

BYLAWS
OF
LICORICE FERN II HOMEOWNERS ASSOCIATION

The following are the Bylaws of Licorice Fern II Homeowners Association. These Bylaws provide for Plats (Phases I, II, and III) of Licorice Fern II, ("Entry Tracts"), located on easements to be recorded with the King County Office of Records and Elections, Washington, for the benefit of the Owners of Lots Numbers One (1) through Thirty-three (33) for Phase I, recorded under Auditor's File Number 9501230588 in Volume 172 of Plats, pages 19 through 28, inclusive; Numbers One (1) through Thirty-four (34) of Phase II, recorded under Auditor's File Number 9501230628 in Volume 172 of Plats, pages 29 through 33, inclusive; and Numbers One (1) through Eighteen (18) of Phase III, recorded under Auditor's File Number 9501230631 in Volume 172 of Plats, pages 34 through 38, inclusive, all of the three King County Plats known as Licorice Fern II, Records of King County, Washington. Each owner of a Lot (including, without limitation, the owner of any Lot) automatically, by virtue of ownership of a Lot becomes a member of the Association. All present and future Lot owners, mortgagees and other encumbrancers, tenants, occupants and guests, employees or agents of Lot owners are subject to these Bylaws, the Declaration of Covenants, Conditions Reservations and Easements dated on or about February 20, 1995, which was filed on January 23, 1995 under Recording No. 9501230633, Records of King County, Washington (the "Declaration"), such amendments of the Declaration as may be made from time to time, and the rules and regulations pertaining to use and operation of the property that is the subject thereof.

Words and phrases in these Bylaws that are defined in the Declaration shall have the same meaning in these Bylaws as they are given in the Declaration. These Bylaws are adopted pursuant to Article VII of the Articles of Incorporation. In the Declaration, the Declaration shall prevail.

ARTICLE I

Membership; Voting; Register

- (1) Membership. Each owners (including Declarant) shall automatically be a member of the Association, and shall be subject to its Articles, Bylaws and such rules and regulations as may from time to time be adopted by the Board of Directors.

Associations, partnerships, and other legal fiduciaries, as well as natural persons, may be members of the Association. Ownership of a Lot (including, without limitation, ownership of any Lot created by the further subdivision or platting of any Lot) shall be the sole qualification for membership in the Association. The Association membership of each owner shall be appurtenant to the real estate or land contract) giving rise to such membership and shall not be transferred in any way except upon the transfer of title to the Lot, and then only to the transferee of title, or upon execution and delivery of a contract for the sale or the assignment of a contract purchaser's interest in any Lot, and then only to the contract purchaser or assignee. Any attempt to make a prohibited transfer of membership in the Association shall be void.

- (2) Voting.
- (a) Each owner shall have one (1) vote for each Lot owned, whether improved or not. When more than one person is an owner of any Lot, all such owners shall be members. The vote for each lot shall be exercised as the owners among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. In the event that the owners of any Lot disagree among themselves as to how the one vote for the Lot shall be exercised with respect to a pending matter, any one of such owners may deliver written notice of such dispute to the president or secretary of the Association, and the vote for that Lot shall then be disregarded completely with respect to the matter or matters before the Association at that meeting. The right to vote may not be severed or separated from any Lot, and any sale, transfer or conveyance of said property interest to a new owner or owners shall operate to transfer the appurtenant vote without the requirement of any expressed reference thereto.
- (b) In the event any owner shall be in arrears in the payment of assessments due or shall be in default of the performance of any of the terms of the Declaration for a period of thirty (30) days or more, said owner's right to vote shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied.
- (3) Register of Members. The Board of Directors shall cause a register to be kept containing the names and addresses of all members of the Association. Persons who purchase an interest in a Lot shall promptly inform the Board of Directors of their interest. Persons who claim to be members of the Association shall, upon request, furnish the Board of Directors with copies of any documents under which they assert ownership of a Lot or any interest therein, and any mortgages thereon.

ARTICLE II
Meetings of Members

- (1) Place. Meetings of the members of the Association shall be held at such reasonable place as may be convenient to the membership and designated from time to time by the Board of Directors.
- (2) Annual Meeting. The annual meeting of the Association shall be held in the first quarter of each fiscal year, on a date fixed by the Board of Directors. At such annual meeting, the owners shall elect members to the Board of Directors or fill vacancies therein, and transact such other business as shall properly come before the meeting.
- (3) Special Meetings. The President, a majority of the Board of Directors, or Lot owners holding at least twenty-five (25%) of the total voting power of the Association may call a special meeting of the Association. No business shall be transacted at a special meeting except as stated in the notice given therefore unless consented to by four-fifths of the owners present either in person or by proxy.
- (4) Notice of Meetings. It shall be the duty of the secretary to give notice of each annual and special meeting to each member of the Association as provided in the Declaration. The notice of any meeting shall state the time and place of the meeting and items on the agenda to be voted on by the members, including the general nature of any proposed amendment to the Declaration or Bylaws, changes in the previously approved budget that result in assessment obligations, and any proposal to remove a director or officer of the Association. Not less than fifteen (15) days in advance of any meeting, the secretary shall cause notice to be hand-delivered or sent prepaid by first class United States mail to the mailing address of each owner or to any other mailing address designated in writing by the owners. Before any meeting of the Association, any member may, in writing, waive notice of such meeting. Attendance by a member at a meeting of the Association shall be a waiver by him or her of timely and adequate notice unless he or she expressly challenges the notice when the meeting begins.
- (5) Quorum. The presence at the beginning of the meeting in person or by proxy of members of the Association or voting representatives holding two-thirds of the total voting power shall constitute a quorum for the transaction of business at any meeting of members of the Association.
- (6) Proxies. Votes allocated to a Lot may be cast pursuant to a proxy duly executed by an owner. If a Lot is owned by more than one person, each owner may vote or register protest to the casting of votes by the other owners of the Lot through a duly executed proxy. An owner may not revoke a proxy given pursuant to this Section (6) except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or if it purports to be a revocable without notice. Unless stated otherwise in the proxy, a proxy terminates eleven (11) months after the date of its issuance.
- (7) Adjournment of Meetings. If any meeting of owners cannot be organized because a quorum has not attended, the owners present in person or by proxy may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.
- (8) Majority Vote. Except as otherwise provided by statute, by declaration or by these Bylaws, passage of any matter submitted to vote at a meeting where a quorum is in attendance, shall require the affirmative vote of at least 51% of the voting power present.
- (9) Order of Business. The order of business at meetings of the Association shall be as follows unless dispensed with on motion:
 - (a) Roll call;
 - (b) Proof of notice of meeting or waiver of notice;
 - (c) Minutes of preceding meeting;
 - (d) Reports of officers;
 - (e) Reports of committees;
 - (f) Election of inspectors of election;
 - (g) Election of directors (annual meeting or special meeting called for such purpose);
 - (h) Unfinished business;
 - (i) New business;
 - (j) Adjournment.

- (10) Parliamentary Authority. In the event of dispute, the parliamentary authority for the meetings shall be the most current available edition of Robert's Rules of Order or such other published code of parliamentary procedure as shall be approved by a majority at the meeting.

ARTICLE III Offices

- (1) Registered Office and Registered Agent. The registered office of the Association shall be located in the State of Washington at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law, and the registered agent shall have a business office identical with such registered office.
- (2) Other Offices. The Association may have other offices within or outside the State of Washington at such place or places as the Board of Directors may from time to time determine.

ARTICLE IV Board of Directors

- (1) Number and Powers. The management of all the affairs, property and interest of the Association shall be vested in a Board of Directors, consisting of at least three (3) and not more than five (5) persons, who shall hold such office until resignation, removal by the members of the Association, or until the annual election of directors and until their successors are elected and qualified. Only members of the Association are eligible for election to the Board of Directors. In addition to the powers and authorities expressly conferred upon it by these Bylaws and the Articles of Incorporation, the Board of Directors may exercise, in good faith, all such powers of the Association and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances, and do all such lawful acts as are allowed by Washington law.
- (2) Nomination. For every election to the Board 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 Nomination Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors at least thirty (30) days prior to each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Trustees as it shall in its discretion determine, but no less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.
- (3) Change of Number. The number of Directors may at any time be increased or decreased by the adoption or amendment of these Bylaws; however, in no event shall the Board of Directors be comprised of less than three (3) directors or more than five (5) directors, and no decrease shall have the effect of shortening the term of any incumbent director.
- (4) Term of Office. The term of office for Directors shall begin upon the adjournment of the annual meeting of the Association at which they are elected. The normal term of office for directors will be for three years and until their successors are elected and take office. However, to provide for staggered Association, one-third of the number of Directors (or the whole number nearest to one-third) shall be elected for one year, the same number shall be elected for two years, and the remainder shall be elected for three years.
- (5) Vacancies. All vacancies in the Board of Directors, whether caused by resignation, death or otherwise, except removal by members of the Association, may be filled by the affirmative vote of the majority of the remaining Directors though less than a quorum of the Board of Directors. A director so appointed to fill any vacancy shall hold office until resignation, removal by the members of the Association, or until the annual election of Directors.
- (6) Removal of Directors. At any annual or special meeting of the Association, a director may be removed, with or without cause, by the holders of a majority of the total voting power of the Association, and a successor may then and there be elected to fill the vacancy thus created and to serve the balance of the unexpired term.
- (7) 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 such meetings shall be held

during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director personally or by mail, telephone or telegraph, at least three days before the day fixed for the meeting.

- (8) Annual Meeting Time. The annual meeting of the Board of Directors for the transaction of such business as may properly come before the meeting, shall be held each year within the ten days following the annual meeting of the Association or such other date and time as the Board of Directors shall determine.
- (9) Annual Meeting – Order of Business. At the annual meeting of Directors, the order of business shall be as follows:
 - (a) Calling the meeting to order.
 - (b) Proof of notice of meeting (or filing waiver)
 - (c) Reading of minutes of last meeting.
 - (d) Reports of officers.
 - (e) Reports of committees.
 - (f) Election of officers.
 - (g) Miscellaneous business.
 - (h) Adjournment.
- (10) Special Meetings. Special meetings of the Board of Directors, or any committee designated by the Board of Directors, may be called at any time by the President, or in the President's absence or upon written request, by any two Directors, to be held at the registered office of the Association or at such other place or places as the Directors may from time to time designate.
- (11) Notice.
 - (a) Notice of the time and place of the annual meeting of Directors shall be given by delivering personally or by mailing a written or printed notice of the same, at least ten (10) days, and not more than sixty (60) days, prior to the meeting.
 - (b) Notice of all special meetings of the Board of Directors shall be given to each director three (3) days in advance of such meetings by telegram, by letter, or personally. Such notice need not specify the business to be transacted at, nor the purposes of, the meeting.
 - (c) Whenever the Declaration requires that an action of the Board of Directors be taken after "notice and opportunity to be heard," the Board of Directors shall give written notice of the proposed action to all Association members, tenants, or occupants of Lots whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing, which shall be not less than five (5) days from the date notice is delivered pursuant to Article II (4) hereof. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing, or by both (as specified in the notice), subject to reasonable rules or procedure established by the Board of Directors to assure a prompt and orderly resolution of the issues.
- (12) Waiver of Notice. Attendance of a Director or a committee member at a meeting shall constitute a waiver of notice of such meeting, except where a Director or a committee member attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. A waiver of notice signed by the Director or Directors, whether before or after the time stated for the meeting, shall be equivalent to the giving of notice.
- (13) Quorum. A majority of the whole Board of Directors shall be necessary and sufficient at the beginning of all meetings to constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required.
- (14) Registering Dissent. A Director who is present at a meeting of the Board of Directors at which action on a corporate matter is taken shall be presumed to have assented to such action unless the Director's dissent shall be entered in the minutes of the meeting, or unless the Director shall file a written dissent to such action with the person acting as the secretary of the meeting, before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.
- (15) Committees. The Board of Directors, by resolution adopted by a majority of the directors, may designate and appoint one or more committees, which committees, to the extent provided in such resolution, shall have and

exercise the authority of the Board of Directors in the management of the Association: provided that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of any such committee or any Director or officer of the Association; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation or association; authorizing the sale, lease or exchange of all or substantially all of the property and assets of the Association not in the ordinary course of business; authorizing the voluntary dissolution of the Association or revoking proceedings therefore; adopting a plan for distribution of the assets of the Association or amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director of any responsibility imposed upon it or him by law.

- (16) Remuneration. No stated salary shall be paid to the Directors, as such, for their service, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors; provided, that nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.
- (17) Loans. The Association shall not lend money or credit to its Directors.
- (18) Disbursement. The Association shall not make any disbursements of income to any Director.
- (19) Action by Directors without a Meeting. Any action required or which may be taken at a meeting of the Board of Directors, or of a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed before such action by all of the Directors, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.
- (20) Action of Directors by Communications. Directors may participate in a meeting of Board of Directors by means of a telephone conference or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

ARTICLE V Officers

- (1) Designations. The officers of the Association shall be a President, Vice President, a Secretary and a Treasurer, and as the Board of Directors deems appropriate, an Assistant Secretary and Assistant Treasurer, all of whom shall be elected by and from the directors at their first annual meeting, and who shall hold office until their successors are elected and qualified. Any two or more offices may be held by the same person, except the offices of President and Secretary.
- (2) Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the first Board meeting after the annual meeting of the Association. They shall hold office at the pleasure of the Board.
- (3) The President. The President shall be the Chief Executive Officer of the Association and shall be the principal operating and administrative officer of the Association and shall be generally responsible for the proper conduct of the business of the Association. The President shall possess power to sign all certificates, contracts and other instruments of the Association. The President shall preside at all meetings of the Board of Directors. The President shall perform all such other duties as are incident to the office or are properly required of the President by the Board of Directors. The President shall act as liaison from and as spokesperson for the Board of Directors. The President shall participate in long-range planning for the Association and shall be available to the other officers of the Association for consultation. The President shall have such other powers and perform such other duties as from time to time may be conferred or imposed upon the President by the Board of Directors.
- (4) Vice-Presidents. During the absence or disability of the President, the Executive Vice-Presidents, if any, and the Vice-Presidents in the order designated by the Board of Directors, shall exercise all the functions of the President. Each Vice-President shall have such powers and discharge such duties as may be assigned to each Vice President from time to time by the Board of Directors.

- (5) Secretary and Assistant Secretaries. The Secretary shall issue notices for all meetings; except for special meetings of the directors which are called in accordance with Article IV (9) herein, shall keep minutes of all meetings, shall have charge of the seal and the corporate books, and shall make such reports and perform such other duties as are incident to the office, or are properly required of the Secretary by the Board of Directors. The Assistant Secretary, or Assistant Secretaries in the order designated by the Board of Directors, shall perform all of the duties of the Secretary during the absence or disability of the Secretary, and at other times may perform such duties as are directed by the President or the Board of Directors.
- (6) The Treasurer. The Treasurer shall have the custody of all moneys of the Association and shall keep regular books of account. The Treasurer shall disburse the funds of the Association in payment of the just demands against the Association or as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Board of Directors from time to time as may be required of the Treasurer an account of all transactions made as Treasurer and of the financial condition of the Association. The Treasurer shall perform such other duties incident to the office or that are properly required of the Treasurer by the Board of Directors. The Assistant Treasurer, or Assistant Treasurers in the order designated by the Board of Directors, shall perform all of the duties of the Treasurer in the absence or disability of the Treasurer, and at other times may perform such other duties as are directed by the President or the Board of Directors.
- (7) Delegation. In the case of absence or inability to act of any officer of the Association and of any person herein authorized to act in his or her place, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer or any director or other person whom it may select.
- (8) Vacancies. Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting of the Board.
- (9) Other Officers. Directors may appoint such other officers and agents as it shall deem necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.
- (10) Term – Removal. The officers of the Association shall hold office until their successors are appointed and qualified. Any officer or agent elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.
- (11) Bonds. The Board of Directors may, by resolution, require any and all of the officers to give bonds to the Association, with sufficient surety or sureties, conditioned for the faithful performance of the duties of their respective offices, and to comply with such other conditions as may from time to time be required by the Board of Directors.

ARTICLE VI
Depositories

The moneys of the Association shall be deposited in the name of the Association in such bank or banks or trust company or trust companies as the Board of Directors shall designate, and shall be drawn out only by check or other order for payment of money signed by such persons and in such manner as may be determined by resolution of the Board of Directors.

ARTICLE VII
Notices

Except as may otherwise be required by law, any notice to any director, any owner or any other person entitled to notice may be delivered personally or by mail. If mailed, the notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the addressee at his or her last known address in the records of the Association, with postage thereon prepaid.

ARTICLE VIII
Seal

The corporate seal of the Association, if any, shall be in such form and bear such inscription as may be adopted by resolution of the Board of Directors, or by usage of the officers on behalf of the Association.

ARTICLE IX
Indemnification of Officers,
Directors, Employees and Agents

(1) Definitions:

As used in this Article:

- (a) "Action" means any actual or threatened claim, suit or proceeding, whether civil, criminal, administrative or investigative.
 - (b) "Another Enterprise" means an association (other than the Association), partnership, joint venture, trust, committee, employee benefit plan or other group or entity.
 - (c) "Association" means Licorice Fern II Homeowners Association and any predecessor to it and any constituent Association (including any constituent of a constituent) absorbed by the Association in a consolidation or merger.
 - (d) "Director or Officer" means each person who is serving or who has served as a director or officer of the Association or, at the request of the Association, as a director, officer, employee, partner, trustee or agent of Another Enterprise.
 - (e) "Indemnitee" means each person who was, is or is threatened to be made a party to or is involved (including without limitation, as a witness) in an Action because the person is or was a Director or Officer of the Association.
 - (f) "Loss" means loss, liability, expenses (including attorneys' fees), judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement, actually and reasonably incurred or suffered by an Indemnitee in connection with an Action.
- (2) Right of Indemnification. The Association shall indemnify and hold each Indemnitee harmless against any and all Loss except for Losses arising out of: (a) the Indemnitee's acts or omissions finally adjudged to be intentional misconduct or a knowing violation of law or (b) any transaction in which it is finally adjudged that the Indemnitee personally received a benefit in money, property or services to which the Indemnitee was not legally entitled. Except as provided in Section (4) of this Article, the Association shall not indemnify an Indemnitee in connection with an Action (or part thereof) initiated by the Indemnitee unless such Action (or part thereof) was authorized by the Board of Directors of the Association. If, after the effective date of this Article, the Washington Nonprofit Corporation Act is amended to authorize further indemnification of directors or officers, then Directors and Officers of this Association shall be indemnified to the fullest extent permitted by the Washington Nonprofit Corporation Act, as so amended.
- (3) Burden of Proof, Procedure for Payment and Notice to Directors.
- (a) The Indemnitee shall be presumed to be entitled to indemnification under this Article upon submission of a written claim (including a claim for expenses incurred in defending any Action in advance of its final disposition, where the undertaking in (b) below has been tendered to the Association), and thereafter the Association shall have the burden of proof to overcome the presumption that the Indemnitee is so entitled.
 - (b) The right to indemnification conferred in this Article shall include the right to be paid by the Association all expenses (including attorneys' fees) incurred in defending any Action in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of an Action shall be made upon delivery to the Association of an undertaking, by or on behalf of such Director or Officer, to repay all amounts so advanced if it shall ultimately be determined that such Director or Officer is not entitled to be indemnified under this Article or otherwise.
 - (c) Any indemnification in accordance with this Article, including any payment or reimbursement of expenses, shall be reported to the directors with the notice of the next containing a brief description

of the proceedings involving the Director or Officer being indemnified and the nature and extent of such indemnification.

- (4) Right of Indemnitee to Bring Suit. If a claim under this Article is not paid in full by the Association within 60 days after a written claim has been received by the Association, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be 20 days, the claimant may at any time thereafter bring suit against the Association to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the Indemnitee shall be entitled to be paid also the expense of prosecuting such claim. Neither the failure of the Association (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances, nor an actual determination by the Association (including its Board of Directors or independent legal counsel) that the Indemnitee is not entitled to indemnification or to the reimbursement or advancement of expenses, shall be a defense to the action or create a presumption that the Indemnitee is not so entitled.
- (5) Nonexclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending an Action in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of disinterested directors or otherwise.
- (6) Insurance, Contracts and Funding. The Association may maintain insurance, at its expense, to protect itself and any Director, Officer, employee or agent of the Association or Another Enterprise against any expense, liability or loss, whether or not the Association would have the power to indemnify such person against such expense, liability or loss under the Washington Nonprofit Corporation Act. The Association may, without further corporate action, enter into contracts with any Director or Officer of the Association in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.
- (7) Indemnification of Employees and Agents of the Association. The Association may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of an Action to employees and agents of the Association with the same scope and effect as the provisions of this Article with respect to the Officers of the Association or pursuant to rights granted pursuant to, or provided by, the Washington Nonprofit Corporation Act or otherwise.
- (8) Contract Right. Rights of indemnification under this Article shall continue as to an Indemnitee who has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors and administrators. The right to indemnification conferred in this Article shall be a contract right upon which each Director or Officer shall be presumed to have relied in determining to serve or to continue to serve as such. Any amendment to or repeal of this Article shall not adversely affect any right or protection of a Director or Officer of the Association for or with respect to any acts or omissions of such Director or Officer occurring prior to such amendment or repeal.
- (9) Severability. If any provision of this Article or any application thereof shall be invalid, unenforceable or contrary to applicable law, the remainder of this Article, or the application of such provisions to persons or circumstances other than those as to which it is held invalid, unenforceable or contrary to applicable law, shall not be affected thereby and shall continue in full force and effect.

ARTICLE X Books and Records

- (1) Books and Records Kept. The Association shall keep at its registered office, its principle office in this state, or its secretary's office if in this state, the following:
 - (a) Current Articles and Bylaws;
 - (b) Complete, detailed and accurate books and records of the receipts and expenditures of the Association;
 - (c) A record of the names and addresses of the officers and directors;
 - (d) Minutes of the proceedings of the Board of Directors, and any minutes which may be maintained by committees of the board. Records may be written, or electronic if capable of being converted to writing.

- (2) Inspection of Books and Records. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers and other records of the Association shall be available for examination by the owners, mortgagees and the agents or attorneys of either of them, during normal business hours and at any other reasonable time or times.

ARTICLE XI
Amendments

- (1) Procedures. A director or an owner may propose to the Board amendments to these Bylaws. A majority of the members of the Board of Directors may cause a proposed amendment to be submitted to the members of the Association for their consideration. If an amendment is proposed by owners of twenty percent (20%) or more of the Lots, then irrespective of whether the Board of Directors concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons (including Eligible Holders as defined in the Declaration) entitled to receive notices.
- (2) Percentages of Consent Required. Except to the extent provided otherwise in the Declaration and Articles, a majority of the total voting power of the Association is the percentage of consent of owners and mortgagees required for adoption of amendments to these Bylaws.
- (3) Emergency Bylaws. The Board of Directors may adopt emergency Bylaws which shall be operative during an emergency in the conduct of the business of the Association resulting from an attack on the United States or any nuclear or atomic disaster. The emergency Bylaws may make any provision that may be practical and necessary for the circumstances of the emergency.

ARTICLE XII
Authority of the Association

- (1) The Association acting by and through the Board of Directors, its officers, manager, employees or its other authorized agents or representatives shall have the powers set out in Article IV of the Declaration which is by this reference incorporated herein.
- (2) In exercising its duties with regard to common expenses and assessments, the Association shall act in accord with Article III of the Declaration which is by this reference incorporated herein.

Adopted by resolution of the Association's Board of Directors on the 8th day of August, 1995.

LICORICE FERN II HOMEOWNERS
ASSOCIATION