reserve Study at the end of each of the next five budget years, the projected reserve account cash balance in each of those years, and the projected percent funded for each of those years. (See RCW 64.38.025 and 64.90.525)

Section 8. Budget Ratification

The proposed budgets, annual assessments, water use fees and any special assessments will be ratified unless a majority of all Members (Lot owners) of the Association vote to reject the proposed budgets and assessments, whether or not a quorum is present. If any of the proposed budgets or special assessments are rejected, the budgets last ratified by the Members continues until the Members ratify a subsequent budget proposed by the Board (See RCW 64.90.080 and RCW 64.90.525).

Section 9. Special Meetings of the Members.

Special Meetings of the Members may be called at any time by the President, a majority of the Board of Directors, or by Members having at least ten percent (10%) of all the votes of the Association (See RCW 64.38.035(1)). No action may be taken at a special meeting that does not fall within the purpose stated in the meeting notice. For special Meetings of the Members called by Members having at least ten percent (10%) of all the votes of the Association, language clearly describing the purpose of the special meeting must be provided to the Secretary in a timely manner to allow the Association to comply with state meeting notice requirements. The Board shall adopt a Rule formalizing the process initiating and conducting a Meeting of the Members called by Members having at least ten percent (10%) of all the votes of the Association.

Section 10. Notice of Member Meetings.

Notice of each Meeting of the Members shall be given by or at the direction of the Secretary. The Notice for a Member Meeting must be provided not less than fourteen (14) nor more than fifty (50) days in advance of the meeting date (See RCW 64.90.525). The Notice must specify the place, date and time of such meeting and the business to be placed on the agenda by the Board for a vote by the Members, including the general nature of any proposed amendment to the Articles of Incorporation, the Covenants, these Bylaws, special assessments, any budget or changes in the previously approved budget that result in a change in assessment obligation, and any proposal to remove a Director. Notice for a special meeting must include the purpose of the meeting.

Section 11. Means of Notice & Effective Delivery.

Notice of a Meeting of the Members shall be by first class US mail and by Email (if applicable) as provided in this section.

- a) Written notice is considered received and effective three days after the date post marked by the United States Post Office.
- b) Email notice is considered received and effective the date it enters an electronic system that the Member has designated or currently uses for the purposes of receiving Emails or when posted to the Cougar Ridge website (cougaridgehoa.com) and separate Email notice has been concurrently sent to the Member containing instructions that explain how to obtain access on the Cougar Ridge website (See RCW 64.38.110). Email notice may be revoked by any Member. Email notice to a Member is also considered revoked if the Association is unable to deliver two consecutive notices or other Email communications to the Member's Email address.

Section 12. Quorum.

Unless the Articles of Incorporation, the Covenants, or Washington law provide otherwise, a quorum is present throughout any meeting of the Association if the Members to which thirty-four percent (34%) of all the votes of the Association are present in person, by absentee ballot or by proxy at the beginning of the meeting. The thirty-four percent (34%) quorum may be changed by amendment to these Bylaws.

Section 13. Adjourned Meeting & Quorum (For Election of Directors).

If an Association Meeting of the Members fails to achieve quorum, which includes Members present, absentee ballots and proxies, the Chair of the meeting may call the meeting to order, announce the absence of a quorum, complete the budget presentation and ratification (which does not require a quorum) and any other Association business that does not require a quorum then entertain a motion to adjourn the meeting. If a motion is made to adjourn the meeting and then reconvene it in the same location as soon as the meeting is adjourned is seconded and approved by a majority of the Members at the meeting voting in person, by absentee ballot, or by proxy, then the meeting is adjourned and may be reconvened immediately thereafter for the purposes of electing Directors. No additional meeting notice is required if the reconvened meeting takes place immediately thereafter (See RCW 24.03A.440(6)). The quorum for any continued meeting is twenty five percent (25%) of all the votes of the Association including Members present, absentee ballots and proxies (See RCW 64.38.040). With such quorum in

place at the reconvened meeting, the Chair may lead the process for Members to elect Directors (See Article IX., Section 2). No meeting may be adjourned for more than thirty days and must be reconvened and completed before the end of the calendar year. If no such quorum is achieved, a Special Meeting of the Members may be called to elect Directors.

ARTICLE VIII – BOARD OF DIRECTORS

Section 1. Number and Qualifications.

The affairs of the Corporation shall be managed by a Board of Directors consisting of no fewer than three nor more than seven members (See Articles of Incorporation). The current number of Directors elected by the Association Membership is seven. The number of Directors on the Board may be changed from time to time by amendment to these Bylaws (See Articles of Incorporation). Each Director elected to the Board must be a Member in good standing of the Association. In the performance of their duties members of the Board shall act in good faith and in a manner the Director reasonably believes to be in the best interest of the Association.

Section 2. Term of Office – Staggered Two-Year Terms

To ensure greater operational continuity and ensure that there are experienced Board members in place after any election, the Board of Directors shall consist of two groups of Board members serving staggered two-year terms. At the annual Meeting of the Members in odd numbered calendar years, three (3) Directors shall be elected and in even numbered calendar years, four (4) Directors shall be elected. Newly elected Directors will serve two years from the first day of January after election through the last day of December the following year, a two-year term. In order to establish these two-year staggered terms for Directors, the Association Membership is asked to elect seven (7) Directors at the 2023 Annual Meeting of the Members, with the understanding three (3) Directors will serve a two-year term and four (4) Directors will serve a one-year term. Then, at the first meeting of the Board in 2024, the Board shall determine which three (3) Directors will serve two (2) years and which four (4) Directors will serve a one (1) year term.

If, for any reason, the election of Directors does not occur as prescribed in these Bylaws at the annual Meeting of the Members or at an adjourned meeting held for that purpose before the end of the calendar year, a special Meeting of the Members may be called to elect Directors. In this event, the past year's Directors may continue to serve until qualified Members are elected as Directors.

Section 3. Director Removal by Membership.

Any Director may be removed from office, with or without cause, when their removal is approved by Members holding a majority of all the votes of the Association, voting in person, by absentee ballot or by proxy, at any Meeting of the Members at which a quorum is present (see RCW 64.38.025(5)). Before a vote to remove a Director can be included in the notice for a meeting of the Members, a petition to remove a Director, signed by Members holding at least ten percent (10%) of all the votes of the Association, must be received and certified by the Association Secretary. At any meeting at which a vote to remove a Board member is to be taken, the Board member being considered for removal must be provided a reasonable opportunity to speak before the vote. The remaining Directors may appoint an Association Member (who must be in good standing) to serve out the unexpired term of the Director so removed (See RCW 64.38.025(2)). A record of the Board vote to fill the vacancy shall be included in the meeting summary for that Board meeting.

Section 4. Director Removal by Board.

If any Director has three consecutive unexcused absences from Board meetings which have officially been convened or is no longer a Member in good standing, that Director forfeits their right to remain on the Board, and the remaining Board members, by majority vote, may declare the position of that Director vacant. The President shall determine if a Director absence from a Board meeting is an excused absence. The remaining Directors may appoint an Association Member (who must be in good standing) to serve out the unexpired term of the Director so removed (See RCW 64.38.025(2)). A record of the Board vote to fill the vacancy shall be included in the meeting summary for that Board meeting.

Section 5. Vacancies.

Any vacancy of a Board member, whether caused by resignation, death or otherwise, may be filled by the remaining Directors, even though less than a quorum may be represented, from Association Members (who must be in good standing) to serve out the unexpired term of the vacated Director position (See RCW 64.38.025(2) and 24.03A.535).

Section 6. Compensation.

No Director may receive compensation for any service they may render to the Association in their capacity as a Director. However, any Director may be reimbursed for their actual expenses incurred in the performance of their duties which have been approved by the Board.

ARTICLE IX – NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination.

Each fall when the Board provides notice to the Association Membership of the annual Meeting of the Members date, time and location, it shall include with the proposed budget package a call for nominations for the coming open Board of Director positions. Members who wish to nominate themselves or another Member (with their permission) for a coming open Director position may contact the Association Secretary to submit a nomination form. Each Member may submit only one nomination each year for a Director position. Nominations may also be made from the floor at the annual Meeting of the Members at the beginning of the election of Directors segment of the meeting. All nominees from the floor must complete a Director nomination form before the vote for Directors takes place.

Section 2. Election.

Election to the Board of Directors shall be by secret written ballot. Directors shall be elected by the Members at each annual Meeting of the Members. The Members, voting in person, by absentee ballot or by proxies may cast one vote per Lot for each of the open Director positions. The nominated Members in good standing receiving the largest number of votes shall be elected Directors. In the event of a tie vote, a revote shall be taken for the nominees involved in the tie until the tie is broken.

ARTICLE X – MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Annual Officer Election Board of Directors Meeting.

At its first meeting, the newly elected Board of Directors shall elect the Officers of the Association (President, Vice-President, Treasurer, Secretary) who will serve for that calendar year. The offices of Secretary and Treasurer may be held by the same person. The annual Officer Election meeting shall be held at such place and hour as may be scheduled by the Board.

Section 2. Regular Meetings of the Board.

Regular meetings of the Board shall be held at such place and on such day and hour as shall be scheduled by the Board.

Section 3. Special Meetings of the Board.

Special meetings of the Board may be held at any place and at any time whenever called by the President, Secretary, or any two or more Directors.

Section 4. Emergency Meeting of the Board.

An Emergency Meeting of the Board may be called by the President, or by any two members of the Board other than the President, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to provide notice to the Members.

Section 5. Quorum for Board meetings.

A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

Section 6. Action by the Board without Meeting my Unanimous Consent.

An action taken by the Board may be taken without a meeting if each Director entitled to vote with respect to the subject matter thereof executes a consent in the form of a record describing the action to be taken and delivers it to the Board President (See RCW 24.03A.570).

Section 7. Notice of Board Meetings.

Notice of the time and place of all meetings of the Board, except Emergency Meetings of the Board, shall be provided to Association Members by the Secretary or by the person calling the

meeting, by Email and/or posting notice on the notice board at the mailbox enclosure at least three days prior to the day upon which the meeting is to be held.

Section 8. Board Meetings open to Members.

All meetings of the Board of Directors, except for closed executive session and Emergency Meetings of the Board, shall be open for observation by all Members of record and their authorized agents. However, Members who are not Directors may not participate in any deliberation or discussion except in accordance with Board adopted policy. The Board shall keep minutes of all actions taken by the Board, which shall be available to all Members.

Section 9. Closed Executive Session.

Upon the affirmative vote in open meeting to assemble in closed session, the Board may convene in closed executive session to consider personnel matters; consult with legal council or consider communications with legal council; and discuss likely or pending litigation, matters involving possible violations of governing documents of the association, and matters involving the possible liability of a Member of the Association. The motion shall state specifically the purpose of the closed session. Reference to the motion and the stated purpose of the closed session shall be included in the minutes of that Board meeting. The Board shall restrict consideration of matters during the closed portions of meetings only to those purposes specifically exempted, as noted above, and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the Board, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified (See RCW 64.38.035(4)).

ARTICLE XI – POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1 Powers.

The Board of Directors shall have the power to:

- a) Act on behalf of the Association as provided in the Association's governing documents and state law and to exercise all powers, duties and authority vested in or delegated to the Association by state law, the Articles of Incorporation, the Covenants, these Bylaws, or Association Rules;

- b) Manage the affairs of the Association and to adopt Rules consistent with state law, the Covenants, and these Bylaws relating to the use of the Common Area, the water system and use restrictions and to establish penalties for infractions thereof;
- c) Suspend the voting rights, the right to be nominated as a Director, and or to use the water system during any period in which such Member is delinquent by more than sixty (60) days in the payment of any assessment, water use fee, penalty assessments, late fees or interest levied by the Association (See CCRs 4.7 and 6.19). Such rights may also be suspended after notice and hearings, for any infractions of a published Rule for a period of thirty days or as long as the infraction persists;
- d) Elect the Officers of the Association;
- e) Make contracts and incur liabilities;
- f) Levy, collect and enforce assessments and water use fees by any means provided in the Covenants, Bylaws, adopted Rules, and state law;
- g) Take whatever actions in the Board's discretion necessary to discharge any lien against the Common Area;
- h) Appoint a new Registered Agent without having to amend the Articles of Incorporation.
- i) Sue others, in the name of the Association, and to sue Members to collect delinquent assessments or water use fees or cure a violation of the Covenants, these Bylaws or Association Rules;
- j) Borrow money for the purpose of improving the Common Area and water system in accordance with our governing documents;
- k) Participate in mergers and consolidations with other nonprofit corporations in accordance with our governing documents;
- l) Delegate water system management responsibilities, including appropriate record keeping and documentation, to a licensed small water system manager.

The Board shall not act on behalf of the Association to amend the Articles of Incorporation, the Covenants, these Bylaws or to take any action that requires the vote of the Members, or to determine the qualifications, powers, and duties, or terms of office of members of the Board of Directors;

Section 2 Duties.

It shall be the duty of the Board of Directors to:

- a) Manage the maintenance and capital investments of the Common Area and water system in a manner that supports the property values of the Lots of Cougar Ridge;
- b) Manage the development of budgets for the coming year and oversee the implementation of Common Area and water system budgets for the current year;
- c) Collect and manage all assessments, including reserve account assessments and water use fees for the Association;
- d) Enforce compliance with governing documents;

- e) Foreclose, as necessary, any recorded liens against Member Lots for which assessments are at least sixty days delinquent, or to bring an action at law against the Member personally obligated to pay the same;
- f) Be responsible and pay for all budgeted costs to maintain the landscaping, lighting and improvements in the Common Area;
- g) Issue upon demand by any person or entity entitled to receive that information, a certificate setting forth whether or not any assessment or water use fees have been paid;
- h) Procure and maintain insurance to responsibly protect the Association and its Members (See Article XIX);
- i) Ensure all taxes and assessments against Association property and the water system are paid in a timely manner;
- j) Oversee the development of a Reserve Study that meets the requirements of the state and the needs of the Association;
- k) Plan for and meet notice requirements to manage the annual meeting of the Members in a way that builds community support and Member involvement;
- l) Keep complete records, including digital, of all its acts and corporate affairs;
- m) Delegate powers to committees, Officers, Directors, employees, or Association Members and supervise all delegated duties to see that they are properly performed.

ARTICLE XII – OFFICERS AND THEIR DUTIES

Section 1. Officers of the Association.

The Officers of the Association shall be a President, Vice President, a Secretary, and a Treasurer.

The offices of Secretary and Treasurer may be held by the same person.

Section 2. Election of Officers.

The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term and Qualifications.

The term of office for Association Officers shall be for one year or until their replacements are elected by the newly elected Board unless they resign sooner, are removed from their position by the Board, or otherwise disqualified to serve. Only the President and Vice-President must be Directors. In the performance of their duties, Officers of the Association shall act in good faith and in a manner the Officer reasonably believes to be in the best interest of the Association.

Section 4. Resignation and Removal.

Any Officer may be removed from office with or without cause by a majority vote of the Board.

Any Officer may resign at any time 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 time later specified in the notice.

Section 5. 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 they replace.

Section 6. Duties.

The duties of the Officers are as follows:

PRESIDENT

- a) The President shall be the Chairperson of the Association and shall preside at all meetings of the Board of Directors and Meetings of Members; shall see that orders and resolutions of the Board are carried out; shall sign all restated Covenants, Bylaws, contracts and other written instruments and may co-sign all Association checks and promissory notes and be signatory on all Association bank accounts.

Additionally, the President shall:

- 1. Represent the Board in the community
- 2. Provide leadership for yearly projects and planning
- 3. Preside over the Annual Meeting of the Members
- 4. Preside over monthly Board meetings
- 5. Provide leadership in moving agenda items forward and to completion
- 6. Help the Board maintain a succession plan
- 7. Use good judgement in guiding Board decisions
- 8. Manage Annual Insurance update
- 9. Represent the Board in legal communications
- 10. Help coordinate Board responses in communication out to the Association
- 11. Assist in creating policy documentation
- 12. Act as Board contact with Architectural Review Committee lead
- 13. Support the Treasurer in:
 - i. Back up storage/hold access to lock box for critical document storage
 - ii. Manage withdrawals from money market accounts/ deposits to Checking
 - iii. Act as signatory for money market and certificate of deposit accounts

VICE PRESIDENT

- b) The Vice President shall have the authority to act in the place and stead of the President in the event of the President's absence, or inability to act, and shall exercise and discharge such other duties as may be required by the Board.

SECRETARY

- c) The Secretary, working with the Inspector of Elections, shall record the votes and keep the minutes of all meetings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep and maintain (in cooperation with the Treasurer) appropriate permanent and current corporate records; sign and execute with the President all legal instruments in the name of the Association and shall perform other duties as delegated by the Board.

TREASURER

- d) The Treasurer shall have the care and custody and be responsible for all funds and securities of the Association and shall cause to be kept regular and proper books of account; shall receive and deposit in appropriate bank accounts all monies of the Association and may disburse such funds as directed by resolution of the Board; and shall exercise and discharge such other duties as may be required by the Board.

Additionally, the Treasurer shall:

1. Maintain and update the appropriate accounting records for the Association and the Water System;
2. Play an active role as member of the Finance Committee;
3. Invoice Members for annual assessments, special assessments, penalty assessments, water use fees, late fees, and other costs as appropriate;
4. Receive, document, and deposit payments received for the Association and Water System;
5. Prepare and file, or oversee preparation and filing of, annual Secretary of State Report, federal taxes, Thurston County taxes and quarterly Public Utilities Tax report;
6. Receive, validate, document and pay approved invoices for the Association and Water System;
7. Manage and make recommendations to the Board for maturing reserve fund certificates of deposit;
8. Update the Board monthly and as needed on the financial status for the Association and Water System and make recommendations as appropriate;
9. Participate in updates to governing documents;
10. Respond, as needed and appropriate, to valid requests for financial information for the Association and Water System, including Title company requests.

ARTICLE XIII – RULES

A Rule means any rule, regulation, policy, procedure, guideline, or restriction of the Association not found in the Covenants, the Articles of Incorporation, or these Bylaws that governs the conduct of persons or the use or appearance of property within Cougar Ridge. The Board of Directors is authorized under state law to adopt, amend or repeal rules (See RCW 64.38.020 and Covenants, Article VI. Section 6.19). The Board must give notice to all Members of its intent to adopt, amend or repeal any rule, along with the text of the proposed rule or the rule change and the date the Board will act on the proposed rule or amendment after considering comments from Members. Every rule must be reasonable. This rulemaking process supersedes any other rulemaking process adopted by past Boards. Any such Rule may be repealed by sixty seven percent (67%) of Members voting in person, by absentee ballot or by proxy at a meeting called for this purpose where a quorum is present (e.g., 94 Lots x .34 = 32 for quorum x .67 = 22 votes).

ARTICLE XIV – COMMITTEES

The Board shall appoint an Architectural Review Committee, a Water System Committee, a Finance Committee, a Landscape Committee, a Governing Documents Committee and may establish other committees as needed for management and operation of the Association. In the performance of their duties, all committee members shall act in good faith and in a manner they reasonably believe to be in the best interest of the Association. Any non-Director Committee member appointed by the Board shall serve at the pleasure of the Board. All rights to indemnification afforded to Directors and Officers of the Association per the terms of the Articles of Incorporation and RCW 24.03A shall also extend to all members of any established committee.

Section 1. Architectural Review Committee

This committee is primarily responsible for reviewing proposed plans and existing building improvements and hardscape landscaping features for compliance with the CC&Rs and corresponding Rules.

Section 2. Governing Documents Committee

This committee is primarily responsible for reviewing and proposing changes to governing documents, to remain consistent with all relevant laws and the evolving needs of the community. This committee shall also provide the Board with timely updates on any proposed or newly enacted state legislation that may affect the Association.

Section 3. Landscape Committee

This committee is primarily responsible for coordinating the maintenance of the landscaped Common Area. The Landscape Committee also reviews proposed landscape plans and existing landscaping features for compliance with the CC&Rs and corresponding Rules.

Section 4. Finance Committee

This committee is primarily responsible for planning the annual budget, including operational and capital expenditures, and revenue projections and recommendations. The Finance Committee shall also update the Cougar Ridge Reserve Study in the interim years when a reserve study professional is not required by state law to do so.

Section 5. Water Committee

This committee is primarily responsible for the operation and maintenance of the water system.

ARTICLE XV – CORPORATE RECORDS

The Association shall maintain corporate records as may be required by RCWs 64.38.045, 64.90.495, and 24.03A.210. The Association shall keep a permanent record of the minutes of all meetings of Members and of the Board of Directors. The Association shall keep a current copy of the following:

- a) Articles of Incorporation or restated Articles of Incorporation;
- b) Bylaws or restated Bylaws and CCRs;
- c) All financial records including but not limited to checks, bank records, invoices to Members, and documentation for any services or goods paid for by the Association;
- d) All communications with Members within the past seven years, including financial statements;
- e) A list of the names and addresses of its current Directors and Officers;
- f) Its most recent annual report delivered to the Secretary of State;
- g) Federal income tax statements for the past three years;

- h) Appropriate water system records to meet federal, state and local government requirements;
- i) A list of all Members and their addresses and the votes they are entitled to cast.

All records of the Association shall be available for examination by any Member or their designated representatives (See RCW 64.38.045 and RCW 24.03A.210 and 215) as required by or restricted by state or federal laws or judicial proceedings. No information provided by the Association may be used for commercial purposes. The Association shall maintain its records in written or electronic form.

ARTICLE XVI – FINANCIAL STATEMENTS

The Association shall maintain appropriate accounting records and at least annually shall provide to all Members a copy of its latest financial statement that includes a balance sheet as of the end of the year and a statement of operations for the year (See RCW 64.38.045 and RCW 24.03A.225). The financial statement shall be accompanied by a statement from the Association Treasurer stating their reasonable belief as to whether the financial statement was prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation and any respects in which the statement was not prepared on a basis of accounting consistent with the financial statement from the previous year.

ARTICLE XVII – RESERVE STUDY

State law requires Cougar Ridge to prepare and annually update a Reserve Study (See RCW 64.38.065, 64.38.070, 64.90.525 and, 64.90.545). The initial Reserve Study must be prepared by a reserve study professional and updated every third year by a reserve study professional. The Cougar Ridge Finance Committee will update the Reserve Study in the interim years.

ARTICLE XVIII – RESERVE ACCOUNTS

The Board of Directors of the Association shall invest funds held in the Reserve accounts to generate revenue that will accrue to the Reserve Fund accounts balance pursuant to the following goals, criteria, and policies, listed in order of importance:

- a) Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal.
- b) Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.
- c) Minimal Costs. Investment costs (redemption fees, commissions, and other transactional costs) should be minimized.
- d) Diversity. Mitigate the effects of interest rate volatility upon Reserve assets
- e) Return. Funds should be invested to seek the highest level of return.

Limitation on Investments

All investments will be FDIC (Federal Deposit Insurance Corporation) insured, and/or Guaranteed by the United States Government.

Investment Strategy

The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach. This will be done after referencing the Reserve Study to ensure anticipated liquidity needs of the Association are met.

ARTICLE XIX – INSURANCE

The Association shall maintain property insurance on the common elements and commercial general liability insurance, including medical payments insurance. The Association shall also maintain crime insurance, employee dishonesty coverage, fidelity bond coverage, or their equivalent, for its Directors, Officers, and employees in an amount that is equal to or more than the combined amount of the reserves of the Association and total assessments for three months. The coverage maintained by the Association shall also include protection in an equal amount against computer fraud and funds transfer fraud. The Association shall, as soon as reasonably practicable, provide notice to all Members if any of the insurance policies have lapsed, been canceled, and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible, as to any of those policies.

ARTICLE XX – ASSESSMENTS AND WATER USE FEES

As more fully provided in the Covenants, each Member is obligated to pay to the Association annual and special assessments and water use fees which are secured by a continuing lien upon the property against which the assessment is made. Special assessments may be assessed for, among other things, the operation and maintenance of the water system and other improvements. Any assessments or water use fees which are not paid when due shall be delinquent. If the assessment and or water use fee is not paid by the due date, the assessment and or water use fees shall bear interest in accordance with our Covenants and Billing Policy at the rate of twelve percent (12%) per annum. The Association may also assess fines and penalties adopted in accordance with Article IV of the Covenants. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property in the manner prescribed in Article IV of the Covenants. Interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by the non-use of the Common Area owned and maintained by the Corporation or abandonment of their Lot.

ARTICLE XXI. – AMENDMENTS

These Bylaws may be amended, at a regular or special Meeting of the Members, when approved by sixty seven percent (67%) of Members, voting in person, by absentee ballot or by proxy, where a quorum is present. (e.g., 94 Lots x .34=32 for quorum x .67 = 22 votes)

Effective Date. This Restatement of the Bylaws of Cougar Ridge shall take effect upon recording.

Definitions. All terms not otherwise defined herein shall have the meaning prescribed to them in the First Restatement of Declaration of Covenants, Conditions and Restrictions for Cougar Ridge, recorded on March 31, 2011 under Thurston County Auditor's File No. 4204681 and amended September 18, 2020.

Declaration. Deborah Wigand declares on this 20 day of March, 2023, at Olympia, Washington, under penalties of perjury under the laws of Washington, that:

- a) She is the Secretary of Cougar Ridge Homeowners' Association, a Washington non-profit corporation.
- b) She has read this Restatement of Bylaws and knows its contents.
- c) The written approval of more than a majority of a quorum (thirty four percent - 34%) of the Owners of the Lots was obtained approving this Restatement of Bylaws, and a record of that approval is maintained in the records of the Association.
- d) To the best of her knowledge, all other legal requirements have been complied with for this Restatement of Bylaws.

By:

Print Name:

IN WITNESS WHEREOF this Restatement of Bylaws is executed as of the date set forth above.

COUGAR RIDGE HOMEOWNERS' ASSOCIATION

By: Barry Olson, President

[illegible]

On this 20 day of March, 2023 before me personally appeared **Barry Olson**, to me known to be the President of **Cougar Ridge Homeowners' Association**, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



Notary Public in and for the State of Washington,
Residing at public Notary
My commission expires 10-04-2026