

BY-LAWS OF WESTWAY HOMEOWNERS ASSOCIATION

The name of the Association shall be the WESTWAY HOMEOWNERS ASSOCIATION (herein referred to as the "Association"). The term for which the Corporation shall exist shall be perpetual. No capital stock shall be issued, but the assets of said corporation shall be owned by the membership of the Association.

The purpose of the Association is to promote and foster improvement and betterment of Westway Community Neighborhood.

BY-LAWS

Article I: Membership

Section 1: Eligibility

Membership in the Association shall be the owners of a fee interest in any lot which is subject to covenants of Westway.

Section 2: Rights and Privileges

Voting privileges shall only be granted to Members whose dues are current.

No person shall have more than one (1) membership and vote regardless of the number of lots owned or being purchased, and the interest of each member shall be equal to that of any other member, and no member may acquire any interest which shall entitle him to any greater voice, vote or authority in the Association than any other member. In the case of lots owned jointly by two (2) or more persons, only the joint owner designated as the "member entitled to vote" pursuant to Article IV hereof shall be entitled to vote.

In the event that the Non-profit Corporation Law of the State of Washington as set forth in Title 24, Revised Code of Washington is changed to permit one member of a non-profit corporation to exercise greater voting rights than another member, voting shall thereafter be according to the number of lots owned, that is,

members shall be entitled to one (1) vote for each lot in which they hold the interest required for membership by Article IV. When more than one person holds such interest in any lot, the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

## Article II: Board of Directors

### Section 1: Number and Term

The affairs of the Association shall be managed by a Board of Directors. The number of Directors which shall constitute the whole Board shall be not less than three (3) or more than nine (9). Three Board members shall be elected for one year, three (3) Directors for a term of two years and three (3) Directors for a term of three years; and at each annual meeting thereafter the members shall elect three (3) Directors for a term of three years. The term of the newly elected Directors shall begin on January 1 of the Calendar year following the election. In any event, however, each Director shall hold office until his successor has been elected.

### Section 2: Powers and Duties

The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the Common Areas.
- (b) Determination of the common expenses required for the affairs of the Association, including, without limitation, the operation and maintenance of the Property.
- (c) Collection of assessments from the homeowners.
- (d) Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Areas. The Directors shall have the authority to enter into a contract for professional management of the Common Areas. If they enter into such a contract provided the maximum term shall not exceed one (1)

year, and the contract shall be terminable without cause or payment of a termination fee on thirty (30) days written notice.

(e) Adoption and amendment of rules and regulations covering the details of the operation and use of the Property, subject to a right of the homeowners to overrule the Board. Initial rules and regulations which shall be effective until amended, are annexed here to as Schedule A.

(f) Opening of bank accounts on behalf of the Association and designation the signatories required therefor.

(g) Obtaining of insurance for the Common Areas of the Association.

(h) Making of repairs, additions and improvements to, or alteration of, the Property of the Association.

(i) Grant of relocate easements.

### Section 3: Removal

Directors may be removed for cause by an affirmative vote of a majority of the home owners.

### Section 4: Vacancies

Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the homeowners shall be filled by a vote of a majority of the remaining board members at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the said member and until a successor shall be elected at the next annual meeting of the home owners.

### Section 5: Regular Meetings

Regular meetings of the Board of Directors may be held at such time and place as shall be determined by a majority of the members of the Board of Directors, but at least four (4) such meetings

shall be held the second Tuesday of January, March, June, and September during each fiscal year. Notice of regular meetings of the Board of Director's shall be given to each member of the Board of Directors at least ten (10) days previously thereto by written notice delivered or mailed to each Director at his home address, or by telephone. If mailed, such notice shall be deemed delivered when deposited in the United States mail, so addressed, with postage thereon prepaid.

#### Section 6: Special Meetings

Special meetings of the Board of Directors may be called by the President on three (3) days notice to each member of the Board of Directors, given in the manner provided for regular meetings, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on the written request of at least two (2) members of the Board of Directors.

#### Section 7: Waiver of Notice

Any member of the Board of Directors may at any time waive notice on 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 any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

#### Section 8: Action Taken Without A Meeting

The 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 OR PHONE APPROVAL OF ALL Directors. The action shall be read into the minutes at the next meeting. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

#### Section 9: Quorum of Board of Directors

At all meetings of the Board of Directors, a majority of the

members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute a decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any such adjourned meeting at which a quorum becomes present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

#### Section 10: Fidelity - Liability Insurance

The Board of Directors shall obtain adequate fidelity-liability insurance for all officers, directors and employees of the Association. The premium on such insurance shall constitute a common expense.

#### Section 11: Compensation

No member of the Board of Directors shall receive any compensation from the Association for acting as such.

### Article III: Home Owners

#### Section 1: Annual Meetings

The Annual meetings shall be held the second Tuesday of November. At such meetings there shall be elected by ballot of the home owners, a Board of Directors in accordance with the requirements of Article II, Section one (1) of the By-Laws. The home owners may also transact such other business of the Association as may properly come before them.

#### Section 2: Place of Meetings

Meetings of the home owners shall be held at the principal office of the Association, or at such other suitable place convenient to the home owners as may be designated by the Board of Directors.

#### Section 3: Special Meetings

It shall be the duty of the President to call a special

meeting of the home owners as directed by the Board of Directors or upon petition signed by at least one-third in number of the home owners having been presented to the Secretary.

#### Section 4: Notice of General Meetings

It shall be the duty of the Secretary to give notice of each annual or special meeting stating the purpose, time, and place of said meeting. Notice of the annual meeting shall be sent thirty (30), but not more than sixty (60) days prior, or for special meetings, five (5), but not more than ten (10) days prior to such meetings.

#### Section 5: Voting

The owner or owners of each lot, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be a home owner, shall be entitled to cast the votes appurtenant to such membership at all meetings of home owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designated.

#### Section 6: Majority of Home Owners

As used in these By-Laws the term "majority of home owners" shall mean those home owners having more than 50% of the total authorized votes of all home owners present in person or by proxy and voting at any meeting of the home owners subject to the provision of Article seven (7), Section 3 and 5 of Covenants, Conditions and Restrictions.

#### Section 7: Quorum

Except as otherwise provided in these By-Laws, the presence in person or by proxy of 1/3 of home owners shall constitute a quorum at all meetings of the home owners.

#### Section 8: Majority Vote

The vote of a majority of home owners present at a meeting at which a quorum shall be present shall be binding upon all home owners for all purposes except where in the Covenants, Conditions

and Restrictions on these By-Laws a higher percentage vote is provided for.

#### Article IV: Officers

##### Section 1: Designation

The principal officers of the Association, shall be the President, the Vice President, the Secretary and the Treasurer all of whom shall be elected by the Board of Directors. The Board of Directors may appoint such other officers as in its judgement may be necessary. All officers of the Association shall be members of the Board of Directors.

##### Section 2: Election of Officers

The officers of the Association shall be elected annually by the Board of Directors and shall hold office at the pleasure of the Board of Directors and until their successors are elected.

##### Section 3: Removal of Officers

Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular or special meeting of the Board of Directors called for such purpose.

##### Section 4: President

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the home owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the Non-Profit Corporation Law of the State of Washington, including but not limited to, the power to appoint committees from among the home owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Association.

##### Section 5: Vice-President

The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or

unable to act. If neither the president nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the president, on an interim basis. The Vice-president shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

#### Section 6: Secretary

The Secretary shall keep the minutes of all meetings of the home owners and of the Board of Directors; shall have charge of such books and papers as the Board of Directors may direct; and shall in general, perform, all the duties incident to the office of Secretary of a corporation organized under the Non-Profit Corporation law of the State of Washington.

#### Section 7: Treasurer

The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data.

They shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Directors in such depositories as may from time to time be designated by the Board of Directors, and they shall, in general, perform all the duties incident to the office of Treasurer of a corporation organized under the Non-Profit Corporation law of the State of Washington. No payment vouchers shall be paid unless and until approved by the Treasurer, no checks shall be written on behalf of the Association unless signed by two Directors of the Corporation.

#### Section 8: Agreements, Contracts, Deeds, Checks, Etc.

All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by such other person or persons as may be designated by the Board of Directors.

#### Section 9: Compensation of Officers

No officer shall receive any compensation from the Association



for acting as such.

Article V: Management Agreement

Any management agreement for the project shall be terminable by the Association for cause upon thirty (30) days' written notice, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods.

Article VI: Amendment to By-Laws

These By-Laws may be amended only by a majority vote of home owners.

Article VII: Conflict

In any event of a conflict between the By-Laws and the Covenants, Conditions and Restrictions, the Covenants, Conditions and Restrictions shall prevail.

Schedule "A" to By-Laws

Refer to Covenants, Conditions and Restrictions for the rules and regulations.