

# Blue Ribbon Farms Property Owners Association, Incorporated

## AMENDED BY-LAWS

### ARTICLE I. NAME

Section 1. The name of the Association shall be BLUE RIBBON FARMS PROPERTY OWNERS ASSOCIATION, hereinafter referred to as the “Association”.

Section 2. The principal office of the Association shall be located at the plat of Blue Ribbon Farms, Divisions 1 & 2, in Clallam County, Washington, but other offices may be located within the State as the Board of Directors of the Association may from time to time determine. Meetings of the members and of the Directors may be held at such places within Clallam County, Washington as may be designated by the Board of Directors from time to time.

### ARTICLE II. PURPOSES

Section 1. This Association shall be conducted as a non-profit corporation for the purposes set forth in the Articles of Incorporation and in the Declaration of Protective Covenants, Restrictions, Limitations, Conditions and Agreements with respect to the Plat of Blue Ribbon Farms, Divisions 1 & 2, applicable to the properties as recorded in the Office of the Auditor of Clallam County, Washington.

Section 2. The purposes for which this Association was created may be altered, modified, enlarged or diminished by a vote of a majority of the membership at a meeting duly called for such purpose, notice of which meeting shall be given as herein provided.

### ARTICLE III. DEFINITIONS

Section 1. “Association” shall mean and refer to Blue Ribbon Farms Property Owners Association, its successors and assigns.

Section 2. “Member” shall mean and refer to those persons entitled to membership as provided in the Declaration and the Articles of Incorporation of this Association.

Section 3. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the properties, including contract vendors and contract purchasers whose voting rights and

privileges shall be limited as set forth in the Articles of Incorporation, but excluding those having such interest merely as security for the performance of an obligation.

Section 4. "Board" shall mean and refer to the duly elected Board of Directors of the Association.

Section 5. "Declaration" shall mean and refer to the Declaration of Protective Covenants, Restrictions, Limitations, Conditions and Agreements with respect to the plat of Blue Ribbon Farms, Divisions 1 & 2 as recorded in the office of the Auditor of Clallam County, Washington.

Section 6. "Articles" shall mean and refer to the Articles of Incorporation of Blue Ribbon Farms Property Owners Association as recorded in the office of the Secretary of State of the State of Washington, including any amendment thereto or restatement thereof which has been duly filed with the Secretary of State of the State of Washington.

Section 7. "Lot" shall refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Airstrip.

Section 8. "Properties" shall mean and refer to that certain real property described in the Declaration of Protective Covenants, Restrictions, Limitations, Conditions and Agreements with respect to the plat of Blue Ribbon Farms, Divisions 1 & 2, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 9. "Airstrip" shall mean and refer to Parcel 39, Division 2, of Blue Ribbon Farms Subdivision.

## ARTICLE IV. MEMBERSHIP

Section 1. Every person or entity who is a record owner of the primary possessory rights to any lot or parcel within the plat of Blue Ribbon Farms, Divisions 1 & 2, or any addition thereto, shall be a member of the Association, whether primary possessory rights are held as a fee owner, as a contract vendee, as a holder of a life estate, or by other conveyance, except such rights shall not pass to a renter or lessee, unless the same is expressly provided in a recorded lease. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be inseparably appurtenant to the lots and parcels within the plat mentioned above and any additions thereto, and upon transfer of ownership or the execution by another member of a contract for the sale of any such lot or parcel, such membership shall automatically be deemed to be transferred to the grantee or contract purchaser.

Section 2. The privileges of the Association shall be extended to the spouse and children of a member and may be extended to guests under such rules and regulations as the Board of Directors may prescribe.

Section 3. No membership may be conveyed or transferred except by sale of the lot to which such membership is appurtenant or the making of a contract for the sale thereof. In the event of the death of a member, his membership shall pass in the same manner and to the same person as does the lot or lots.

Section 4. The vote of any membership owned by a single marital community may be cast by either spouse without presentation of authority from the other, but if both are present, only one may cast the vote.

Section 5. No membership shall be forfeited nor any member expelled except for the non-payment of assessments or the willful violation of the Articles, the Declaration or these By-Laws, then only subject to the discretion of the Board and upon a majority vote thereof, and no member may withdraw except upon the transfer of title to or upon contracting for the sale of the lot to which his membership is appurtenant. No compensation shall be paid by the Association upon the transfer of membership and no member whose membership is transferred shall be entitled to share or participate in any of the property or assets of the Association.

## ARTICLE V. MEETINGS OF THE MEMBERS OF THE ASSOCIATION

Section 1. Annual Meeting. Unless otherwise changed by a majority vote of the Board the annual meeting of the Association shall be held on the first Saturday in February of each calendar year, the time and place thereof to be fixed by the Board.

Section 2. Special Meetings. Special meetings of the Association may be called for at a generally convenient time and place, by the Chairman, a majority of the Board of Directors or by owners having ten percent of the votes in the Association, and whom, upon calling such a special meeting, shall be permitted to copy the Association's record of owners for the purpose of giving notice of said meeting, but no Association funds shall be used for calling or holding a special meeting unless such expenditure is authorized by a majority of the Directors.

Section 3. Notice of Meetings. A written or printed notice of every meeting of the Association, stating whether it is an annual meeting or special meeting, the authority for the call of the meeting, the place, day and hour thereof, and the purpose therefore shall be given by the secretary or the person or persons calling the meeting at least fifteen (15) days, and not more than sixty (60) days before the date set for such a meeting:

- a. By leaving the same with him personally; or,
- b. By leaving the same at the residence or usual place of business of such member; or,
- c. By mailing it, postage prepaid, addressed to such member, at his address as it appears in the records of the Association; or,
- d. If notice is given pursuant to the provisions of this section, the failure of any member to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings conducted at said meeting. Notice of any meeting may be waived in writing by any member before or after any meeting.

Section 4. Proxies. Notices of any annual or special meeting shall include forms by which, for each matter to be voted upon, the member has the choice of voting his shares by mail, by appointing a proxy, or by attending the meeting in person.

Section 5. Quorum, Adjournment and Reconvene.

- a. At any meeting of the Association, the presence at such meeting of at least twenty-five percent (25%) of members entitled to cast votes, either in person or by proxy, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions of Record of Blue Ribbon Farms Subdivision, Divisions 1 & 2, or these By-Laws.
- b. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by a majority vote of the members present, whether a quorum be present or not, without notice other than the announcement at the meeting.
- c. At any reconvened meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

Section 6. Voting. Owners shall be entitled to one vote for each lot owned. When more than one person, other than a marital community, holds an interest in any lot, all such persons shall be deemed to be members and the vote for each such lot shall be exercised as they among themselves determine and designate, but in no event shall more than one vote be cast with respect to any one lot. In the case of a marital community, the husband and wife shall vote as one, and either husband or wife may exercise their voting rights on behalf of the marital community.

Section 7. Order of Business. The order of business at the annual meeting of the members, and as far as practical at all other membership meetings, shall be as follows:

- a. Calling of the role and certifying proxies;
- b. Proof of notice of meeting or waiver;
- c. Verify quorum;
- d. Reading and disposition of any unapproved minutes;
- e. Report of officers;
- f. Reports of committees;
- g. Approval of budget;
- h. Election of Directors, if necessary;
- i. Unfinished business;
- j. New business;
- k. Adjournment.

Section 8. Approval of Budget. Within thirty days after adoption by the Board or Directors of any proposed regular or special budget of the Association, the Board shall set a date for a meeting of the Owners to consider ratification of the budget not less than fifteen nor more than sixty days after mailing of the summary. Unless at that meeting a majority of the votes allocated in the Association reject the budget, in person or by proxy, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the owners shall be continued until such time as the owners ratify a subsequent budget proposed by the Board of Directors.

## ARTICLE VI. BOARD OR DIRECTORS

Section 1. Number and Qualifications. The affairs of the Association shall be managed in accordance with these By-Laws, the Declaration and the Articles of Incorporation, by a Board of Directors composed of seven (7) persons. Directors must be members of the Association. Their costs, if any, shall be determined by the members at any annual meeting.

Section 2. Election and Term of Office. The election of directors shall be as follows:

The membership shall nominate and elect members to the Board of Directors at the Annual Meeting. A simple majority of the members eligible to vote shall be sufficient to elect a board member.

The term of office shall be as follows:

Two directors shall be elected in 1992, and shall serve with the present five member Board, so that the total number of board members in 1992 and thereafter shall be seven.

Two directors shall be elected in 1993, and two directors from the original Board shall retire, unless nominated and re-elected.

Three directors shall be elected in 1994, and the remaining three directors from the original Board shall retire, unless nominated and re-elected.

Thereafter, directors shall be elected according to the above schedule so that not less than two nor more than three directors are replaced each year.

Section 3. Officers. The officers of the Board of Directors shall be a Chairman of the Board, a Vice-Chairman of the Board, a Secretary and a Treasurer and such other officers and committee chairmen as the directors may from time to time determine. Offices of the Board of Directors may be combined and two or more offices may be held by one person if the directors deem it necessary.

Section 4. Duties of the Officers. The duties of the officers are:

- a. Chairman.
  1. Preside at all meetings of the Board of Directors;
  2. Ensure that all orders and resolutions of the directors and members are carried out;
  3. Sign all leases, mortgages, deeds, promissory notes and other instruments of like nature which shall first be approved by the Board of Directors;
  4. Co-sign checks at the request of the Treasurer;
  5. Prepare and file with the appropriate agency all annual reports and other documents necessary to maintain the Association in good standing.

b. Vice-Chairman.

1. Act in the place and stead of the chairman in the event of his absence or inability to act;
2. Exercise and discharge such other duties as may be required of him by the chairman and the other directors;
3. Co-sign checks at the request of the treasurer.

c. Secretary.

1. Record the votes and keep the minutes of all meetings and proceedings of the directors and of the members;
2. Serve notice of the meetings of the directors and of the members;
3. Keep appropriate records showing the members of the Association and their addresses;
4. Perform such other duties as required by the chairman and the directors;
5. Co-sign checks at the request of the treasurer.

d. Treasurer.

1. Receive and deposit in appropriate accounts all monies of the Association;
2. Disburse such funds as directed by the directors and in accordance with the approved budget;
3. Keep proper books of account;
4. Prepare, prior to the annual meeting each year, a budget of all anticipated income and expenses for the ensuing year, to be presented at the annual meeting for members' approval;
5. Ensure that all checks are signed by two officers of the Board of Directors.

Section 5. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a director by a vote of the members of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; each person so elected shall serve for an unexpired term of his predecessor and until a successor is elected and seated at an annual meeting of the Association.

Section 6. Removal of Directors. Any director may be removed, with or without cause, by concurrence of a majority vote at a meeting of the Association called for that purpose and called with notice in strict accordance with Article V of these By-Laws. The vacancy on the Board of Directors so created shall be filled by the members of the Association at that same meeting.

Section 7. Nomination of Directors. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine but not less in any event than the number of vacancies that are to be filled.

Section 8. Meetings of the Board of Directors. Except as provided in this subsection, all meetings of the Board of Directors shall be open for observation by all owners of record and their authorized agents. The Board of Directors shall keep minutes of all actions taken by the Board, which shall be available to all owners. Upon the affirmative vote in open meeting to assemble in closed session, the Board of Directors may convene in closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the governing documents of the Association, and matters involving possible liability of an owner to the Association. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The Board of Directors shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No motion or other action adopted, passed, or agreed to in closed session may become effective unless the Board of Directors, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirements of this subsection shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.



Section 9. Organizational Meeting of the Board of Directors. The first meeting of a newly elected Board of Directors shall be held within two (2) weeks of election, at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting provided a majority of the whole Board shall be present.

Section 10. Regular Meetings of the Board of Directors. 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. Notice of regular meetings of the Board of Directors shall be given to each director personally or by mail, addressed to his residence or by telephone, at least, ten (10) days prior to the day named for such meeting.

Section 11. Emergency Meetings of the Board of Directors. Emergency meetings of the Board of Directors may be called by the Chairman on three (3) days notice to each director, given personally or by mail, addressed to his residence, or by telephone, which notice shall state the time, place and purpose of the meeting. Emergency meetings of the Board of Directors may be called by the Chairman or Secretary in like manner and on like notice upon the written request of at least three (3) directors.

Section 12. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 13. Board of Directors Quorum. At all meetings of the Board of Directors, the presence of four directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meetings of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such reconvened meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called without other or further notice.

Section 14. Duties and Powers of the Board of Directors. The primary duties of the Board of Directors shall be to enforce the Declaration of Covenants, Conditions and Restrictions of Record of Blue Ribbon Farms Subdivision, Divisions 1 & 2.

To accomplish this, the Board of Directors shall have power to:

- a. Adopt and publish additional temporary rules and regulations;
- b. Appoint committees;
- c. Suspend the voting rights, rights to use of the airstrip and other privileges of a member during any period in which such member shall be in default in the payment of any dues or assessments levied by the Association;
- d. Exercise for and on behalf of the Association all powers that may be exercised in the State of Washington by the same type of corporation as the Association, and not specifically reserved to the membership by the provisions of these By-Laws, the Declaration of Covenants, Conditions and Restrictions, *or* the Articles of Incorporation of the Association. The Board of Directors shall not act on behalf of the Association to amend the Articles of Incorporation, to take any action that requires the vote or approval of the Owners, to terminate the Association, to elect members of the Board of Directors, or to determine the qualifications, powers, and duties, or terms of office of members of the Board of Directors; but withstanding the provisions of Section 6 of this Article, the Board of Directors may fill vacancies in its membership of the unexpired portion of any term;
- e. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent for three consecutive regular meetings of the Board of Directors and such absence be unexcused;
- f. Employ such persons as are necessary for proper maintenance of the airstrip and commons area;
- g. Maintain, manage, pay taxes and assessments attributable to, and keep free from liens or encumbrances, the airstrip and commons area for the benefit of the Association;
- h. Propose regular or special budgets of the Association for ratification by the Owners at the Annual Meeting or Special Meetings of the Association. Establish, assess and collect annual and special charges, dues and assessments as determined in accordance with these By-Laws and the Declaration of Covenants, Conditions and Restrictions of Record of Blue Ribbon Farms Subdivision, Divisions 1 & 2, sufficient to discharge the responsibilities of the Association;

- i. To do all things necessary for the administration of the affairs of the Association, and for the accomplishment of the best interests of the Association and its property. The Board of Directors shall act in all instances on behalf of the Association. In the performance of their duties, the officers and members of the Board of Directors shall exercise the degree of care and loyalty required of an officer or director of a corporation organized under chapter 24.03 RCW.

## ARTICLE VII. FINANCIAL AND OTHER RECORDS

Section 1. It shall be the responsibility of the Board of Directors to ensure that the Association shall keep financial and other records sufficiently detailed to enable the Association to fully declare to each owner the true statement of its financial status. All financial and other records of the Association, including but not limited to checks, bank records, and invoices, in whatever form they are kept, are the property of the Association. Each Association Director shall turn over all original books and records to the Association immediately upon termination of the management relationship with the Association, or upon such other demand as is made by the Board of Directors. An Association Director is entitled to keep copies of Association records. All records which the Director has turned over to the Association shall be made reasonably available for the examination and copying by the Director.

Section 2. All records of the Association, including the names and addresses of owners and other occupants of the lots, shall be available for examination by all owners, holders of mortgages on the lots, and their respective authorized agents on reasonable advance notice during normal working hours at the offices of the Association or its Directors. The Association shall not release the unlisted telephone number of any owner. The Association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the Association in providing access to records.

Section 3. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association. In the event the Association has annual assessments of fifty thousand dollars or more, the financial statement shall be audited by an independent certified public accountant, but the audit may be waived if sixty-seven percent of the votes cast by owners, in person or by proxy, at a meeting of the Association at which a quorum is present, vote that year to waive the audit.

Section 4. The funds of the Association shall be kept in accounts in the name of the Association and shall not be commingled with the funds of any other Association, nor with the funds of any Director of the Association or any other person responsible for the custody of such funds.

## ARTICLE VII. ENFORCEMENT AND AMENDMENT

Section 1. Enforcement. The rules, regulations and restrictions contained in these By-Laws may be enforced by proceedings at law or in equity approved by a majority vote of the Board of Directors on behalf of the Association, for which purpose the funds of the Association may be used. The members of the Association shall have the same enforcement rights individually, with the exception of the use of Association funds for that purpose, and may bring proceedings at law or in equity for the purpose of securing equitable relief, monetary damages, or both. No waiver of a breach of any provision of these By-Laws shall constitute a waiver of any subsequent breach of the same provision or of any other provision.

Section 2. Amendment. These By-Laws, or any portion thereof may be amended by a majority vote of the members entitled to vote, provided that any amendment which also has the effect of amending the Declaration of Covenants, Conditions and Restrictions of Record of Blue Ribbon Farms Subdivision, Divisions 1 & 2, shall require the approval and consent of a vote of not less than sixty-seven percent (67%) of the members at a meeting called for that purpose; and provided further, that all members shall be given written notice as required by ARTICLE V hereof of any meeting of the Board of Directors at which an amendment to these By-Laws is to be considered.

Section 3. Severability. If any provision of these By-Laws should for any reason be declared invalid or unenforceable, no other provision of these By-Laws shall be affected thereby, and the remaining provisions shall remain in full force and effect.

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