

**BYLAWS OF
SHAWNEE RIDGE HOMEOWNERS ASSOCIATION**

**ARTICLE I
Background**

The following are Bylaws of Shawnee Ridge Homeowners Association, a nonprofit corporation organized under the Washington Nonprofit Corporation Act (RCW 24.03, the "Nonprofit Corporation Act"). These Bylaws provide for operation of Shawnee Ridge Homeowners Association,; a community located in Puyallup, Washington, created pursuant to the Declaration of which was recorded in Pierce County with Auditor's File No. 201105125001 (the "Declaration"), which is recorded in the Pierce County Auditor's records Parcel No.: 041901-3-030, 041901-3-031, 041901-2-084, 041901-2-085, and 041901-3-011.

These Bylaws apply to the entire Shawnee Ridge Parcel numbers, each Lot therein, and all Common Elements. Each Owner automatically, by virtue of such ownership, becomes a Member of the Association. All present and future Owners, Mortgagees and other encumbrances, lessees, tenants, licensees, and occupants of the Lots, and their guests and employees, and any other person who may use the facilities of Shawnee Ridge are subject to these Bylaws, the Declaration, and the rules and regulations pertaining to use and operation of Shawnee Ridge Association, if any. Words and phrases that are defined in the Declaration shall have the same meaning in these Bylaws.

**ARTICLE II
Name and Location**

The name of the nonprofit corporation is Shawnee Ridge Homeowners Association, hereinafter referred to as the "Association." The principal office mailing address of the Association is 802 39th Ave SW, (P.O. Box 731029) Puyallup, WA 98373, which may change from time to time, but meetings of members and directors may be held at such places as may be designated by the Board of Directors. Shawnee Ridge is located upon the legally described land in Exhibit A. as attached to the declaration of covenants conditions and restrictions (CCR)

**ARTICLE III
Definitions**

Section 1. Original Declaration Definitions. Unless otherwise indicated herein, the capitalized terms used in these Bylaws shall have the same meaning as those used in the Declaration.

Section 2. "Lot" will mean a Lot included in the defined Parcel Numbers or an amendment thereto.

Section 3. "Members." Every person or entity, by acceptance of a deed to a Lot within the defined Parcel Numbers shall become a member.

ARTICLE IV
Meetings of Members

Section 1. Annual Meetings. There shall be an annual meeting of the Owners in the last quarter of each calendar year, or such other fiscal year as may be adopted by the Association, at such reasonable place and time as may be designated by written notice of the Association delivered to the Owners no less than fourteen (14) nor more than sixty (60) days prior to the date fixed for said meeting.

Section 2. Special Meetings. 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. Such meeting shall be called by the petition of Owners holding not less than 10% of the votes or by the President or by at least two board members with notice given to all members as provided herein. Such notice of special meetings shall be delivered no less than fourteen (14) nor more than sixty (60) days prior to the date fixed for said meeting. The notice shall specify the date, time, and place of the meeting, and in general the matters to be considered.

Section 3. Notice of Meetings. Except as may be otherwise specified in the Declaration, 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 hand delivery or by mailing a copy of such notice, postage prepaid, at least fourteen (14) days before but not more than sixty (60) days before such meeting to each member entitled to vote at the meeting, addressed to the Member's address of record. Such notice shall specify the time and place of the meeting, and the items on the agenda to be voted on by the Members, including the general nature of any proposed amendment to the Declaration, Articles of Incorporation, or Bylaws, changes of a previously approved budget that result in assessment obligations, and any proposal to remove a Director or Officer. Notice of meeting may be waived before or after meetings. All meetings shall be held at such place as is convenient for the Members as determined by the Board of Directors.

Section 4. Quorum. At all meetings of the Owners, 34% of the Owners present in person or by proxy shall constitute a quorum. Provided a quorum is present, a simple majority vote of Owners 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 provided the declaration does not call for a greater specified percentage of members for specific votes. If the required quorum is not present, another meeting may be called subject to the requirement of written notice sent to all members at least ten (10) days in advance of such second meeting. In the absence of a quorum at a members' 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 less than five (5) nor more than thirty (30) days from the original meeting date.

Section 5. Manner of Voting. Each Eligible Member may vote in person at a meeting, by mail, or by proxy. There shall be one (1) voting representative of each Lot. Proxies may be made by any person entitled to vote. Such voting agent shall be designated by the Owner

or Owners of a Lot by written notice signed by each party with an ownership interest, which notice shall be filed with the Secretary of the Board of Directors. The voting agent need not be an Owner. Any designation of voting agent may be revoked at any time by any one of the parties with an ownership interest in the Lot on written notice filed with the Secretary of the Board of Directors. Such designation shall be deemed revoked when the Secretary receives actual notice of the death or judicially declared incompetence of the Owner of the Lot, or of the conveyance of such ownership interest. When no designation is made, or where designation has been made and revoked and no new designation has been made, the voting agent shall be the person or group composed of all Owners of that Lot who attend any meeting of the Association; however, there shall be one (1) voting representative of each Lot and votes may not be split by multiple Owners of a Lot. Thus, if multiple Owners cannot agree on a vote, their vote will not be counted on a vote of the Association membership, even though those Owners may be counted for purposes of a quorum (as if abstaining). A proxy is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates eleven (11) months after its date of issuance.

Section 6. Joint Owner Disputes. The vote of a 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 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 of a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

Section 7. Pledged Votes. If an Owner is in default under a first Mortgage on a Lot for sixty (60) consecutive days or more, the Mortgagee shall automatically be authorized to declare at any time thereafter that the Owner has pledged his or her vote on all issues to the Mortgagee during the continuation of the default. If the Association 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 fully 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, if a copy of this instrument with this pledge has been filed with the Association. Amendments to this subsection 7 shall only be effective upon the written consent of all the voting Owners of the Lot and their respective Mortgagees and vendors, if any.

ARTICLE V

Board of Directors; Professional Management

Section 1. Interim Board of Directors. Until expiration of the Declarant Control Period, the affairs of the Association shall be governed by a Board of three (3) directors (who need not be Lot Owners) named by Declarant from time to time or as otherwise provided in the Bylaws.

Section 2. Management by Elected Board of Directors. Upon expiration of the Declarant Control Period, an organizational (transition) and election meeting shall be called.

Administrative power and authority shall vest in a Board of three (3) to five (5) directors elected from among the Owners. The Board may delegate all or any portion of its administrative duties to a manager, managing agent, or officer of the Association. All Board positions shall be open for election at said organizational meeting. The Board shall elect from among its members a president (who shall preside over meetings of the Board and the meetings of the Association), a secretary, and a Treasurer. All such officers shall have such duties and powers as may be specified by the Board from time to time.

Section 3. Authority and Duties of the Board. The Board, for the benefit of the Community and the Owners, shall enforce the provisions of the Declaration, shall have all powers and authority permitted of the Board under the Declaration, and shall acquire and shall pay for out of the common expense fund hereinafter provided for, all goods and services requisite for the proper functioning of the Shawnee Ridge Community. Without limitation, the Board shall have the following powers and authority:

- (a) Assessments. The establishment and collection of Assessments pursuant to Article 7 of the Declaration.
- (b) Services. Obtaining the services of persons or firms as required to properly manage the affairs of the Community to the extent deemed advisable by the Board, including legal and accounting services, property management services, as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Community.
- (c) Utilities. Obtaining all utility services as necessary for the Common Areas.
- (d) Insurance. Obtaining and paying for policies of insurance or bonds as provided by the Declaration.
- (e) Maintenance/Repair. Performing and paying for maintenance, repair and replacement of Common as provided in the Declaration.

Section 4. Election of Board of Directors and Terms of Office. Upon expiration of the Declarant Control Period, the Owners shall elect two (2) Directors to two (2) year terms, one (1) Director to a one (1) year term and additional directors (if any) shall be a 4th director to a two (2) year term and a fifth Director to a one (1) year term to assure that the expiration dates for the term of the Board members are staggered. Thereafter, all Directors shall be elected or re-elected to two (2) year terms.

Section 5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Board member by a vote of the Association may be filled by vote of the majority of the remaining Board members, even though they may constitute less than a quorum; and each person so elected shall be a Board member until a successor is elected and qualified; usually at the next annual meeting of the Association.

Section 6. Removal of Board Members. At any regular membership meeting or at any special membership meeting called for that purpose; at which a quorum is present, any one or more of the Board members may be removed with or without cause, by a majority vote of the Owners, and a successor may then and there be elected to fill the vacancy thus created, for the unexpired term. Any Board member whose removal has been so proposed by the Owners shall be given an opportunity to be heard at the meeting. Notwithstanding the above, until the organizational meeting, only Declarant shall have the right to remove a Board member.

Section 7. Organizational Meeting. The first meeting of a newly elected Board shall be held immediately following the annual organizational meeting of the Association, and no notice shall be necessary to the newly elected Board members in order to legally constitute such meeting.

Section 8. Professional Management. Any contract with a professional manager for the Community (i) shall have a term no longer than one (1) year, (ii) may be renewed by agreement of the Association and the manager for successive one (1) year periods and (iii) shall require the manager to carry insurance as per industry standards at the time; and, (iv) if terminated for cause, may be done so upon thirty (30) days written notice. Termination without cause will be as prescribed in the management contract.

Section 9. Duties and Powers of the Board of Directors. The Board shall have all of the powers set forth in RCW 64.38.020, as it may be amended from time to time, in addition to any others provided it under Chapter 24.03 RCW. The board shall not, however, act on behalf of the Association to amend the Articles of Incorporation, to take any action that requires the vote or approval of the Owners (as set forth in the Bylaws, Articles or the Declaration or by law) to terminate the association, to elect members of the board of directors, or to determine the qualification, powers and duties, or terms of office of members of the board of directors; but the board of directors may fill vacancies in its membership as provided further in Article V, section 5 herein.

ARTICLE VI

Standard of Care for Directors

Section 1. Standard. A Director shall perform the duties of a Director, including the duties as a member of any committee of the Board upon which the Director may serve, with the degree of care and loyalty required of an officer or director of a corporation organized under Chapter 24.03 RCW.

In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

assemble in closed session, the Board of Directors 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 of Directors 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 of Directors, 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.

Section 5. Notice of Meetings.

(a) Notice of regular meetings shall be given at least seven (7) days previously thereto by written notice delivered personally or mailed to each director at his or her last known post office address, or sent by fax, telegram, email or other electronic means.

(b) Notice of any special meeting shall be given at least three (3) days previously thereto by written notice delivered personally or mailed to each director at his or her last known post office address, or sent by fax, telegram, email or other electronic means.

(c) If mailed, such notice shall be deemed to be delivered three (3) business days after it is deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by electronic service, such notice shall be deemed to be delivered when sent unless returned undeliverable. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except that where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

**ARTICLE VIII
Officers and Their Duties**

Section 1. Enumeration of Officers. The officers of this Association shall be a president, vice president, secretary, and treasurer, and such other officers as the Board may from time to time by resolution create. Any two offices may be held by the same person, except the offices of president and secretary. The Officers shall be a member of the Board of Directors.

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

Section 3. Term. The officer positions of this Association shall be elected annually by the Board and each shall hold office for one (1) year or until that officer's successor is elected, unless the officer sooner resigns, or shall be removed, or otherwise is disqualified to serve. An officer may be removed, with or without cause, upon a majority vote by the Board.

Section 4. Special Appointments. The Board may elect or appoint such other officers or committee members as the affairs of the Association may require, each of whom shall serve 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 by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer who is replaced.

Section 7. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign all written instruments and promissory notes.

(b) Vice President. The vice president shall preside at all meetings of the Board of Directors in the absence of the president; see that all orders and resolutions of the Board are carried out to the extent required by the president; sign all written instruments in place of the president when authorized by the Board of Directors, and do any and all other actions required of it on behalf of the Board of Directors.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; 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; prepare, execute, certify and record Amendments to the Declaration on behalf of the Association; and, perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall be responsible to 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; sign all checks and promissory notes of the Association; keep proper books of accounts; and, prepare an annual budget and a statement of income and expenditures as set forth above. The desired time for preparation shall be prior to the

regular annual meeting so that the budget and statement can be presented to the membership at its regular annual meeting; or supervise and oversee the vendor hired to perform such tasks.

ARTICLE IX Committees

The Board of Directors shall appoint such committees as it deems appropriate in carrying out its purpose.

ARTICLE X Books and Records

The books, records, and papers of the Association shall at all times, during normal business hours as determined by the Board, be subject to inspection by any Member, holder of a mortgage on a Lot, and their respective agents on reasonable advance notice. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any Member at the office of the Secretary of the Association. Copies may be purchased by any Member at reasonable cost.

ARTICLE XI Amendments

Section 1. Bylaws. Except when prior written approval by the Owners is required in accordance with the Declaration, and except as specifically otherwise provided herein, these Bylaws may be amended by the Board of Directors upon: (i) proper notice to all directors prior to any Board meeting at which a proposed amendment is considered; (ii) a Board resolution adopting the proposed amendment; and (iii) an approval by 67% of the Board members. A copy of any such adopted Amendment shall be delivered to all Members within thirty (30) days of adoption.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XII Indemnification of Directors and Officers

Section 1. Right of Indemnification. The Association shall indemnify and hold harmless its Directors and Officers against all liability, damage, or expense resulting from the fact that such person is or was a Director or Officer, to the maximum extent and under all circumstances permitted by law.

Section 2. Effect on Other Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire

under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of shareholders, or disinterested Directors or otherwise.

Section 3. Insurance. The Association shall maintain insurance, at its expense, to protect itself and any Director, officer, employee, or agent of the Association or another association, partnership, joint venture, trust, or other enterprise against any expense, liability, or loss, whether or not the Association would have the power to indemnify or hold harmless such person against such expense, liability, or loss under the Washington Nonprofit Corporation Act. The Association may enter into contracts with any Director or officer of the Association in furtherance of the provisions of this Article and may create a trust fund, grant a security interest, or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

Section 4. Advance Payment. The Association may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the Association with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of Directors and officers of the Association or pursuant to rights granted pursuant to, or provided by, the Washington Nonprofit Corporation Act or otherwise.

ARTICLE XIII **Transactions Involving Directors**

Section 1. Transactions. No contracts or other transactions between this Association and any other corporation, and no act of this Association shall in any way be affected or invalidated by the fact that any Director of this Association is pecuniarily or otherwise interested in, or is a trustee, director, or officer of, such other corporation.

Section 2. Disclosure. Any Director, individually, or any firm of which any Director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contracts or transactions of the Association; provided, that the fact that such Director or such firm is so interested shall be disclosed to or shall have been known by the Board of Directors or a majority thereof.

ARTICLE XIV **Attorney Fees**

Should any dispute arise regarding the terms of these Bylaws, the Declaration, the Articles of Incorporation, or the Rules and Regulations of the Association, if any, the prevailing party shall recover reasonable attorney fees and costs, including those for appeals.

ARTICLE XV **Venue**

Venue, for purposes of these Bylaws, shall be Pierce County, Washington.

ARTICLE XVI
Fiscal Year

The fiscal year of the Association shall be the calendar year, unless determined otherwise by the Board of Directors.

IN WITNESS WHEREOF, The Board of Directors hereby adopts these Bylaws this 12th day of October, 2017.








