BYLAWS

OF

CATALYSS HOMEOWNERS ASSOCIATION

ARTICLE 1 APPLICATION OF BYLAWS

All present and future Owners, Mortgagees, lessees and occupants of Lots and their employees, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, these Bylaws, and all rules made pursuant hereto and any amendment thereof. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Lot shall constitute an agreement that the provisions of the Declaration and these Bylaws (and any rules and regulations made pursuant thereto), as they may be amended from time to time, are accepted, ratified and will be complied with.

ARTICLE 2 NAME AND LOCATION

The name of the association is **CATALYSS HOMEOWNERS ASSOCIATION** (the "**Association**"). The principal office of the Association shall be in Yakima County, Washington and meetings of the Owners and directors may be held at such places within Yakima County as may be designated by the Board of Directors.

ARTICLE 3 DEFINITIONS

- 3.1 Except as otherwise specified herein, the definition of any word used in these Bylaws shall be the same as such term is defined in the Declaration of Covenants, Conditions, Restrictions and Easements for Catalyss, a Subdivision, recorded with the Auditor of Yakima County, Washington on June 7, 2016 under Recording No. 7910983 as amended and supplemented, the "**Declaration**").
- 3.2 "Governing Documents" means the Declaration, Plat Maps, and the Articles of Incorporation, these Bylaws, and rules and regulations, if any, of the Association, or other written instrument by which the Association has the authority to exercise any of the powers provided for in this chapter or to manage, maintain, or otherwise affect the Property under its jurisdiction.
- 3.3 "Owner" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration and the Articles.

ARTICLE 4 BOARD OF DIRECTORS

4.1 <u>Initial Board of Directors</u>. The initial Board shall consist of one or more Directors who shall be appointed by the Declarant and shall serve at the Declarant's pleasure until Directors are elected by the Owners pursuant to Section 4.2.

4.2 Owner Elected Board of Directors.

- 4.2.1 At the first annual meeting after the end of the Development Period (or at a special meeting called after that date), the Owners shall elect a three-member Board of Directors to conduct the affairs of the Association and the administration of the Property on behalf of the Association, who shall be Owners. The Owners shall elect the members of the Board of Directors for the forthcoming year.
- 4.2.2 One (1) of the Directors shall be elected to serve a three (3) year term, one (1) Director shall be elected to serve a two (2) year term one (1) Director shall be elected to serve a one (1) year term. Provided, however, after the initial Directors are elected, each Director elected thereafter will be elected for a three (3) year term. The members of the Board of Directors shall serve until their respective successors are elected, or until their death, resignation or removal. Any member of the Board of Directors who fails to attend three (3) consecutive Board of Directors meetings or fails to attend at least 25% of the Board of Directors meetings held during any calendar year shall forfeit his or her membership on the Board of Directors
- 4.2.3 That subsequently to annual meeting the Board of Directors shall be elected by the members at the annual meeting. Nominations for the open positions on the Board of Directors shall be made at the annual meeting and the nominee receiving the largest number of votes for each open position shall be elected.
- 4.3 Resignation, Removal and Vacancy. Any member of the Board of Directors may resign at any time by giving written notice to the President or the Secretary of the Association, or the remaining Board of Directors members. Any member of the Board of Directors may be removed from membership on the Board of Directors by a two-thirds majority vote of the Association. Whenever there shall occur a vacancy on the Board of Directors due to death, resignation, removal or any other cause, the remaining Board members shall elect a successor Director to serve until the next annual meeting of the Association, at which time said vacancy shall be filled by the Association for the unexpired term, if any,
- 4.4 <u>Compensation</u>. The members of the Board of Directors shall receive no compensation for their services unless expressly approved by a majority of the Association.
- 4.5 <u>Authority and Duties</u>. The Board of Directors, for the benefit of the Property and the Association, shall manage the business, property and affairs of the Association and enforce the provisions of the Governing Documents. The Board of Directors shall have the powers and duties necessary for the administration of the affairs thereof consistent with the purposes and objects set forth in the Governing Documents 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:

- 4.5.1 As more fully provided in the Declaration, to set the annual budget and allocate the assessment rate; provided, however, the assessment rate is subject to all terms and conditions of the Declaration.
 - 4.5.2 To establish the fiscal year of the Association.
- 4.5.3 In the name of the Association to enforce and foreclose the lien of assessments of the Association as may be necessary for collection thereof.
- 4.5.4 To maintain an adequate Reserve Account for the maintenance, repair and replacement of those portions of the Common Areas or Common Area Facilities which must be maintained, repaired or replaced on a periodic basis, in accordance with the provisions of the Governing Documents.
- 4.5.5 To contract and pay for any materials, supplies, labor or services which the Board should determine are necessary or proper for the proper management of the affairs of the Project or the enforcement of the Governing Documents, including legal, accounting, management or other services.
- 4.5.6 To contract with a Manager to exercise the authority of the Board between formal meetings of the Board, provided that all such authority so exercised shall be reported to the next meeting of the Board and submitted for approval by the Board; failing such approval, such actions of the manager shall not be effective after the meeting of the Board of Directors at which considered except to the extent that formal continuing undertakings may have been made on behalf of the Association.
- 4.5.7 To appoint representatives to serve on the Architectural Control Committee and to enforce the provisions of properly adopted Design Guidelines.
- 4.5.8 To obtain water, sewer, garbage collection, electrical, telephone, gas and any other necessary utility service, including utility easements and street lighting, as required for the Common Area.
- 4.5.9 To procure and maintain liability insurance and to procure property insurance on property owned by the Association as required by the Declaration or deemed appropriate.
- 4.5.10 To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- 4.5.11 To cause the Common Areas and any furniture, fixture, and mechanical equipment thereof to be administered, maintained, repaired, rebuilt, or replaced in accordance and consistent with all applicable laws, and with the provisions of the Governing Documents.

- 4.5.12 To the extent deemed advisable by the Board, to cause to be maintained and landscaped any rights of way, traffic islands and medians, or other similar areas which are within or adjacent to the Project boundaries and which are owned by or dedicated to a governmental entity, if said governmental entity fails to do so; or to require an Owner at the Owner's expense to maintain and landscape such areas as are adjacent to such Owner's Lot.
- 4.5.13 To the extent deemed advisable by the Board, to cause to be maintained, repaired or replaced any perimeter and interior fences, or landscaping and improvements on easements, which are located on or across Lots; or to require an Owner at the Owner's expense to maintain, repair and replace such fences, landscaping and improvements as are adjacent to such Owner's Lot.
- 4.5.14 To authorize the payment of any amount necessary to discharge any lien or encumbrance levied against the Common Areas or any part thereof which is claimed to or may, in the opinion of the Board, constitute a lien against the Common Areas, rather than merely against the interest therein of particular Owners.
- 4.5.15 To enforce the applicable provisions of the Governing Documents for the management and control of the Project.
- 4.5.16 To borrow on behalf of the Association such funds as the Board determines are necessary to accomplish the objectives and purposes of the Governing Documents; providing, however, that the Board shall not have power to borrow money on behalf of the Association in excess of one hundred percent (100%) of its income for the previous fiscal year unless authorized by a two-thirds (2/3) vote of the Owners of the Association at a meeting of the Owners.
- 4.5.17 When and to the extent deemed advisable by the Board, to adopt and publish reasonable rules and regulations, consistent with the Governing Documents, governing Common Area and Property and other matters of mutual concern to the Lot Owners, and to establish penalties for the infraction thereof. Such rules and regulations shall treat all Owners fairly and on a non-discriminatory basis. The Board is not authorized to adopt or enforce discriminatory rules or regulations or restrictions, nor take any action based on race, religion, national origin, or sex.
- 4.5.18 To file Association tax returns and/or annual applications for tax-exempt status.
- 4.5.19 To exercise for the Association all powers, duties, and authority vested in or delegated to this Association not reserved to the membership by the provisions of the Governing Documents.
- 4.5.20 The Board of Directors shall not make political or charitable donations of the Association funds or property.

ARTICLE 5 MEETINGS OF THE BOARD.

- 5.1 Quorum. The meetings of the Board of Directors shall be held at such places within the State of Washington as the Board of Directors shall determine. A majority of the members of the Board of Directors shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Board of Directors. The Board of Directors shall annually elect all of the officers of the Association. The meeting for the election of officers shall be held at the first meeting of the Board of Directors immediately following the annual meeting of the Association.
- 5.2 <u>Special Meetings</u>. Special meetings of the Board of Directors may be called by the president or by any two (2) Board of Directors members.
- 5.3 <u>Regular Meetings</u>. Regular meetings of the Board of Directors may be held without call or notice. The person or persons calling a special meeting of the Board of Directors shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called; if an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.
- 5.4 Action by Written Consent. Any action required or permitted by the Articles of Incorporation, the Bylaws, the Declaration, or under the laws of the State of Washington, to be taken at a meeting of the Board of Directors of the Association may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Board of Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote and may be described as such.
- 5.5 Action Taken Without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.
- 5.6 Waiver of Notice. Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at a meeting shall constitute a waiver of notice of such meeting except if a Board of Directors member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the members of the Board of Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.
- 5.7 Open Meeting. Except as provided in this Section 5.7, all meetings of the Board shall be open for observation by all Owners of record and their authorized agents. The Board 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 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 the 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 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, 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.

ARTICLE 6 OFFICERS AND THEIR DUTIES

- 6.1 <u>Enumeration of Offices</u>. The officers of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.
- 6.2 <u>Election of Officers</u>. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Owners.
- 6.3 <u>Term.</u> The officers of this Association shall be elected annually by the Board and each shall hold office for one year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.
- 6.4 <u>Special Appointments</u>. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.
- 6.5 <u>Resignation and Removal</u>. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time upon giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 6.6 <u>Vacancies</u>. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.
- 6.7 <u>Multiple Offices</u>. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 6.4.
 - 6.8 Duties. The duties of the officers are as follows:
- 6.8.1 <u>President</u>. The president shall preside at all meetings of the Board of Directors and of the Owners; shall see that orders and resolutions of the Board are carried out;

shall sign all leases, contracts, deeds and other written instruments; and shall co-sign all checks and promissory notes.

- 6.8.2 <u>Vice President</u>. The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- 6.8.3 <u>Secretary</u>. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Owners; serve notice of meetings of the Board and of the Owners; keep appropriate current records showing the Owners of the Association together with their addresses, and shall perform such other duties as required by the Board.
- 6.8.4 <u>Treasurer</u>. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare and distribute to the Owners such financial statements as the Board shall be required to prepare and distribute from time to time pursuant to the Declaration.

ARTICLE 7 COMMITTEES

The Board shall appoint an Architectural Control Committee, as provided in the Declaration. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE 8 MEETINGS OF THE ASSOCIATION

- 8.1 Annual Meeting. There shall be an annual meeting of the Owners at such reasonable place, time and date as may be designated by written notice of the Board delivered to the Owners as provided in Section 8.4 below. The annual meeting shall be for the purpose of electing Directors and transacting such other business as may properly come before the meeting. The failure to hold a timely annual meeting shall not affect the validity of any corporate action.
- 8.2 <u>Budget Meeting</u>. Within 30 days after the adoption of an annual budget by the Board, the Board shall send to each Owner a copy of the annual budget and a summary of the budget consistent with RCW 64.38.025(4) (as may be amended from time to time) and as required by the Declaration. Such meetings shall be held not less than 14 nor more than 60 days from the mailing of such materials. Unless the Owners holding a majority of the votes in the Association vote to reject the annual budget, the budget is ratified, whether or not a quorum is present at the meeting. If the Board fails to adopt an annual budget or if the Owners vote to reject the budget, then the last adopted and ratified budget for the Association shall continue in effect until a new budget is approved by the Board and ratified by the Owners.
- 8.3 <u>Special Meetings</u>. Special meetings of the Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Owners, or for any other reasonable purpose. Special meetings of the

association may be called by the president, a majority of the Board, or by Owners having 10% of the votes in the Association.

- 8.4 Notices of Meetings. Not less than 14 nor more than 60 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 Owner. The notice of any meeting shall state the time and place of the meeting and the business to be placed on the agenda by the Board for a vote by the Owners, including the general nature of any proposed amendment to the articles of incorporation, bylaws, any budget or changes in the previously approved budget that result in a change in assessment obligation, and any proposal to remove a director.
- 8.5 Quorum Requirements for Association Meeting. Except as otherwise provided in the Declaration, a quorum is present throughout any meeting of the Association if the Owners to which 34% of the votes of the Association are allocated are present in person or by proxy at the beginning of the meeting. Owners holding a majority of total voting power, present and entitled to vote, either in person or by proxy, shall be sufficient for the passage of any motion or the adoption of any resolution, except in connection with amendment or repeal of the Declaration or as otherwise provided in the Declaration. If the required quorum is not present, another meeting may be called subject to the requirement of written notice sent to all Owners at least 10 days in advance of such meeting, and the required quorum at the subsequent meeting shall be one-half of the required quorum for the preceding meeting. In the absence of a quorum at an Owners' meeting, a majority of those present in person or by proxy may adjourn the meeting to another time but may not transact any other business. An adjournment for lack of a quorum shall be to a date not more than 60 days from the original meeting date.
- 8.6 <u>Proxies</u>. At all meetings of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by an Owner of his Lot.
- 8.7 <u>Voting by Mail</u>. Member votes may be tabulated by mail, facsimile, email, or other electronic transmissions as agreed to by the Owner. The Board may decide as to the method of voting of the Owners with respect to any particular election of the Board or with respect to the adoption of any proposed amendment to the Declaration or Bylaws, or with respect to any other matter for which approval by the Owners is required by the Declaration or Bylaws, in accordance with the following procedure:
- 8.7.1 In case of election of Board members by mail, facsimile, email, or any other electronic means, the existing Board members shall advise the Secretary in writing of the names of proposed Board members sufficient to constitute a full Board and of a date at least 50 days after such advice is given by which all votes are to be received. The Secretary, within five days after such advice is given, shall give written notice of the number of Board members to be elected and of the names of the nominees to all Owners. The notice shall state that any such Owner may nominate an additional candidate or candidates, not to exceed the number of Board members to be elected, by notice in writing to the Secretary at the specified address of the principal office of the Association, to be received on or before a specified date 15 days from the date the notice is given by the Secretary. Within five days after such specified date the Secretary

shall give written notice to all Owners, stating the number of Board members to be elected, stating the names of all persons nominated by the Board and by the Owners 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 Board members 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.

- 8.7.2 In the case of a vote by mail, facsimile, email, or other electronic means relating to any other matter, the Secretary shall give written notice to all Owners, which notice shall include a proposed written resolution setting forth a description of the proposed action, and shall state that such persons are entitled to vote by mail for or against such proposal and stating a date not less than 20 days after the date such notice shall have been given on or before which all votes must be received and stating that they must be sent to the specified address of the principal office of the Association. Votes received after that date shall not be effective. Any such proposal shall be adopted if approved by the affirmative vote of not less than a majority of the votes entitled to be cast on such question, unless a greater or lesser voting requirement is established by the Declaration or Bylaws for the matter in question.
- 8.7.3 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 8.5.
- 8.8 <u>Voting Owner</u>. There shall be one voting representative of each Lot. Declarant shall be considered an "Owner" as that term is used herein, and shall be the voting representative, with respect to any Lot or Lots owned by Declarant. If a person (including Declarant) owns more than one Lot, he shall have the votes for each Lot owned. The voting representative of a Lot shall be designated by the Owner or Owners of each Lot by written notice to the Board, and need not be an Owner. The designation shall be revocable at any time by actual notice to the Board from a party having an ownership interest in a Lot, or by actual notice to the Board of the death or judicially declared incompetence of any party with an ownership interest in the Lot. This power of designation and revocation may be exercised by the guardian of a Lot Owner and the administrators or executors of an Owner's estate. Where no designation is made, or where a designation has been made but is revoked and no new designation has been made, the voting representative of each Lot shall be the group composed of all of its Owners.
- 8.9 <u>Joint Owner Disputes</u>. The vote for any Lot must be cast as a single vote, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. In the event more than one vote is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.
- 8.10 <u>Pledged Votes</u>. If an Owner is in default under a first mortgage on the Lot for 90 consecutive days or more, the Mortgagee thereof (as defined in the Declaration) shall automatically be authorized to declare at any time thereafter that the Lot Owner has pledged his or her vote on all issues to the Mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, or in the event the record Owner or Owners

have otherwise pledged their vote regarding special matters to a Mortgagee under a duly recorded Mortgage or to the vendor under a duly recorded real estate contract, only the vote of such Mortgagee or vendor will be recognized in regard to the special matters upon which the vote is so pledged.

8.11 <u>Suspension of Voting Rights</u>. The Association shall have the right to suspend the voting rights for any period during which any Assessment against his Lot remains unpaid. Until the Transition Date, the Association shall be required to exercise its right to suspend the voting rights of a Owner for non-payment of an Assessment, upon the request of the Declarant.

Amendments to this subsection shall only be effective upon the written consent of all the voting Owners and their respective Mortgagees and vendors, if any.

ARTICLE 9 MORTGAGES

- 9.1 <u>Notice to Association</u>. An Owner who mortgages his Lot shall notify the Association through the managing agent, if any, of the Association or the president of the Board, giving the name and address of his Mortgagee. The Association shall maintain such information in a book or list entitled "Mortgagees of Lots."
- 9.2 <u>Notice of Unpaid Assessments</u>. The Association shall at the request of a Mortgagee of a Lot report any unpaid assessments due from the Owner of such Lot.

ARTICLE 10 EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND REQUIRED PROXIES

- 10.1 <u>Proof of Ownership</u>. Any person on becoming an Owner shall furnish to the managing agent, if any, of the Association or to the Board a photocopy of a copy of the recorded instrument vesting that person with an interest or ownership, which instrument shall remain in the files of the Association. A Owner shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or at a special meeting of Owners unless this requirement is first met.
- 10.2 <u>Registration of Owner Names</u>. Each Owner shall be responsible for sending written notice to the Association providing the current name and mailing address of the Owner and the effective date of any change. Said notice shall be signed by all of the Owners of a Lot or by such persons as are authorized by law to represent the interest of the Owners thereof. A failure to give said notice shall constitute a waiver of all required notices from the Association.

ARTICLE 11 FINANCIAL RECORDS AND ACCOUNTS

11.1 <u>Financial Records</u>. The Association or its Manager 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 Manger 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. An Association Manager is entitled to keep copies of Association records. All records which the Manager has turned over to the Association shall be made reasonably available for the examination and copying by the Manager.

- 11.2 <u>Examination of Records</u>. 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 Manager. 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.
- 11.3 Accounts. 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 manager of the Association or any other person responsible for the custody of such funds.

ARTICLE 12 AMENDMENTS

These Bylaws may be amended, at a regular or special meeting of the Owners, by a vote of a majority of a quorum of Owners present in person or by proxy, subject to the provisions of the Declaration and the Articles for the Association. Only the President or Secretary of the Association may prepare, execute, certify and record amendments to the Governing Documents on behalf of the Association.

ARTICLE 13 CONFLICT WITH DECLARATION, ARTICLES OR LAW

These Bylaws are intended to comply with and supplement the requirements of the Declaration and the Articles for the Association. If any of these Bylaws conflict with the provisions of Title 24 RCW, the Articles or the Declaration, the provisions of Title 24 RCW, the Declaration, and the Articles will apply.

ARTICLE 14 NONPROFIT ASSOCIATION

This Association is not organized for profit. No Owner, member 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 thereof, and in no event shall any part of the funds or assets of the Association be paid as salary, compensation, loans, or distributed to, or inure to the benefit of any Owner, officers, or members of the Board. The foregoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid to any Owner 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 (2) any Owner

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 15 MISCELLANEOUS

- 15.1 <u>Severability</u>. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.
- 15.2 <u>Captions</u>. The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of these Bylaws nor the intent of any provision hereof.
- 15.3 <u>Effective Date</u>. These Bylaws shall take effect upon recording of the Declaration of which they are a part.

IN WITNESS WHEREOF, these Bylaws are dated effective as of the date of filing of the Association's Articles of Incorporation with the Washington Secretary of State.

CATALYSS HOMEOWNERS ASSOCIATION

By:
Print Name: David G.Sjule

Title: President
Date: April 28, 2017