

**SECTOR 2A AT SNOHOMISH CASCADE ASSOCIATION
MINUTES OF THE BOARD OF DIRECTORS' MEETING
Tuesday, March 1, 2022**

This meeting was conducted using Zoom.

CALL TO ORDER / ROLL CALL

1. Board President, Matt Hale called the meeting to order at 7:04.
2. Board members present (Zoom conference) were Matt Hale, Steve Yandl, Gary Hebert, Bill Steenis, Tanya Edwards, and John Alleman. David Divoky was absent due to a previously identified commitment. This was a quorum.

REVIEW OF MINUTES FROM PREVIOUS MEETING

1. The minutes of the February 2022 meeting were unanimously approved without change.

GENERAL BUSINESS

1. Matt discussed the conversation with Amazon (old business from February 2021).

TREASURER'S REPORT

1. Account status
 - a. Operations (checking): \$141,383.
 - b. Operational reserve (money market): \$5,712.
 - c. Reserve fund (long term reserve held in CD): \$16,940.
2. The audit ended well. Not as many journal entries required to be entered as corrections.
3. Collections for 2022 dues continue:
 - a. 85% of households have paid by the end of February. All but 40 have been received. 2 people paid \$450 vs. the required \$540.
4. Voting thus far:
 - a. Ratification of budget; 148 yes, 8 no.
 - b. Proxy award; 130 yes.
5. Other issues:
 - a. We remain underfunded in the reserve but not to the point where we require a special assessment.

MAINTENANCE COMMITTEE REPORT

1. Tanya: Boat Park drainage (where the boat was located) remains an unaddressed issue.
2. Matt Hale has assumed additional new role as member of the Maintenance Committee
 - a. Matt has called for the Maintenance Committee to produce a prioritized maintenance plan that can be put in front of the board for funding and approval
 - b. John Alleman recommends using Smartsheet to maintain an accountable plan
 - c. Tanya Edwards agrees that forecasting costs like sprinkler replacement will be beneficial to managing future budgets
 - d. Matt Hale has suggested that the community's early relationship with Amazon might help to support
3. John discussed the email from John Paterson about concerns that Skinner Landscaping had exceeded their contract terms by landscaping trails
 - a. Matt: Upon review of the contract, the trails are maintained twice per year to include pruning back the vegetation.
 - b. Steve: The association pays Skinner Landscaping a flat fee for normal maintenance with additional fees for activities like replacing sprinklers
 - c. Matt suggested that members of the maintenance committee occasionally do a walkthrough with Skinner Landscaping to ensure we understand what they're doing, and they know that we have a good understanding of their work. Steve emphasized that we don't want to micromanage Skinner's work and not lose sight of the fact that the contract is being fulfilled for the agreed upon price.
4. Steve does have a quote from Kenny Tree for about \$3,000 to remove 3 trees in the greenbelt adjacent to the Paullin's house (15807 68th Ave SE). See new business for further discussion of this topic.

ARCHITECTURAL CONTROL COMMITTEE REPORT

1. John Alleman reported. Details mentioned below are tracked in Smartsheets.
2. Project requests, approvals, and issue
(<https://app.smartsheet.com/sheets/hWjXhp369Mm7qPqgM8hXrhG8CQfWpg99mPM4Jw41>)
 - a. Fleischmann – Front yard landscaping and tree removal; Approved.
 - b. Paullin – Tree removal in association buffer area; Pending.
3. CC&R violation issues.
(<https://app.smartsheet.com/sheets/3P29h84c97P8XqqwpjXmw5h6MpGM8PfcxpwMmPF1>)
 - a. Lowell – Travel trailer in driveway over 72 hours. Warning letter sent on 2/24. Trailer was gone as of 2/28.
 - b. The committee has noted many recycling cans outside of the fence. This might be a good topic for the newsletter.

OLD BUSINESS

1. No news on the Amazon conversation regarding sponsorship of the Tot Park on 72nd. We'll keep the discussion going. Matt suggested that we should put together a "pitch sheet" of several options we could present them. Tanya discussed that options might be limited based on the grade and limited drainage. A very rough estimate indicates above \$50,000 might be in order.
2. John sent a certified letter to Harischandra Dubey re: board's decision from the January 2022 special meeting. The letter was sent to their neighborhood address, and 2 delivery attempts were made by USPS and the letter has been returned to John and remains unopened. This fulfills the legal interpretation of notification should this ever become an issue.

NEW BUSINESS

1. Steve discussed the tree removal issue especially in common areas which adjoin homeowner's property. This is especially pertinent given the Paullin request to remove several trees from the buffer area adjoining their backyard.
 - a. Steve Yandl proposes that we risk setting an expensive and uncontrollable precedent by accepting the assessment and bid without an arborist assessment.
 - b. Matt indicated that all the trees will eventually die, and we should rely upon a certified arborist to make the judgment on the risk associated with the tree(s).
 - c. As it specifically relates to the Paullin house, John did inspect the location and evaluates that the trees are in a distressed state and might pose a threat to fence or covered patio structures, but he stresses that he is not an arborist
 - d. John suggested that the homeowner should have some financial participation and obligation in the removal of trees.
 - e. Gary emphasized that the homeowner's would also have to be responsible to not cut live roots if they lie in their property. John stressed that the homeowner should share in the cost which is a premium for living alongside a greenbelt.
 - f. Gary suggested that one approach could involve a complete evaluation of buffer zones by an arborist, remove all distressed trees and apply a special assessment to cover these unbudgeted costs. Furthermore, the board will need to ensure future association dues reflect cost trends for removal of trees in buffer zones.
 - g. Steve summarized the common law addressing a tree on neighbor's property: If it was a known hazard and causes damage to their neighbor's property, the then the owner of the tree is responsible. If the tree was not a known hazard and causes damage due to an Act of God then the owner of the tree is not liable.
 - h. The challenge is we need to balance our legal obligation of mitigating hazards vs. not allowing costs to escalate out of control. Any policy we set needs to take this into consideration. All our common area trees are aging and they will become a hazard at some point.

- i. Steve proposes that we keep the policy as written in place: A certified arborist needs to assess the tree at the request of the homeowner. Based upon the judgment of the arborist, the maintenance committee then would consider the tree removal on a case basis of whether, or not, the association would share in the costs for removal.
2. Steve discussed amending the bylaws to:
 - a. Allow for ACH payment of some association bills,
 - b. Ensure all checks intended for disbursement of association funds require two signatories with exception of some payments which are done via ACH. This has been the bank's policy for our checking account but putting this in the bylaws would codify this procedure.
 - c. Added email as an option for recordation of things writing,
 - d. The amended bylaws were unanimously approved by the board. (A copy has been appended to the minutes).
3. Steve is working on the newsletter.

MEETING ADJOURNED AT 8:32 PM



John Alleman, Secretary

BYLAWS
SECTOR 2A AT SNOHOMISH CASCADE ASSOCIATION

The original Bylaws for Sector 2A at Snohomish Cascade Association, originally named Gold Creek Sector 2A at Snohomish Cascade Association were placed in force by Donald Leavitt, the developer, on July 2, 1997. Donald Leavitt terminated the Development Phase per the provisions in the Declaration on January 13, 2003. The Bylaws were amended by Board Action effective April 9, 2003. **By Board Action, new amendments have been approved and these current Bylaws are adopted, effective March 1, 2022.**

ARTICLE 1 OBJECT AND DEFINITIONS

- 1.1 Purpose. The purpose for which this Association is formed is to govern the Sector 2A at Snohomish Cascade residential development (originally known as the Gold Creek Sector 2A at Snohomish Cascade residential development) situated in Snohomish County, Washington (the "Property"), which Property has been submitted to the provisions of a Declaration of Covenants, Conditions, Restrictions and Easements dated July 2, 1997; recorded under Snohomish County Recording No. 9707020090, amended August 6, 1997 under Recording No. 9708060339; August 26, 1997 under Recording No. 9708260002; and June 11, 1999 under Recording No. 199906110813; establishing a plan for ownership and management of the Property (the "Declaration").
- 1.2 Assent. All present or future owners, occupants, or any other person using the Lots or other facilities of the Property are subject to the resolutions set forth in these Bylaws. The mere acquisition or occupancy of any of the Lots in the Property shall constitute ratification of these Bylaws.
- 1.3 Definitions. Unless otherwise specified, all undefined capitalized terms shall have the same meaning and definition in these Bylaws as such terms have in the Declaration.

ARTICLE 2 ARTICLES OF INCORPORATION AND BYLAWS ARE SUBJECT TO THE DECLARATION

- 2.1 The Articles of Incorporation and the Bylaws of the Sector 2A at Snohomish Cascade Association, along with any rules, regulations or other Governing Documents created by the corporation, shall be in all respects subject to, and in aid of, the Declaration. In the event that the Articles or these Bylaws, or any action taken by the Board or the Owners, shall conflict with the Declaration, the provisions of the Declaration shall control. The terms, provisions and conditions of the Declaration are by this reference incorporated herein as if fully set forth.

ARTICLE 3 MEMBERSHIP, VOTING, AND MEETINGS AFTER THE DEVELOPMENT PERIOD

- 3.1 Matters Governed by Declaration. With regard to various matters including membership, transfer of membership, voting, and joint owner disputes, reference is made to Article 4 of the Declaration, and the same is made a part hereof as if set forth herein.

- 3.2 Association Meetings. There shall be an annual meeting of the Members in the second quarter of each calendar year at such reasonable place and time as may be designated by written notice of the President of the Board delivered to the Members not less than fourteen (14) days but not more than sixty (60) days prior to the date fixed for the meeting. The President of the Board shall preside over meetings of the Board and of the Association. Any business placed on the agenda for the meeting by the Board for a vote of the Members shall be included in the notice of the meeting sent to the Members.
- 3.3 Special Meetings. Special meetings of the Members may be called at any time by written notice of the President of the Board, a majority of the Board, or of Members holding ten percent (10%) of the votes in the Association, which notice shall be delivered to all the Members and the Board not less than fourteen (14) days but not more than sixty (60) days prior to the date fixed for the meeting. The notice shall specify the date, time and place of the meeting, and the matters to be considered.
- 3.4 Majority of Members. As used in these Bylaws the term "Majority of Members" shall mean a simple majority (51%) of the members present at an association meeting or special meeting where a quorum is present.
- 3.5 Quorum. Except as otherwise provided in these Bylaws, a quorum is present throughout any meeting of the association if the owners to which thirty-four percent of the votes of the association are allocated are present in person or by proxy at the beginning of the meeting. It is required that a quorum be present at a meeting, either in person or by proxy to transact business.
- 3.6 Proxies. Votes may be cast in person or by proxy. Proxies shall be in writing and the signatures must be witnessed or acknowledged. Proxies must be filed with the Secretary of the Association before the appointed time of each meeting. No proxy shall be valid for a period longer than eleven (11) months after the date thereof.
- 3.7 Voting by Mail. The Board may decide that voting of the Members shall be by mail with respect to any particular election of the Board in accordance with the following procedure: The existing directors shall advise the Secretary in writing of the names of nominated directors sufficient to constitute a full Board of Directors, and of a date not less than forty (40) and not more than fifty (50) days after such advice is given by which all votes are to be received. Within five (5) days after such advice is given, the Secretary shall deliver written notice of the number of directors to be elected and of the names of the nominees to all Members. The notice shall state that any such Owner may nominate an additional candidate or candidates, not to exceed the number of directors to be elected, by notice in writing to the Secretary at the specified address to the principal office of the Association, to be received on or before a specified date approximately fifteen (15) days from the date the notice is given by the Secretary. Within five (5) days after such specified date, the Secretary shall give written notice to all Members, stating the number of directors to be elected, stating the names of all

persons nominated by the Board and by the Members on or before said specified date, stating that each Owner may cast a vote by mail, and stating the date established by the Board by which such votes must be received by the Secretary at the address of the principal office of the Association, which shall be specified in the notice. Votes received after that date shall not be effective. All persons elected as directors pursuant to such an election by mail by receipt of the number of votes required by applicable law shall take office effective on the date specified in the notice for receipt of such votes. Delivery of a vote in writing to the principal office of the Association shall be equivalent to receipt of a vote by mail at such address for the purpose of this section.

3.8 Order of Business.

3.8.1 Roll call.

3.8.2 Proof of notice of meeting or waiver of notice.

3.8.3 Reading of minutes of preceding meeting.

3.8.4 Reports of officers.

3.8.5 Reports of committees.

3.8.6 Election of directors (meeting after the annual meeting and special meetings called for that purpose).

3.8.7 Unfinished business.

3.8.8 New Business

3.9 Action by Members of Directors Without Meeting. Any action required by law to be taken at a meeting of the Members or Board of Directors of the Association, or any action which may be taken at a meeting of the Members or the Board, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof, or all of the directors, as the case may be. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any Articles or document filed with the Secretary of State of the State of Washington.

3.10 Other Means of Participation. Members may participate in an Association meeting by means of a conference telephone 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 the meeting.

ARTICLE 4 MANAGEMENT OF ASSOCIATION AFTER THE DEVELOPMENT PERIOD

- 4.1 In General. The affairs of the Association shall be governed by a Board of Directors. No person may hold more than one position as director.
- 4.2 Election and Term of Office. The directors of the first Board elected by the Members after termination of the Development Period, and all subsequent directors, shall serve for one (1) year terms of office. The nomination procedures for the election of the Board shall be in accordance with the Voting by Mail Section of these Bylaws. Upon termination of the Development Period, the Declarant shall have the right to appoint the initial temporary Board of Directors, which directors shall serve until the first election of the Board of Directors as provided for in these Bylaws.
- 4.3 Organization Meeting. The first meeting of a newly elected Board of Directors shall be held immediately following the annual meeting of the Members, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting.
- 4.4 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors; provided that, at least two (2) such meetings shall be held during each fiscal year and one such meeting shall be held immediately following the annual meeting of Members. Notice of regular meetings of the Board shall be given to each director, personally or by mail, telephone, **email**, or telegraph, at least three (3) days prior to the day named for such meeting, by the President or Secretary of the Association.
- 4.5 Special Meetings. Special meetings of the Board may be called by the President on three (3) days' notice to each director, given personally, or by mail, telephone, **email**, or telegraph, which notice shall state the time, place (as hereinabove provided), and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors.
- 4.6 Open Meetings. All meetings of the Board shall be open for observation to the Members and their authorized agents. The Board shall keep minutes of all action taken by the Board. Upon the affirmative vote to assemble in closed session, the Board may convene in closed session to consider personal matters; consult or consider communication with legal counsel; discuss Association litigation; potential or actual violations of the Governing Documents; and matters regarding the potential liability of an Owner to the Association. Any motion for closed session shall state the purpose(s) of the session and be recorded in the minutes. The Board shall only consider in closed session those matters which are made part of the motion. The Board may only act regarding a matter discussed in closed session by an affirmative vote in a subsequent open meeting.

- 4.7 Waiver of Notice. Before, at or after any meeting of the Board, 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 Board members are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meetings.
- 4.8 Quorum. At all meetings of the Board, a majority thereof shall constitute a quorum for the transaction of business, and 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. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.
- 4.9 Vacancies. Vacancies in the Board caused by any reason other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.
- 4.10 Removal of Directors. At any regular meeting or at any special meeting called for that purpose, any one or more of the directors may be removed with or without cause by a majority vote of the Members at a meeting with a quorum. A successor may then and there be elected by the Members to fill the vacancy that is created. Any director whose removal has been so proposed by the Members shall be given an opportunity to be heard at the meeting.
- 4.11 Fidelity Bonds. The Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.
- 4.12 Board Fees. Each Board member shall receive such sum as the Members may from time to time determine, plus transportation expenses, for attendance at any regular or special meetings of the Board.

ARTICLE 5 OFFICERS

- 5.1 Designation. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board and need not be Owners or Members of the Association.
- 5.2 Election of Officers. The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any person may hold concurrently any two offices (and may also concurrently be a Board member), except that the same person may not concurrently

hold the offices of the President and Secretary.

5.3 Removal of Officers. Upon an affirmative vote of a majority of the directors, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

5.4 President. The President shall be the chief executive officer of the Association. He shall have all of the general powers and duties which are usually vested in the office of the President of a nonprofit association including, but not limited to, the power to appoint committees from among the directors from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5.5 Vice President. A Vice President shall have all the powers and authority and perform all of the functions and duties of the President in the absence of the President or his inability for any reason to exercise such powers and functions or perform such duties.

5.6 Secretary. The Secretary shall keep the minutes of meetings of the Board and minutes of meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall in general perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their registered mailing addresses. Such list shall also show opposite each Owner's name the number of other appropriate designation of the Lot of Lots owned by such Owner. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

5.7 Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

5.8 Assistant Secretary. The Board may appoint one or more Assistant Secretaries to perform all of the duties of the Secretary in the absence of the Secretary.

5.9 Assistant Treasurer. The Board may appoint one or more Assistant Treasurers to perform all of the duties of the Treasurer in the absence of the Treasurer.

ARTICLE 6 ADMINISTRATION AND RECORD KEEPING

6.1 Record Keeping. The books, records and documents of the Association shall at all times during reasonable business hours be subject to inspection by any Member or his or her authorized representative. Copies of the Declaration, Articles of Incorporation, and the Bylaws of the Association shall be available for inspection and copying. The Association may charge a reasonable fee for the cost of supplying copies of these documents to the Members.

6.2 Financial Accounting. The Association shall prepare an annual financial statement. If the annual assessments of the Association are over \$50,000, the Association shall have an annual audit conducted of the financial statement by an independent auditor or accountant, unless waived by a sixty-seven (67%) majority vote of the Members.

6.2.1 Payments Made by the Association. Payments made as prescribed by the annual budget or otherwise approved by Association Action shall be made from the Association's checking account. Written checks will require two (2) signatures. Where ACH or other method for electronic transfer of funds is possible and preferable to written check, such payments may be made but the transaction documentation will be shared with the Board for review.

6.2.2 Payments made by Others for the Association. When necessary, and approved by the Board, payments may be made by members of the Board or members of the Association by credit card or personal check. The individual making such payments will be reimbursed when they present receipts or other proper documentation of the expense.

ARTICLE 7 OBLIGATIONS OF MEMBERS

7.1 General. Each Owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which Sector 2A at Snohomish Cascade Association was established, and each Owner shall comply strictly with all provisions of the Declaration, including but not limited to using the Property only as permitted thereby, and paying all expenses and assessments when due.

7.2 Indemnification. The Association shall indemnify the Declarant, and every director or officer, and his or her heirs, executors and administrators as provided in the Articles of Incorporation.

7.3 Use of Common Areas and Limited Common Areas. Each Owner shall use the Common Areas and any limited Common Areas in accordance with the purposes for which they were intended without hindering or encroaching upon the lawful rights of the other Owners.

ARTICLE 8 EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND REQUIRED PROXIES

8.1 Proof of Ownership. Any person on becoming an Owner of a Lot shall furnish to the Board, at the request of the board, a certified copy of the recorded instrument vesting that person with an interest or ownership, which instrument shall remain in the files of the Association.

8.2 Registration of Mailing Address. The Owners of each Lot shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications; and such registered

address shall be the only mailing address of a person or persons, firm, corporation, partnership, association, or other legal entity or any combination thereof to be used by the Association. Such registered address of Owners of a Lot shall be furnished by such Owners to the Secretary within five (5) days after transfer of title; such registration shall be in written form and signed by all of the Owners of the Lot or by such persons as are authorized by law to represent the interests of all of the Owners thereof. If no such address is registered or if all of the Owners cannot agree, then the address of the Lot shall be the address until another registered address is furnished as permitted under this section. Registered addresses may be changed from time to time by similar designation.

8.3 Completed Requirement. The requirements contained in this Article shall be first met before an Owner shall be deemed in good standing and entitled to vote at any annual or special meetings of Members.

ARTICLE 9 CONFLICT WITH DECLARATION

9.1 These Bylaws are intended to comply with and supplement the requirements of the Declaration. If any of these Bylaws conflict with the provisions of the Declaration, the provisions of the Declaration shall prevail.

ARTICLE 10 NONPROFIT ASSOCIATION

10.1 This Association is not organized for profit. No Owner, Member, Director of the Board, or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations of the Association or the Property, 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 Directors of the Board. The forgoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid to any Member, director or officer 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 (2) any Member, director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE 11 FISCAL YEAR

11.1 The fiscal year of the Association shall begin on January 1 and end on December 31 of each year.

Dated this ____ day of _____, 2022

Matt Hale, President