

UNITED STATES OF AMERICA

The State of  Washington

Secretary of State

I, **STEVE R. HOBBS**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF FORMATION

to

WALLACE RANCH HOMEOWNERS' ASSOCIATION LLC

A **WA LIMITED LIABILITY COMPANY**, effective on the date indicated below.

Effective Date: 09/25/2024

UBI Number: 605 615 538



Given under my hand and the Seal of the State of Washington at Olympia, the State Capital



Steve R. Hobbs, Secretary of State

Date Issued: 09/25/2024

**BYLAWS OF
WALLACE RANCH HOMEOWNER'S ASSOCIATION**

**ARTICLE I.
NAME AND LOCATION**

The name of the corporation is WALLACE RANCH HOMEOWNER'S ASSOCIATION, hereinafter referred to as the "Association."

**ARTICLE II.
PURPOSE AND DEFINITIONS**

2.1 PURPOSE

The purpose for which the Association is formed is to govern the property known as "WALLACE RANCH (the "Property") in Kittitas County.

2.2 DEFINITIONS

Unless otherwise specified, all terms shall have the same meaning in these Bylaws as such terms have in the Declaration. The terms "Owners" and "Members" as used herein shall be synonymous and shall include Declarant, so long as Declarant is an Owner.

**ARTICLE III.
MEMBERS AND VOTING RIGHTS**

Membership in the Association and voting rights are established pursuant to the Declaration.

**ARTICLE IV.
CERTIFICATE OF MEMBERSHIP**

Certificates of membership in this Association will not be issued to Members.

**ARTICLE V.
OWNERSHIP**

No Member shall have any right, title, or interest in or to the whole or any part of the property or assets of the Association, and no Member shall be entitled to either the whole or any part thereof in the event of termination of his or her membership in the Association.

**ARTICLE VI.
MEETINGS OF MEMBERS**

Meetings of the Members of the Association shall be held in accordance with the provisions set forth in the Declaration.

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ARTICLE VII.

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors in accordance with the provisions set forth in the Declaration. The composition of the Board, the qualification, election and removal of Board Members shall be governed by the terms of the Declaration.

ARTICLE VIII.

MEETINGS OF BOARD OF DIRECTORS

Meetings of the Board of Directors shall be governed by the terms of the Declaration.

ARTICLE IX.

POWERS AND DUTIES

OF THE BOARD OF DIRECTORS

9.1 The Board of Directors shall have the powers and duties necessary for the administration of the affairs thereof consistent with the purposes and objectives set forth in these Bylaws, the Declaration, Articles of Incorporation, and pursuant to the laws of the State of Washington. Without prejudice to the generality of the foregoing, the Board of Directors shall have the power and duty:

9.1.1 To adopt and publish rules and regulations consistent with the Declaration, Articles of Incorporation, and Bylaws, governing the use of the Property, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof, provided that such rules and regulations shall not be inconsistent with the Declaration.

9.1.2 To exercise for the Association all powers, duties, and authority vested in or delegated to the Association not reserved to the membership by other provisions of these Bylaws or the Declaration or Articles of Incorporation.

9.1.3 To employ and remove at pleasure all officers, agents, employees, independent contractors, or such other persons as are deemed necessary, prescribe their duties, and fix their compensation.

9.1.4 To cause to be kept a complete record of all its acts and corporate affairs.

9.1.5 To supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed.

9.1.6 To set the operating budget and allocate the assessment rate in accordance with the terms and conditions of the Declaration.

by the Declaration in the event of a vacancy, or determine the qualifications, powers, duties or terms of office of Board Members.

ARTICLE X.

OFFICERS AND THEIR DUTIES

The Board of Directors shall elect a President, a Vice-President, a Secretary and a Treasurer, provided that if there are only three Board Members, the offices of Vice President and Treasurer may be combined.

10.1 PRESIDENT

The president shall be the principal executive officer of the Association and, subject to the Board's control, shall supervise and control all of the business and affairs of the Association. When present, the president shall preside over all membership meetings and over all Board meetings. With the secretary or other officers of the Association authorized by the Board, the president may sign deeds, mortgages, bonds, contracts, or other instruments that the Board has authorized to be executed, except when the signing and execution thereof has been expressly delegated by the Board or by these Bylaws or the Declaration to some other officer or in some other manner. The president shall prepare, execute, certify, and record amendments to the Articles of Incorporation, the Declaration, and these Bylaws, at the request and under the direction of the Board of Directors, as authorized by the Members when applicable. In general, the president shall perform all duties as may be prescribed by the Board from time to time.

10.2 VICE PRESIDENT

In the absence of the president or in the event of the president's death, inability, or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall perform such duties as from time to time may be assigned to the vice president by the president or by the Board.

10.3 SECRETARY

The secretary shall: (a) keep the minutes of the membership and Board meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the Association Records of the Association; (d) keep a register of the post office address of each Member as furnished to the secretary by each Member; (e) and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the president or by the Board.

10.4 TREASURER

The treasurer shall have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws, prepare an annual budget and statement of income and

expenditures to be presented to the Members at their regular annual meeting, and in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned by the president or by the Board.

ARTICLE XI.

DUTY OF CARE AND LOYALTY

In the performance of their duties, officers and board Members shall discharge their duties (a) in good faith; (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; (c) in a manner the director or officer reasonably believes to be in the best interests of the Association; and (d) in accordance with the Declaration and State law.

ARTICLE XII.

LOANS PROHIBITED

No loans shall be made by the Association to any officer or to the Board of Directors.

ARTICLE XIII.

CONTRACTS, CHECKS, AND DEPOSITS

13.1 CONTRACTS

The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

13.2 CHECKS, DRAFT, ETC.

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents, of the Association and in such manner as are from time to time determined by the Board.

13.3 DEPOSITS

All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may select. The funds shall not be commingled with the funds of any other person or entity, or kept in any trust account or custodial account in the name of any trustee or custodian.

ARTICLE XIV.

FISCAL YEAR

The fiscal year of the Association shall end December 31.

ARTICLE XV.

NONPROFIT ASSOCIATION

This Association is not organized or incorporated for profit. No Member, Director of the Board, or person from whom the Association may receive any property or funds shall be lawfully entitled to receive any pecuniary profit from the operations thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any Director of the Board. The foregoing, however, shall neither prevent nor restrict the following: (a) reasonable compensation may be paid to any Member or manager while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (b) any Member or Director may, from time to time, be reimbursed for actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XVI.

SEAL

There shall be no seal of this Association.

ARTICLE XVII.

INDEMNIFICATION

The Articles of Incorporation provide broad limitation of liability protection and indemnification to directors, officers, employees, and agents all as more specifically therein stated and by reference here incorporated.

ARTICLE XVIII.

AMENDMENTS

These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted in the manner set forth in the Declaration.

ARTICLE XIX.

BOOKS AND RECORDS

19.1 BOOKS AND MINUTES

The Association shall keep current and complete books and records of account, and shall keep minutes of the proceedings of its Board and the committees having any authority of the Board.

19.2 FINANCIAL RECORDS

The Association or its managing agent 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 managing agent 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 managing agent is entitled to keep copies of Association records at its own expense.

19.3 MEMBERSHIP RECORDS

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 Members, holders of mortgages on the lots, and their respective authorized agents in accordance with the Declaration.

19.4 FINANCIAL STATEMENTS

The Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with the Declaration.

ARTICLE XX.

RULES AND REGULATIONS

20.1 ADOPTION

The Board of Directors may from time to time and subject to the provisions of the Declaration, Articles of Incorporation, and these Bylaws, adopt, amend, and repeal rules and regulations in order to preserve the benefit of for all Owners, their families, invitees, licensees and lessees, and for guests.

20.2 PROMULGATION

The secretary shall mail a true and correct copy of all rules and regulation or amendments thereto, to each Member of the Association as appears on the membership roll of the Association at such Member's last known address, and shall enter upon the records of the corporation a certificate of such mailing.

20.3 EFFECTIVE DATE

Any such rule or regulation or amendment thereto adopted by the Board of Directors shall be effective commencing at 12:01 a.m. on the fifth (5th) day following the date of such mailing, unless the Board of Directors in adopting the same shall specify some other effective date.

ARTICLE XXI.

RULES OF PROCEDURE

The rules of procedure at the meeting of the Board of Directors of the Association shall be rules contained in the Robert's Rule of Parliamentary Procedure, so far as applicable and when not inconsistent with these Bylaws, the Articles of Incorporation, the Declaration, or any resolution of the Board of Directors.

ARTICLE XXII.

CONFLICTS

In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws and the Articles, the Declaration shall control.

CERTIFICATE OF ADOPTION

The undersigned hereby certifies that the foregoing are the Bylaws adopted at the meeting of the Board of said Association held on the ____ day of _____, 2024.

WALLACE RANCH HOMEOWNER'S
ASSOCIATION

By: _____, a Washington
_____ company, Declarant

By: _____

Name: _____

Its: _____