

BYLAWS
OF
MONTREUX HOMEOWNER ASSOCIATION

ARTICLE I.

NAME AND LOCATION

- 1.1. The name of the corporation is Montreux Homeowner Association, a Washington nonprofit corporation.
- 1.2. The principal office of the corporation shall be at the residence of the incumbent President, but may be changed from time to time by designation of the Board of Directors. Meeting of Members and directors may be held at such places within the State of Washington, County of King, as may be designated by the Board of Directors.

ARTICLE II.

DEFINITIONS

- 2.1. "Association" shall mean and refer to the Montreux Homeowner Association, its successors and assigns.
- 2.2. "Common Areas" shall mean the Property described on the Declaration and its Exhibit A, including, exclusive of the Lots and improvements thereon and those areas dedicated in fee to King County, the following area and facilities owned or managed by the Association: (a) any general landscaping areas designated by Declarant, (b) any trails or other access ways, parks or open spaces established in the Plat or designated by Declarant, (c) the Native Growth Protection Easements as shown on the face of the Plat, (d) any ponds, streams, or improvements maintained for aesthetic or other purposes, (e) any entrance areas to the Property containing signs, gates, other entrance facilities, (f) any street planter islands, (g) retention ponds and vaults, lakes or drainage easements or facilities, (h) any landscaping and drainage improvements along Village Park Drive, including those portions which are located within the Multifamily Parcel, and (i) all easements or other areas of facilities designated by Declarant in the Declaration or in other recorded documents and those easements, areas or tracts described in or shown on the face of the Plat.

- 2.3. “Declarant” means The Grand Ridge Partnership (Limited Partnership), a Washington limited partnership.
- 2.4. “Declaration” shall mean and refer to the Declaration of Covenants, Conditions, Restrictions, and Easements recorded in the Office of the County Recorder, King County, Washington, and all subsequent amendments thereto.
- 2.5. “Development Period” means that period Declarant requires to develop and market the Property and shall end at the earlier of the following: (a) the sale of all lots with completed residences thereon for those lots sold to licensed builders and the sale of all other lots (whether or not residences are then constructed thereon) sold to persons who are not licensed builders; (b) upon written notice by Declarant that it has elected to terminate the Development Period; or (c) expiration of ten (10) years from the date of the Declaration. The Development Period terminated on January 8, 1997.
- 2.6. “Lot” shall mean and refer to any subdivided parcel of land of the Property described in the Declaration, including its Exhibit A, on which a single-family residence is intended to be constructed
- 2.7. “Member” shall mean any person or entity holding membership in the Association, which membership shall automatically include each Owner of a Lot, and such appurtenant membership shall not be separated from Lot ownership.
- 2.8. “Multifamily Parcel” means the land legally described on Exhibit B of the Declaration and designed within the Plat for multifamily uses.
- 2.9. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple interest to any Lot which is a part of the Property, including contract purchasers, but excluding contract sellers and mortgagees or others having such interest merely as a security for performance of an obligation.
- 2.10. “Plat” means the Plat of Montreux as approved by the King County under BALD File No. 1187-4 and recorded in the Office of the County Recorder, King County, Washington.
- 2.11. “Property” shall mean and refer to all of that certain real property described in the Declaration, including its Exhibit A, which consists of the Plat except the Multifamily Parcel.

ARTICLE III.

MEETINGS OF MEMBERS

- 3.1. Annual Meeting. The annual meeting of the Members shall be held in April of each year or such other date and at a time and place established by the Board of Directors.
- 3.2. Special Meetings. Special Meetings of the Members may be called at any time by the President or by majority of the Board of Directors, or shall be called upon written request of the Members having ten percent (10%) of the total membership votes entitled to be cast.
- 3.3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the President or person authorized to call the meeting, by personal delivery or mailing a copy of such notice, postage prepaid, to each Member entitled to vote at the meeting, not less than fourteen (14) days in advance of the meeting. Notice shall be addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of Notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Notice of the meeting may be waived in writing by any Member at any time, either before or after the meeting. Attendance at the meeting in person or by proxy shall constitute a waiver of notice of the meeting by the Member or Members so attending.
- 3.4. Quorum and Voting. The presence at the meeting of Members entitled to cast, plus members' proxies entitled to cast, plus, as to specific issues, Members written votes by mail or facsimile, ten percent (10%) of the total membership votes entitled to be cast shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereon shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented. If a quorum is present, the affirmative vote of the majority of the Members represented at the meeting and entitled to vote shall be the act of the Members, unless the vote of a greater number of Members is required under the Articles of Incorporation, Bylaws or Declaration.
- 3.5. Proxies. Attendance at and participation in meetings may be in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy maybe relied upon as valid unless it is revoked in writing submitted to the President or Secretary prior to the start of the meeting provided, further, that a proxy shall automatically cease conveyance by the Member of his or her Lot.

- 3.6. Voting by Mail or Facsimile. The Board may permit Members to vote by mail or facsimile on any issue that it proposes to submit a vote of the Membership at an annual or special meeting of the Association. Voting by mail or facsimile must be allowed on all issues requiring the approval of two-thirds (2/3) of the entire membership. Voting by mail or facsimile shall not be allowed for elections of members of the Board of Directors. The written ballot, with the proposal attached or incorporated therein, must be sent to each member with the notice of the meeting, and must be returned prior to the start of the meeting in order to be counted.
- 3.7. Suspended Member. The votes of all suspended Members shall not count as Member votes entitled to be cast.

ARTICLE IV.

BOARD OF DIRECTORS

- 4.1. Number, qualifications. The Association shall be managed by a Board of four (4) officers and seven (7) directors, one of whom shall be President and each of whom must be an Owner and one of whom shall be, ex-officio, the immediate past President. The Officers shall be the President, Vice President, Secretary, and Treasurer. The other Board members shall Chair the standing committees.
- 4.2. Term of Office. The term of office of all Board members shall be one (1) year, except that the Vice President shall assume the office of President after one year and the president shall assume the position of Ex-Officio Director after one year.
- 4.3. Nomination. Nominations for Officers and directors shall be made from the floor at the annual meeting. The Members shall make as many nominations for election to the Board as they desire, but not less than the number of vacancies that are to be filled.
- 4.4. Election. Elections of Officers and directors shall be by secret written ballot, At such elections the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the Declaration. The persons receiving the largest number of votes shall be elected . Cumulative voting shall not be permitted.
- 4.5. Removal. Any Officer or director may be removed from the Board, with or without causes, by a majority of the total membership votes entitled to be cast. In the event of death, resignation or removal of a director, the remaining director or directors shall have full authority to appoint a successor director or directors. The successor Officer, director or directors shall serve for the unexpired term of his or her predecessor. In the event that all of the Officers or directors are removed or

- resign, their successors shall be elected by the Members of the Association at a regular meeting, or special meeting called for that purpose, and shall serve for the unexpired terms of their predecessors.
- 4.6. Compensation. No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his or her actual and reasonable expenses incurred in the performance of his or her duties.
- 4.7. Duties. The duties of each officer are as follows:
- (a) President. The President must be a Member in good standing. The President shall preside at meetings of the Board of Directors and regular and special meeting of the membership. The President shall exercise the usual executive powers pertaining to the office of president. The President shall sign all written contracts and such other instruments as are approved by the Board.
 - (b) Vice President. In the absence or disability of the President, the Vice President shall act as president and shall perform such other duties as required by the Board.
 - (c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members. The Secretary shall serve notices of meetings of the Board and of the Members. The Secretary shall keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.
 - (d) Treasurer. The Treasurer shall have the care and custody of and be responsible for all funds and investments of the Association and shall cause to be kept regular books of account. The Treasurer shall cause to be deposited all funds and other valuable effects in the name of the Association in such depositories as may be designated by the Board of Directors, and in general, shall perform all the duties incident to the office of Treasurer.
 - (e) Committees. In addition to Standing Committees, the Board of Directors shall appoint such other committees as it deems appropriate in carrying out the Association's purpose. Members of committees may be selected from the Membership at large by the President or, if delegated by the President, by the committee chair.

ARTICLE V.

MEETING OF BOARD OF DIRECTORS

- 5.1. Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the Annual Meeting of the Members or such place and time as may be fixed from time to time by resolution of the Board.
- 5.2. Special Meeting. Special meetings of the Board of Directors may be held at any place and time, whenever called by the President, Secretary, or any two directors or as may be fixed from time to time by resolution of the Board.
- 5.3. Notice of Meetings. Notice of the time and place of any annual or special meeting of the Board of Directors shall be given by the Secretary, or by the person or persons calling the meeting, by mail, by facsimile, or by personal communications over the telephone or otherwise, at least three (3) days prior to the date on which the meeting is to be held.
- 5.4. Quorum. A minimum of five (5) members of the Board of Directors shall constitute a quorum for the transaction of business. A majority of the Board may designate one or more of its members as a representative to act for it. The act of the majority of directors present at a meeting at which a quorum is present shall be regarded as an act of the Board. A director who is present at such a meeting shall be presumed to have assented to the action taken at the meeting unless the director's dissent or abstention is entered in the minutes of the meeting or the director files his or her written dissent or abstention to such action with either the person acting as secretary of the meeting before the adjournment of the meeting or by registered mail to the Secretary of the Association immediately after the adjournment of the meeting.
- 5.5. Meetings Held by Telephone or Similar Communications Equipment. Members of the Board of Directors or its committees may participate in a meeting of the Board or such committees by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and communicate with each other at the same time. Participation by such means shall constitute presence in person at a meeting and must include the taking of minutes to be official.
- 5.6. Actions by Written Consent. The directors shall have the right to take any action that otherwise could have taken in a meeting in the absence of a meeting provided they obtain written approval of all directors. Such approval must be in writing, must set forth the actions so taken, and must be signed by all of the Members or directors entitled to vote with respect to the subject matter thereof. Such consent

shall have the same force and effect as though taken at a meeting of the directors, and may be described as such.

ARTICLE VI.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- 6.1. Powers. The Board of Directors shall have power to:
- (a) Suspend the voting rights of a Member who has not cured a violation of the Declaration or the rules and policies duly promulgated thereunder after written notice of violations has been delivered or mailed to that Member.
 - (b) Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association.
 - (c) Exercise by the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration.
 - (d) Declare the office of a member of the Board of Directors to be vacant in the event such director shall be absent from three (3) consecutive regular meetings of the Board.
 - (e) Employ a manager, or an independent contractor, as the Board deems necessary and prescribe the manager's or independent contractor's duties.
 - (f) Enforce the architectural, landscaping and Lot maintenance controls described in the Declaration.
 - (g) Perform maintenance work on individual Lots when Owner has failed to do so and to charge the cost to the offending Owner.
 - (h) Construct or install improvements in the Common Areas.
- 6.2. Duties. It shall be the duty of the Board of Directors to:
- (a) Cause to be kept a fair and accurate record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such a statement is requested in writing by ten percent (10%) of the total membership votes entitled to be cast.
 - (b) Supervise all officers, agents and employees of this Association and see that their duties are properly performed.

- (c) As more fully provided in the Declaration, to:
 - (i) Determine the amount of any regular or special assessments against each Lot at least thirty (30) days in advance of each assessment “due” date period;
 - (ii) Send written notice of each regular and/or special assessment to every Owner subject thereto at least thirty (30) days in advance of each assessment period; and
 - (iii) Collect all assessments when due and establish reserves as provided in the Declaration; and
 - (iv) Foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after the due date or bring an action at law against the Owner personally obligated to pay the same.
 - (v) Assess interest at the rate of one (1) percent per month (12% annual) for any assessment not paid within ten (10) days after the due date.
- (d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. The Board may charge a reasonable fee for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate can be conclusive evidence of such payment.
- (e) Procure and maintain liability insurance and cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate.
- (f) Cause the Common Areas to be improved and maintained, and pay all the Association and common expenses described in the Declaration.
- (g) Elect or appoint an Architectural Control Committee and promulgate and enforce guidelines, criteria and procedures governing the Architectural Control Committee and the Owners’ compliance with such guidelines, criteria and procedures.

ARTICLE VII.

ASSESSMENTS

- 7.1. Assessments. Each Member is obligated to pay the Association regular assessments and special assessments as set forth in the Declaration.

- 7.2. Proration. When ownership of a Lot changes, liability for the regular annual and special assessments which have been established for the year of purchase shall be prorated between the buyer and seller in accordance with the number of days remaining in that year on the date of closing. All assessments due and payable on the day of closing shall be paid at closing by the party liable.

ARTICLE VIII.

MISCELLANEOUS

- 8.1. Books and Records. The books, record and papers of the Association shall be at all times, during reasonable business hours, subject to inspection by any Member. The Declaration, Articles of Incorporation and Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.
- 8.2. Loans Prohibited. No loan shall be made by the Association to any officer or to any director.
- 8.3. Amendment of Bylaws. These Bylaws may be amended or repealed in at any annual or special meeting of the Members by the affirmative vote of sixty-seven percent (67%) of the total membership voting according to such methods as are permitted by these Bylaws, provided, that a copy of the proposed Bylaws amendment or repeal is provided with the notice of the meeting according to the procedure in Section 3.3.
- 8.4. Fiscal Year. The last day of the Fiscal year of the Association shall be December 31.

IN WITNESS THEREOF, we the directors of the Montreux Homeowner Association, have hereunto set our hand this _____ day of _____, 1997.