

AMENDED BYLAWS  
OF  
THE ARBOR VILLAGE HOMEOWNERS ASSOCIATION  
(8/92)

ARTICLE I

NAME AND LOCATION

The name of the corporation is Arbor Village Homeowners Association, hereinafter referred to as "Association". The principal office of the Association shall be located at 33309 First Way South, Federal Way, Washington 98003, but meetings of the Directors and members 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

Unless otherwise specified, all terms shall have the same meaning in these Bylaws as such terms have in the Declaration of Protective Covenants, Conditions & Restrictions, for Meridian Glen Divisions No. 2 and No. 3. The terms "owners" and "members" as used herein shall be synonymous.

ARTICLE III

MEMBERS AND VOTING RIGHTS

3.1 MEMBERSHIP. Every owner of a lot which is subject to assessment by the Association shall be a member of the Association.

3.2 VOTING RIGHTS. With regard to voting rights, reference is made to Article Five of the Declaration.

IV.

CERTIFICATE OF MEMBERSHIP

Certificates of membership in this Association may be issued to each member. If issued, the certificates shall be numbered and the respective members' names shall be entered in the membership register of this Association as the certificates are issued. The

certificate shall exhibit members' names and shall be signed by the president and/or the secretary of the Association.

## 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 membership in this Association.

## ARTICLE VI

### MEETING OF MEMBERS

6.1 ANNUAL MEETING. The annual meeting of the members shall be held in the month of May of each year at a time and place established by the Board of Directors for the purpose of electing Directors and transacting such other business as may come before the meeting. If the election of Directors is not held on the date designated for the annual meeting of the members or any adjournment thereof, the election shall be held at a special meeting of the members as soon thereafter as is practicable.

6.2 SPECIAL MEETINGS. The president of the Board of Directors may call a special meeting of the members for any purpose. A special meeting of the members may also be called by the members having at least one-thirtieth (1/30) of the total ownership interest in the lots, and in the event such is the case, it shall be the duty of the secretary, upon request in writing by such members, to call such a meeting of the membership, to be held at such time and place as the secretary may fix, not less than ten (10) days nor more than fifty (50) days after receipt of such request, and if the secretary shall neglect or refuse to issue such call within five (5) days of such receipt, the members making the request may issue the call, specifying therein the time and place of the meeting.

6.3 PLACE OF MEETINGS. All meetings shall be held at the principal office of the Association or such other place within King County, State of Washington, designated by the Board of Directors.

6.4 NOTICE OF MEETINGS. Written or printed notice stating the date, place, and hour of meetings, and in the case of special meetings, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of that meeting, either personally or by mail, by or at the direction of the president or secretary or the members calling the meeting, to each member entitled to vote at such meeting. If the proposed action requires approval of Institutional

First Mortgagees pursuant to the Declaration, notice of the meeting at which such action will be voted upon by the members shall also be given to Institutional First Mortgagees in the same manner. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the member at his address as it appears in the records of this Association with postage thereon prepaid.

6.5 QUORUM. Members holding twenty percent (20%) of the votes entitled to be cast at any meeting, represented in person or by proxy, shall constitute a quorum at the members' meeting. The vote of a majority of the votes entitled to be cast by the members present and represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

6.6 PROXIES. At all members' meetings, a member may vote by proxy, executed in writing by the member or by his attorney in fact. Such proxies shall be filed with the secretary of the Association before or at the time of the meeting. Unless otherwise provided in the proxy, a proxy shall be invalid after eleven (11) months from the date of its execution.

6.7 SUSPENSION. The Association, through its Board of Directors, has the right to suspend voting rights and rights to the use of the community areas and recreational facilities, if any, by any owner of a lot for a period during which an assessment against his lot remains unpaid and for a period not to exceed thirty (30) days or for any infraction of the Association's published rules and regulations.

## ARTICLE VII

### BOARD OF DIRECTORS

7.1 POWERS AND QUALIFICATIONS. The affairs of the Association shall be managed by a Board of Directors who must be members of the Association. During the development period, the Board shall be appointed by the Developer, and members of the Board do not have to be members of the Association during the development period.

7.2 NUMBER. The Association shall, upon the completion of the development period, elect a Board of Directors, who with the Association shall manage and administer the Property in accordance

with the Declaration and Bylaws. The Board shall consist of six (6) members, elected by the members of the Association. During the development period, the Developer shall appoint all directors, and may appoint any persons the Developer chooses as Directors. The Developer may appoint a temporary Board of Directors as described in Article Three, Section Two of the Declaration which temporary Board shall serve as long as the Developer chooses, during the Development period. Each appointed Director shall hold office for the term for which he is appointed until his successor is appointed by the Developer, until a Director is chosen by vote at the end of the development period or until the Director resigns.

7.3 ELECTION AND TERM. After completion of the development period the members shall elect two Directors to serve a term of three (3) years, two Directors to serve a term of two (2) years, and two Directors to serve a term of one (1) year or until his or their respective successors are elected and qualified. The terms shall be staggered to provide, as nearly as possible, for the election of one-third (1/3) of the Board of Directors to occur each year. At the expiration of any term, a Director may not be re-elected for at least one year after expiration of the term. Each of the Directors shall serve in a numbered position, 1 through 6. Positions 1, 2 and 3 shall be elected by the members who own lots located in the first phase of the development, and positions 4, 5 and 6 shall be elected by those members who own lots in the second phase. After completion of the development period, positions 1 and 4 shall be elected for a three-year term, positions 2 and 5 shall be elected for a two-year term and positions 3 and 6 shall be elected for a one-year term. In each election, there shall be one directorship for each phase up for election. It is the intent of the parties that, pursuant to the declaration, phase one and phase two shall have equal voting power on the Board of Directors.

7.4 VACANCY. The Board of Directors shall have the power to fill by appointment any vacancy occurring in the Board and any directorship to be filled by any reason of any increase in the number of Directors as a result of amendment of these Bylaws. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office. Any Director appointed by the Board shall stand for election for the remainder of the specified term for such position at the next annual membership meeting.

7.5 REMOVAL. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association after the development period. The developer may remove a Director with or without cause, during the development period.

7.6 COMPENSATION. No elected Director shall receive compensation for any service he may render to the Association as

Director. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties as Director, and may receive compensation and reimbursement for duties as a Transportation Coordinator.

7.7 RESOLUTION OF IMPASSE. In the event that the Board of Directors, in the course of voting on any proposition, reach an impasse regarding that proposition, the parties shall submit the matter to binding arbitration upon the request of one-half of the Board of Directors. The parties should first attempt to agree on the appointment of a single arbitrator to resolve the impasse. A single arbitrator shall be chosen by agreement if a majority of the Board of Directors of the Association agree to the arbitrator's appointment. In the event that an arbitrator cannot be appointed by agreement of the Board of Directors, two arbitrators shall be chosen, each by one-half of the Board of Directors. The two arbitrators thereby appointed shall choose a third arbitrator, and the third arbitrator shall be the one to resolve the impasse. The arbitrator so-appointed shall direct the manner in which the arbitration of the impasse shall be conducted, and shall have all powers granted to arbitrators generally under RCW 7.04 or such other applicable state law. The cost of the arbitration shall be a common expense.

## ARTICLE VIII

### MEETINGS OF THE BOARD OF DIRECTORS

8.1 ANNUAL MEETINGS. The annual meeting of the Board of Directors shall be held immediately after the annual membership meeting. Said meeting shall be held at the same place as the membership meeting unless some other place shall be specified by resolution of the membership at such meeting.

8.2 SPECIAL MEETINGS. Special meetings of the Board of Directors may be held at any place, at any time, within King County whenever called by the president or secretary or by any three members of the Board.

8.3 QUARTERLY MEETINGS. Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place, date, and hour as may be fixed from time-to-time by resolution of the Board of Directors.

8.4 NOTICE OF MEETINGS. No notice of annual meetings or of quarterly meetings of the Board of Directors shall be required. Notice of the time and place of any special meeting shall be given by the secretary or by the person or persons calling the meeting by mail, telegram, or by personal communication over the telephone or otherwise, at least three (3) days prior to the date on which the

meeting is to be held. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director attends the meeting for the purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any meeting of the Board of Directors need be specified in the notice or any waiver of notice of any special meeting.

8.5 QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting in which a quorum is present shall be the act of the Board of Directors. At any meeting of the Board of Directors at which a quorum is present, any business may be transacted and the Board may exercise all of its powers.

## ARTICLE IX

### 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.

## ARTICLE X

### NOMINATION AND ELECTION OF DIRECTORS

11.1 NOMINATION. Nomination for election to the Board of Directors shall be made by a nominating committee unless appointed by the Developer during the development period. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Nomination to positions 1, 2 and 3 must be made from members of phase one; position 4, 5 and 6 from phase two.

## ARTICLE XII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

12.1 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 Articles of Incorporation, Declaration, and Bylaws, 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:

12.1.1 To adopt and publish rules and regulations consistent with the Articles of Incorporation, Declaration, and Bylaws, governing the use of the common area and properties, if any, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

12.1.2 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 these Bylaws, the Articles of Incorporation, or the Declaration.

12.1.3 To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

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

12.1.5 To cause to be kept a complete 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 thereof.

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

12.1.7 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.

12.1.8 To procure and maintain adequate liability insurance and to procure adequate hazard insurance on property owned by the Association.

12.1.9 To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

12.1.10 To cause the common areas, if any, and any furniture, fixture, and mechanical equipment thereof to be administered, maintained, repaired, rebuilt or replaced in accordance and consistent with all applicable laws, ordinances, rules, and regulations now or hereafter made by any governmental authority, and with the provisions of the Articles of Incorporation of the Association, the Declaration and these Bylaws.

12.1.11 To make such expenditures as the Board deems expedient; provided, however, that the members of the Association, by resolution adopted by a two-thirds (2/3) vote at any meeting of the members, may restrict the amount of expenditures which can be made by the Board without prior approval of the members. The Board of Directors shall not have power to borrow money on behalf of the Association in excess of ten percent (10%) of the asset value of the Association unless authorized by two-thirds (2/3) vote of the members of the Association at a meeting of the members.

12.1.12 To acquire and transfer by conveyance, contract, lease, or otherwise, easements, property and rights of occupancy of property for the common benefit of the members of the Association; to improve said property by the erection of structures and facilities to rent the same to members of the Association, all upon such terms and subject to such rules and regulations as the Directors may determine.

12.1.13 In the name of the Association to enforce and foreclose the lien of assessments of the Association as may be necessary for collection thereof.

12.1.14 To designate representatives to serve on the Architectural Control Committee, if any, and to enforce the provisions of restrictive covenants and declarations pertaining to the lands served by this Association, by the institution of litigation, or otherwise.

12.1.15 The Board of Directors may appoint a business manager who may 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 business 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.

12.1.16 The Board of Directors may appoint a Transportation Coordinator to perform such duties as described in a Transportation Management Plan, as established, recorded and amended, if required or requested by any governmental authority.



12.1.17 The Board of Directors shall not make political or charitable donations of the Association funds or property.

12.1.18 The Board of Directors is not authorized to adopt or enforce discriminatory rules or regulation or restrictions, nor take any action based on race, religion, national origin, or sex.

## ARTICLE XII

### COMMITTEES

The Board of Directors may create committees, by resolution or resolutions passed by a majority of the Board, which to the extent provided in said resolution or resolutions or in other provisions of these Bylaws, shall have and may exercise the powers of the Board of Directors, or may perform advisory services as designated, regarding the management of the business and affairs of the Association.

## ARTICLE XIV

### OFFICERS AND THEIR DUTIES

14.1 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, he shall preside over all members' meetings and over all Board meetings. He shall have all of the general powers and duties which are usually vested in the office of President of a non-profit corporation.

14.2 VICE PRESIDENT. In the absence of the president or in the event of his 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.

14.3 SECRETARY. The secretary shall: (a) keep the minutes of the members' and Board meetings; (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 and of the seal 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.

14.4 TREASURER. The treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give 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 its regular annual meeting; and in general perform all the duties incident to the office of treasurer.

14.5 SALARIES. The salaries, if any, of the officers and Transportation Coordinator shall be fixed from time-to-time by the Board, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a member of the Association.

#### ARTICLE XV

##### LOANS PROHIBITED

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

#### ARTICLE XVI

##### CONTRACTS, CHECKS AND DEPOSITS

16.1 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.

16.2 CHECKS, DRAFTS, 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 is from time-to-time determined by the Board.

16.3 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.

#### ARTICLE XVII

##### FISCAL YEAR

The fiscal year of the Association shall end December 31.

#### ARTICLE XVIII

##### SEAL

The seal of this Association, if the Board of Directors determines a seal is necessary, shall consist of the name of the

Association, the state of its incorporation, and the year of its incorporation.

## ARTICLE XIX

### INDEMNIFICATION

To the full extent permitted by law, and as provided by RCW 23B.08.560 or such other statute as is enacted as its successor, the Association shall indemnify any person who was or is a party or is threatened to be made a party to any civil, criminal, administrative or investigative action, suit or proceeding (whether brought by or in the right of the Association or otherwise) by reason of the fact that he is or was a Director, officer or Transportation Coordinator of the Association, or is or was serving at the request of the Association as a Director or officer of another association, against expenses (including attorney's fees) judgments, fines and amounts paid in connection with such action, suit, or proceeding; and the person which the Association has the power to indemnify under the law. The indemnification provided by this section shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract. Such indemnification shall not indemnify any director from or on account of acts or omissions of the director, finally adjudged to be intentional misconduct or a knowing violation of law, conduct of the director finally adjudged to be in violation of RCW 23B.08.310 or any transaction with respect to which it was finally adjudged that the director personally received a benefit in money, property, or services to which the director was not legally entitled.

## ARTICLE XX

### AMENDMENTS

These Bylaws may be altered, amended, or repealed, and new Bylaws may be adopted by the Board at any regular or special meeting of the Board provided there has been at least ten (10) days notice of the meeting, which notice shall include the proposed amendment to the Bylaws.

## ARTICLE XXI

### BOOKS AND RECORDS

The Association shall keep current and complete books and records of account and shall have at least an annual audit, and shall keep minutes of the proceedings of its Board and committees having any authority of the Board.

## ARTICLE XXII

### RULES AND REGULATIONS

22.1 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 Meridian Glen Division 2 and 3 for all owners, their families, invitees, licensees and leases, and for guests.

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

22.3 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 XXIII

### RULES OF PROCEDURE

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

## ARTICLE XXIV

### 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.

### CERTIFICATION OF ADOPTION

The undersigned, being the Board of Directors of Arbor Village Homeowners Association, hereby certify that the foregoing are the