

BY-LAWS

OF

HARBOR RIDGE ESTATES HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION: The name of the Corporation is:

HARBOR RIDGE ESTATES HOMEOWNERS ASSOCIATION

hereinafter referred to as the "Association." The principal office of the association shall be located at:

2201 6th Avenue, Suite 1300
Seattle, Washington 98121

but meetings of members and Trustees may be held at such places within the State of Washington, as may be designated by the Board of Trustees.

ARTICLE II

DEFINITIONS

Definition of terms: Memberships, Voting, and Property Rights of each and all of the definitions contained in Article I of "Declaration of Covenants, Conditions and Restrictions of The Plat of Harbor Ridge Estates" recorded under Pierce County Auditor's Fee No. 8902140272 hereby incorporated herein by this reference.

ARTICLE III

BOARD OF TRUSTEES: SELECTION: TERM OF OFFICE

Section 1. Number: The affairs of this Association shall be managed by a Board of three (3) Trustees, who need not be members of the Association.

Section 2. Election: At the first annual meeting, which shall be held not later than six (6) months from the date of incorporation of this Association, the members shall elect one (1) Trustee for a term of one year; one (1) Trustee for a term of two years; and one (1) Trustee for a term of three years; and at each annual meeting thereafter, the members shall elect one (1) Trustee for a term of three years.

Section 3. Removal: Any Trustee may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a Trustee, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation: No Trustee shall receive compensation for any service he may render to the Association. However, any Trustee may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without A Meeting: The Trustees 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 Trustees. Any action so approved shall have the same effect as through taken at a meeting of the Trustees.

ARTICLE IV

MEETINGS OF TRUSTEES

Section 1. Regular Meetings: Regular meetings of the Board of Trustees shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meetings: Special meetings of the Board of Trustees shall be held when called by the President of the Association or by any two Trustees, after not less than three (3) days notice to each Trustee.

Section 3. Quorum: A majority of the number of Trustees shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Trustees present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE V

NOMINATION AND ELECTION OF TRUSTEES

Section 1. Nomination: Nomination for election to the Board of Trustees shall be made by a Nominating Committee. 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 Trustees, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Trustees prior to each annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nomination Com-

mittee shall make as many nominations for election to the Board of Trustees as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election: Election to the Board of Trustees shall be by secret written ballot. At such election, the members or their proxies may each cast their vote in accordance with the voting rights provisions herein. The names receiving the largest number of votes shall be elected. There shall be no cumulative voting.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers: The Board of Trustees shall have the power:

(a) To adopt and publish rules and regulations governing the use of the common properties and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) To exercise for the Association all powers, duties and authority vested in or delegated to this Association not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(c) To declare the office of a member of the Board of Trustees to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Trustees; and

(d) To employ a manager, or independent contractors, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties: It shall be the duty of the Board of Trustees:

(a) 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, when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

(b) To supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided herein and in the Declaration:

(i) To establish, levy and assess, and collect the assessments or charges referred to in Article VII of the Declaration as applicable to the Association; and

(ii) To send written notice of each assessment to every owner or contract purchaser subject thereto at least thirty (30) days in advance of each annual assessment period.

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

(e) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association;

(f) To cause all officers and employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) To cause any common properties owned by the Association to be maintained.

ARTICLE VII

COMMITTEES

Section 1. The Association shall appoint a Nominating Committee, as provided in these By-Laws, and upon resignation of members of the Architectural Control Committee shall appoint suc-

cessors to perform the duties and functions described in Article X, Section 6, of the Declaration. The Board of Trustees may appoint other committees as deemed appropriate in carrying out its purposes.

Section 2. It shall be the duty of each committee to receive complaints from members on any matter involving the Association's functions, duties, and activities within its field or responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Trustee, or officer of the Association, as is further concerned with the matter presented.

ARTICLE VIII

MEETING OF MEMBERS

Section 1. Annual Meeting: The first annual meeting of the members shall be held within six (6) months from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following, which is not a legal holiday.

Section 2. Special Meetings: Special meetings of the members may be called at any time by the President or by the Board of Trustees, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership.

Section 3. Notice of Meetings: Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, 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.

Section 4. Quorum: The presence at the meeting of members entitled to cast, either in person or by proxy, one-tenth (1/10) of the votes of the entire membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have 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 be represented.

Section 5. Proxies: At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed in advance with the secretary. Every proxy shall be rendered revocable and shall automatically be invalid upon conveyance by the member of his lot.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers: The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Trustees, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers: The election of officers shall take place at the first meeting of the Board of Trustees following each annual meeting of the members.

Section 3. Term: The officers of this Association shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments: 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.

Section 5. Resignation and Removal: Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by 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 at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies: A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices: The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one or any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties: The duties of the officers are as follows:

A. President: The President shall preside at all meetings of the Board of Trustees, shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments, and shall co-sign all checks and promissory notes.

B. Vice-President: 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.

C. Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; 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 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 Trustees; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any member at the principal offices of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI

CORPORATE SEAL

The Association shall have a seal in circular form, having within its circumference the words:

HARBOR RIDGE ESTATES HOMEOWNERS ASSOCIATION
a non-profit Washington corporation,

and the words "Corporate Seal Washington, 1989" in the form and style as affixed in these By-Laws by the impression of such seal.

ARTICLE XII

Section 1. Amendment: These By-Laws may be amended at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. Conflict; Control: In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XIV

DATE OF ADOPTION

These By-Laws were duly adopted by the Association and the corporate seal thereof affixed on the 7 day of July, 1987.

HARBOR RIDGE ESTATES HOMEOWNERS
ASSOCIATION

By *Robert O. Leman*
President

ATTEST:

By: _____
Secretary