

Bylaws of the Lexington Commons Homeowners' Association

Article I

The name of the corporation is the Lexington Commons Homeowners' Association, hereinafter referred to as the "association." The principal office of the corporation shall be located at 18602 214th Avenue NE, Woodinville, WA 98072, but meetings 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

Unless the context denotes otherwise the following terms are defined as follows:

Section 1. The term "association" shall mean and refer to the Lexington Commons Homeowners' Association, its successors and assigns.

Section 2. The term "properties" shall mean and refer to that certain real property described in the declaration of covenants and restrictions (attached hereto), and such additions thereto as may hereafter be brought within the jurisdiction of the association.

Section 3. The term "common properties" shall mean all real property owned by the association for the common use and enjoyment of the members of the association.

Section 4. The term "lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common areas.

Section 5. The term "member" shall mean and refer to each person or entity who holds a membership in the association.

Section 6. The term "owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. The term "declarant" shall mean and refer to the Lexington Commons Homeowners' Association Corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the declarant for the purpose of development.

Section 8. The term "declaration" shall mean and refer to the declaration of covenants and restrictions applicable to the properties recorded in the office of clerk and recorder of King County, State of Washington.

Article III

Membership

Section 1. Membership. Each person or entity who is a record owner of a fee or undivided fee interest in any lot, including contract sellers, shall be a member of the association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the association. Ownership of the lot shall be the sole qualifications for membership.

Section 2. Suspension of membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the association, the voting rights and right to use of the recreational facilities of the member may be suspended by the board of directors until the assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed 30 days, for violation of any rules and regulations established by the board of directors governing the use of the common properties and facilities.

Article IV

Property Rights: Rights of Enjoyment

Section 1. Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided in the declaration. Any member may delegate his right of enjoyment of the common properties and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. The member shall notify the secretary in writing of the name of the delegee. The rights and privileges of the delegee are subject to suspension to the same extent as those of the member.

Section 2. Irrespective of the fact that the declaration gives the association the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon the common area, this right shall not be exercised as to members for a period of years from the date of the recordation of the declaration, and after this period, only upon written approval of two-thirds of the entire membership.

Article V

Board of Directors: Selection: Term of Office

Section 1. Number. The affairs of this association shall be managed by a board of 3 directors who must be members of the association.

Section 2. Election. At the first annual meeting the members shall elect 3 directors for a term of one year, and at each annual meeting thereafter the members shall elect all directors for a term of one year.

Section 3. Removal. Any director 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 director, 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 director shall receive compensation for any service he may render to the association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. 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 approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Article VI

Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the board of directors shall be held annually, at a place and hour as may be fixed from time to time by resolution of the board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special meetings. Special meetings of the board of directors shall be held when called by the president of the association, or by any two directors, after not less than 7 days' notice to each director.

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

Article VII

Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the board of directors 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 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 the appointment shall be announced at each annual meeting. The nomination 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.

Section 2. Election. Election to the board of directors shall be by secret written ballot. At the election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Article VIII

Power and Duties of the Board of Directors

Section 1. Powers. The board of directors shall have power to:

- (a) 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) Exercise for the association all powers, duties and authority vested in or delegated to this association and not reserved to the membership by other provisions of these bylaws, the articles of incorporation, or the declaration;
- (c) 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; and
- (d) Employ a manager, an independent contractor, or other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the board of directors to:

- (a) 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 the statement is requested in writing by one-fourth of the members who are entitled to vote;
- (b) 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,
to:
 - (1) | fix the amount of the annual assessment against each lot at least 60 days in advance of each annual assessment period, as hereinafter provided in Article XII, and
 - (2) send written notice of each assessment to every owner subject thereto at least 30 days in advance of each annual assessment period;
- (d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate stating whether or not any assessment has been paid. A reasonable charge may be made by the board for the issuance of these certificates. If a certificate states an assessment has been paid, it shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the

association;

- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may Deem appropriate; and,
- (g) Cause the common-area to be maintained.

Article IX

Committee

Section 1. The association shall appoint an architectural control committee, as provided in the declaration, and a nominating committee, as provided in these bylaws. In addition, the board of directors shall appoint other committees as deemed appropriate in carrying out its purposes, such as:

(a) A maintenance committee which shall advise the board of directors on all matters pertaining to the maintenance, repair or improvement of the properties, and shall perform any other functions as the board, in its discretion, determines;

(b) An audit committee which shall supervise the annual audit of the associations' books and approve the annual budget and statement of income and expenditures to be presented to the membership at its annual meeting, as provided in Article XI, section 8(d). The treasurer shall be an ex officio member of the committee.

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

Article X

Meetings of Members

Section 1. Annual meetings. The first annual meeting of the members shall be held within one year 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 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 directors, or upon written request of the members who are entitled to vote one-fourth 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 the notice, postage prepaid, at least 30 days before the meeting to each member entitled to vote thereat, addressed to the members' address last appearing on the books of the association,

or supplied by the member to the association for the purpose of notice. The 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, or of proxies entitled to cast, one-tenth of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the articles of incorporation, the declaration, or these bylaws. If, however, a quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn 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 with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

Article XI

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 directors, a secretary, and a treasurer, and 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 directors following each annual meeting of the members.

Section 3. Term. The officers of this association shall be elected annually by the board and each 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 other officers as the affairs of the association may require, each of whom shall hold office for a period, have the authority, and perform any 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 secretary. The resignation shall take effect on the date of receipt of the 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 the 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 of 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 directors; see that orders and resolutions of the board are carried out; sign all leases, mortgages, deeds and other written instruments and 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 exercise and discharge any 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 the 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 perform any 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 disburse funds as directed by resolution of the board of directors; sign all checks and promissory notes of the association; keep proper book of account; cause an annual audit of the association books to be made by a public accountant at the completion of each fiscal year; and 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 XII

Assessments

Section 1. Creation of the lien and personal obligation of assessments. By the declaration of each member is deemed to covenant and agree to pay to the association: (1) annual assessments or charges and (2) special assessments for capital improvements. The monthly and special assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of assessments. The assessments levied by the association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the properties and in particular for the improvements and maintenance of the properties, services and facilities devoted to this purpose and related to the use and enjoyment of the common area, and of the homes situated upon the properties.

Section 3. Basis and maximum of annual assessments. Each lot shall be subject to a annual assessment of not more than \$100.00 The board of directors shall fix the monthly assessment within the maximum amount, and may raise or lower the monthly assessment amount within the maximum as they may deem necessary in their discretion.

(a) From and after the 1st day of January 1999, the maximum monthly assessment may be increased or decreased by vote of the members, as hereinafter provided.

(b) The association may change the maximum of the assessment fixed by section 3 hereof provided that any change shall have the assent of two-thirds of the votes of the members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members at least 30 days in advance and shall set forth the purpose of the meeting.

Section 4. Special assessments for capital improvements. In addition to the monthly assessments authorized above, the association may levy in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement or a described capital improvement upon the common area, including the necessary fixtures and personal property related thereto, provided that the assessment shall have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days not more than 120 days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Quorum for any action authorized under sections 3 and 4. At the first meeting called, as provided in sections 3 and 4 hereof, the presence at the meeting of members or of proxies entitled to cast 60% of the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in sections 3 and 4, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting. No subsequent meeting shall be held more than 30 days following the preceding meeting.

Section 6. Due dates of annual assessments. The due dates of annual assessments shall be established by the board of directors. The association shall upon demand at any time furnish a certificate in writing, signed by an officer of the association, setting forth whether the monthly assessments are current. A reasonable charge may be made by the board for the issuance of these certificates. The certificate shall be conclusive evidence of the facts stated therein.

Section 7. Effect of nonpayment of assessments: Remedies of the association. If the assessments are not paid on the date when due, then the assessment shall become delinquent and shall, together with interest thereon and cost of collection thereof as hereinafter provided, become a continuing lien on the property which shall bind the property in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner to pay the assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within 30 days after the delinquent date, the assessment shall bear interest at the rate of 12 percent per annum, and the association may bring an action at law against the owner personally obligated to pay the same or to foreclose the lien against the property and there shall be added to the amount of the assessment the costs of preparing and filing the complaint in the action, and in the event a judgment is obtained, the judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 8. Subordination of the lien to mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed

upon the properties subject to assessment; provided, however, that the subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Any sale or transfer shall not relieve the property from liability for any assessments thereafter becoming due, nor from the lien of any subsequent assessment.

Section 9. Exempt property. The following property subject to the declaration shall be exempt from the assessments charges and liens created herein: (a) all properties to the extent of any easement or other interest therein dedicated to and accepted by the local public authority and devoted to public use; (b) all common properties as defined in Article II, section 3 hereof.

Article XIII

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 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.

Article XIV

Corporate Seal

The board of directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation.

Article XV

Amendments

Section 1. These bylaws 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. 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 XVI

Miscellaneous

The fiscal year of the association shall begin on the first day of July every year, except that the first fiscal year shall begin on the date of incorporation.

In witness whereof, we, being all of the directors of the Lexington Commons Homeowners' Association, have hereunto set our hands this ____ day of _____, 1998.
