

BY-LAWS OF EAGLE RIDGE HOMEOWNERS' ASSOCIATION

ARTICLE I - NAME AND LOCATION

1.1 EAGLE RIDGE HOMEOWNERS' ASSOCIATION is a non-profit corporation of the State of Washington, hereinafter referred to as the "Association." The principal office of the Association shall be located at 1429 Broadway, Everett, Washington 98201, but meetings of the members and directors may be held at such places within Snohomish County, Washington as may be designated by the Board of Directors.

ARTICLE II - DEFINITIONS

2.1 All definitions contained in the Declaration of Covenants, Conditions and Restrictions of Eagle Ridge, as recorded in the records of the Snohomish County Auditor under Auditor's File No. 8308290294, as amended under File No. 8309200205, as amended under No. 8309290301, and as it may be hereafter amended from time to time, are incorporated herein as if set forth in full.

ARTICLE III - MEETING OF MEMBERS

3.1 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. If the day for the annual meeting of the members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

3.2 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 Class A membership.

3.3 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 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.

3.4 Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth of the votes of each class of 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.

3.5 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 IV - BOARD OF DIRECTORS SELECTION: TERM OF OFFICE

4.1 Number. The affairs of this Association shall be managed by a board of five (5) directors, who need not be members of the Association.

4.2 Term of Office. At the first annual meeting the members shall elect three directors for a term of one year, and two directors for a term of two years; and at each annual meeting thereafter the members shall elect directors for a term of two years to fill all then-vacant positions on the board.

4.3 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.

4.4 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.

4.5 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 V - NOMINATION AND ELECTION OF DIRECTORS

5.1 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 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. Such nominations may be made from among members or non-members.

5.2 Election. Election to the Board of Directors shall be by secret written ballot. At such 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 VI - MEETINGS OF DIRECTORS

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held semi-annually without notice, at such 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.

6.2 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 three (3) days notice to each director.

6.3 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 - POWERS AND DUTIES OF
THE BOARD OF DIRECTORS**

7.1 Powers. The Board of Directors shall have power to:

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

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) 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 by-laws, the Articles of Incorporation, or the Declaration;

(d) 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

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

7.2 Duties. It shall be the duty of the Board of Directors to assume and perform all obligations and responsibilities of the Association, as specified in the Declaration and as may be otherwise reasonably necessary for the proper and efficient conduct of Association business and preservation of Association property.

ARTICLE VIII - OFFICES AND THEIR DUTIES

8.1 Enumeration of Offices. 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 such other officers as the board may from time to time by resolution create.

8.2 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.

8.3 Term. The officers of this Association shall be elected annually by the board and each shall hold office for one year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4 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.

8.5 Resignation and Removal. Any officer may be removed from office with or without cause by the board. Any officer may resign at any time giving written notice to the board, the President or the Secretary. Such resignation shall take effect on the date or 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.

8.6 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 he replaces.

8.7 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.

8.8 Duties. The duties of the officers shall be such as are usually attached to such offices, and, in addition thereto, such further duties as may be designated from time to time by the Board of Directors.

ARTICLE IX - COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these by-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X - BOOKS AND RECORDS

10.1 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 office of the Association, where copies may be purchased at reasonable

cost.

ARTICLE XI - CONTRACTS, CHECKS, DEPOSITS AND FUNDS

11.1 Contracts: The Board of Directors may authorize any officer or officers, agent or agents of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances.

11.2 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 corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

11.3 Deposits: All funds of the corporation shall be deposited to the credit of the corporation at such banks, trust companies or other depositaries as the Board of Directors may select.

11.4 Gifts and Donations: The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for a purpose of the corporation, as stated in the Articles of Incorporation.

ARTICLE XII - INDEMNIFICATION OF DIRECTORS AND OFFICERS

12.1 Each director or officer now or hereafter serving the corporation, and each person who, at the request of or on behalf of the corporation, is now serving or hereafter serves as a director or officer of any other association, and the respective heirs, executors and administrators of each of them, shall be indemnified by the corporation to the fullest extent provided by law against all costs, expenses, judgments and liabilities, including attorney's fees reasonably incurred by or imposed upon him or her in connection with or resulting from any claim, action, suit or proceeding, civil or criminal, in which he or she is or may be a party by reason of any action alleged to have been taken or omitted by him or her as such director or officer, whether or not he or she is a director or officer at the time of incurring such costs, expenses, judgments and liabilities, provided, that she or he acted in good faith and in the interest of the corporation. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation. The foregoing rights of indemnification shall not be exclusive of other rights to which

such director or officer may be entitled as a matter of law. The Board of Directors may obtain insurance on behalf of any person who is or was a director, officer, employee or agent against any liability arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability.

ARTICLE XIII - FISCAL YEAR

The fiscal year of the corporation shall coincide with the calendar year.

ARTICLE XIV - RULES OF ORDER

The rules contained in the most recent edition of Roberts Rules of Order, Newly Revised, shall govern all meetings of the Board of Directors where those rules are not inconsistent with the Articles of Incorporation, By-Laws or special rules of order of this corporation.

ARTICLE XV - AMENDMENTS OF BY-LAWS

15.1 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.

15.2 In the 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.

IN WITNESS WHEREOF, we being all of the directors of EAGLE RIDGE HOMEOWNERS' ASSOCIATION, have hereunto set our hands this
— day of July, 1984.

H. S. Block as his attorney
HENRY J. BLOCK

[Signature]
JOHN A. BLOCK

Laurence E. Johnson
LARRY JOHNSON

[Signature]
HENRY ROBINETTE

Robert J. Boyden
ROBERT BOYDEN