

BYLAWS OF FAIRWOOD GREENS

**(also known as FAIRWOOD PARK DIVISIONS
1,3,6,8,12,15,16,17,18,19,20,21&22)**

DEFINITIONS

- 1. "Association"** shall mean the Fairwood Greens Homeowners' Association, its successors and assigns, as applying to Fairwood Park Divisions 1, 3, 6, 8, 12, 15, 16, 17, 18, 19, 20, 21, 22, and any future properties which may be annexed to "Fairwood Greens".
- 2. "Properties"** shall mean all properties falling into the description above.
- 3. "Common Properties"** shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association, and shall not include any streets or other areas dedicated to public use.
- 4. "Lot"** shall mean any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Properties and properties to be used for shopping center, professional office complex, schools, and for Fairwood Community United Methodist Church.
- 5. "Member"** shall mean every person or entity who holds a membership in the Association. The sole criteria for membership shall be ownership of a lot in Fairwood Greens.
- 6. "Owner"** shall mean the record owner, whether one or more persons or entities, of the fee simple title to any lot or lots which are a part of the properties.
- 7. "Declaration"** shall mean and refer to the Declaration of Articles and Bylaws, and of the Covenants, Conditions and Restrictions applicable to the properties, recorded in the office of the King County Auditor.
- 8. "Board"** shall mean the Board of Trustees elected by the Association, responsible for the well being and upkeep of the Association and its properties.
- 9. "Trustee"** shall mean any one of the nine elected or appointed members of the Board.
- 10. "Fairwood Greens (or The Greens)"** shall mean all property in Fairwood Park Divisions 1, 3, 6, 8, 12, 15, 16, 17, 18, 19, 20, 21, 22, and any property that may in the future be annexed to The Greens.

BYLAW I MEMBERSHIP

a) Each owner of a lot in Fairwood Greens shall be a member of the Association, and shall be entitled to one membership for each lot so owned. Ownership of a lot shall be the sole qualification for membership in the Association.

b) Transfer of Membership: The Association membership of each owner shall be appurtenant to the lot giving rise to such membership, and shall not be assigned, conveyed, pledged or alienated in any way except upon the transfer of title to said lot and then only to the transferee of title to said lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner thereof.

c) The term "his" is for expediency only. Where this term appears, it is also meant to apply to a Member who is female.

BYLAW II VOTING RIGHTS

No person or entity shall have more than one membership, regardless of the number of lots owned, and each membership shall have only one vote. 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 by two or more persons, only the joint owner designated as the "member" shall be entitled to vote.

BYLAW III SUSPENSION OF MEMBERSHIP

During any period in which a member shall be in default in the payment of any assessment, the voting rights and right to use any of the recreational facilities may be suspended by the Board until such assessments have been paid. Such rights may also be suspended by the Board for violations of rules & regulations established by the Board.

BYLAW IV RIGHTS OF ENJOYMENT

Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided in the Declaration, without discrimination, and each member may delegate said rights to his family, residents of his property, or, subject to the Board's approval, his temporary guests.

BYLAW V
BOARD OF TRUSTEES

- a) The affairs of this corporation shall be managed by a Board of nine Trustees, who must be members of the Association. Any number of "At Large" assistants may be called in to help the Board on certain matters, but will have no voting rights on Board matters.
- b) The term of office of the Trustees shall be three years, and election of the Trustees shall be done at the Annual General Meeting each year that a vacancy shall occur.
- c) Any Trustee may be removed from the Board, with or without cause, by a majority vote 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.
- d) No trustee may receive any 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.
- e) The trustees shall have the right to take action in the absence of a meeting which they could take at a meeting, by obtaining the approval of all the Trustees. Such actions shall be as if taken at a meeting of the Trustees.
- f) Regular meetings of the Board shall be held on the 4th Tuesday of each month, at a place to be announced to the membership, with not less than ten days notice.
- g) Special Meetings of the Board shall be called by the President of the Association, or by any two Trustees, after not less than three days notice to any Trustee.
- h) A quorum shall consist of five members of the Board being present at the meeting. Any action taken at such time shall be regarded as the act of the Board.
- i) The Board shall have the power to declare the office of a member of the Board to be vacant in the event such member shall be absent from three consecutive regular meetings of the Board.

BYLAW VI
NOMINATION AND ELECTION OF TRUSTEES

- a) Nomination. Nomination to the Board 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, and two or more members of the Association. The Committee shall be

appointed by the Board as the time seems fit, and shall make as many nominations for election to the Board as it shall see fit, but not less than the number of seats that may be vacant.

b) Election. Election of the Board shall be by written ballot. At such election, the members or their proxies may each cast one vote per membership, and the names receiving the largest number of votes shall be elected.

BYLAW VII POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. Powers:

- a) To adopt and publish rules and regulations governing the use of the common properties and facilities, the personal conduct of the members and their guests thereon, and to establish penalties for the infractions thereof.
- b) To exercise for the Association all duties and authority vested in or delegated to this Association, not reserved to the Membership by other provisions of these Articles.
- c) To employ a manager, independent contractors, or other employees as they may see fit, and to prescribe their duties.

Section 2. Duties:

- 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 General Meeting, or at a special meeting when 1/4 of voting members request it.
- b) To supervise all officers, agents, and employees of the Association, and to see that their duties are properly performed.
- c) To establish, levy, assess and collect any and all assessments and charges owed by members to the Association, and to send written notice to every owner or contract purchaser subject thereto at least 30 days prior to each assessment period.
- d) To cause to be issued, upon demand by any person, a statement that any assessment has been paid. A reasonable charge may be made for this service, and it shall be conclusive evidence that such assessment has been paid.
- e) To procure and maintain adequate liability and hazard insurance on property owned by the Association, and to provide any insurance for the Board as may be deemed fit, including, but not limited to, fiscal bonding where Association funds are involved.
- f) To cause all common properties owned by the Association to be maintained.

BYLAW VIII

OFFICERS AND THEIR DUTIES

a) Officers. The Board shall always have a president, vice-president, secretary and a treasurer, and also such other officers as the Board may from time to time create by resolution.

b) Election. The election of officers by the Board shall take place at the first meeting of the Board following each annual meeting of the members, which shall immediately follow the annual meeting at the same venue.

c) The officers of the Board shall be elected annually, and shall hold office for one year unless he shall sooner resign, or be removed, or otherwise be disqualified to serve.

d) Resignations & 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. Such resignation shall take effect on the date of receipt thereof, 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.

e) Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election, or by resolution of the Board. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

f) 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 by the Board by Resolution.

g) The duties of the officers shall be as follows:

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

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 discharge other such duties as may be required of him by the Board.

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 in on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records of the members of the

Association and their addresses; and shall perform such other duties as required by the Board.

The treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association, and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by an independent review 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 when requested.

BYLAW IX

BOARD COMMITTEES AND OFFICERS

- a) It shall be the duty of each committee to receive input and complaints from members on any matter involving Association matters within its field of responsibility. It shall dispose of such matters as it deems fit, or refer the matter to such other committee or Trustee as should handle the matter. Any additional committees may be formed by the Board as it shall see fit. to deal with any contingency. These committees may be staffed by "At Large" members, but will be under the control of a Trustee. The required committees shall be:
- b) Security. To arrange contracts with a company to provide 24 hour security service for the Greens.
- c) Growth/External. To follow developments in the area of the Greens that will impact our community.
- d) Property Maintenance. To ensure that all lots in the Greens are presentable, and comply with the accepted standards.
- e) Common Properties. To cause the common properties to be maintained adequately, and to arrange the contracts with a contractor to achieve this end.
- f) Architectural Control Committee (A.C.C.). To have total control over any improvement, alteration, addition or change to any lot in the Greens, with the intent of improving the quality of our community.

BYLAW X

MEETING OF MEMBERS

- a) Annual General Meeting. An annual general meeting shall be held the 4th Tuesday of each September, at 7:15 P.M.

b) Regular Meetings of the Board. These shall be held monthly at a time, date, and venue to be announced by the board, giving at least ten days notice to the membership, and all members shall be welcome.

c) Special Meetings. Special Meetings of the members may be called at any time by the president or by the Board, or upon written request of 1/4 of the voting members of the Association.

d) Notice. Written notice of each meeting shall be given to the members at least ten days prior to such meeting, by the secretary or the person authorized to call the meeting. Such notice shall be mailed to the members' address on the Association's records, or promulgated via the Fairwood Flyer, or a similar publication. Such notice shall state the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

e) Quorum. The presence at the meeting of members or of members' proxies entitled to cast 1/10 of the votes of the entire membership shall constitute a quorum for any action except as otherwise provided in the Articles. If, however, such quorum shall not be represented at any meeting, the voting members thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the aforesaid quorum shall be represented.

f) 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, shall be revocable, and shall automatically cease upon conveyance by the member of his lot.

BYLAW XI ANNEXATION

The Association may, at any time, annex additional properties, and so add to its membership or common properties; provided that such annexation shall receive approval from 2/3 of the membership.

BYLAW XII INDEBTEDNESS

The highest amount of indebtedness or liability, direct or contingent, to which this corporation may be subject at any one time shall not exceed 150% of its income for the previous fiscal year, provided that additional amounts may be authorized by the assent of 2/3 of the membership.

BYLAW XIII AUTHORITY TO DEDICATE

The Association shall have the power to dedicate or transfer all or any part of the

Common Properties owned by it to any governmental or public agency or authority or public utility, for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless agreed to in writing by 2/3 of the membership.

BYLAW XIV ASSESSMENTS

a) Creation of the Lien and Personal Obligation of Assessments. Each member is deemed to covenant and agrees to pay to the Association monthly assessments or charges, and special assessments for capital improvements. The monthly and special assessments, together with such 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 such assessment is made. Each such assessment, together with such interest and costs of collection thereof (including reasonable attorney's fees) shall also be the personal obligation of the person who was the owner or contract purchaser of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them; provided, however, that in the case of a sale or the contract for a sale of (or an assignment of a contract purchaser's interest in) any lot which is charged with the payment of an assessment or assessments payable in installments, the person or entity who is the owner or contract purchaser immediately prior to the date of any such sale, contract or assignment, shall be personally liable only for the amount of the installments due prior to said date. The new owner or contract purchaser shall be personally liable for payments which become due on and after said date. The date that assessments shall become the liability of a new owner of a lot shall be the date of closing of the sale of that lot.

b) Purpose of Assessment. The assessments shall be used exclusively for the purpose of promoting the recreation, health, safety, property values and welfare of the residents in the properties, including without limitation, the construction, establishment, improvement, repair and maintenance of the common properties and services and facilities related to the use and enjoyment of the common properties, the payment of taxes and insurance on the common properties, the maintenance of the entry planting areas on streets located within the subdivision, and the continuance of a 24 hour security service.

c) Amount of the Monthly Assessments. The current monthly assessment shall be \$10.00 per month per lot, and the "base time" for increase calculations shall be March 15, 1967. Both monthly and special assessments shall be fixed at a uniform rate for all lots.

d) Increase in Monthly Assessments. The amount of the monthly assessments may be increased to any amount by a vote of 2/3 of the Association, in person or by proxy, at a meeting duly called for that purpose, written notice of which shall be sent not less than 10 days, nor more than 50 days in advance of the meeting. The maximum monthly assessment may also be increased by the Association without the approval of 2/3 of the Association as provided in item (e) below.

e) Increase in Monthly Assessments by the Board. From and after March 15, 1967, the amount of the monthly assessment may be increased without a vote of the membership, based on the established date of March 15, 1967, by an amount not more than the increase, if any, of the CPI (Consumer Price Index), or the nationally published rate of inflation, whichever is higher. The rate of increase shall be averaged annually as of March 15, 1967, and shall be averaged to the nearest dollar figure, and exercised by a vote of the Board. After consideration of current maintenance costs, and future needs of the Association, the Board may fix the monthly assessment at an amount less than the maximum monthly assessment.

f) Special Assessments for Capital Improvements. In addition to the monthly assessments authorized above, the Association may levy special assessments for capital improvements to the common properties. Any such levy by the Association shall be for the purpose of defraying in whole or in part, the cost of any construction or re-construction, unexpected repair of a described capital improvement upon the common properties, including the necessary fixtures and personal property related thereto: Provided that any such assessment shall have the assent of 2/3 of the votes of members 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 10 days, nor more than 50 days in advance of the meeting setting forth the purpose of the meeting.

g) Effect of Non-Payment of Assessments: Remedies. If any assessment is not paid within 30 days after it was first due and payable, the assessment shall bear interest from the date on which it was due, at a rate to be set from time to time by the Board, not to exceed 18% per annum, and the Association may bring an action at law against the one personally obligated to pay the same and/or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be included in any such judgment or decree entered in such suit. No owner or contract purchaser shall be relieved of liability for the assessments provided for herein by the non-use of the common properties or the abandonment of his lot.

h) Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage (and to any second mortgage given to secure payment of the purchase price) now or hereafter placed on any lot. Sale or transfer of any lot shall not affect the assessment lien. However, the

sale or transfer of any lot which is subject to such first mortgage or purchase money second mortgage pursuant to a decree of foreclosure under such mortgage or in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payment thereof, which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due, or from the lien thereof.

i) Exempt Property. The following property subject to the declaration shall be exempt from the assessments created therein: 1) all properties dedicated to and accepted by a local public authority; 2) common properties; and 3) all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Washington. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

BYLAW XV

BOOKS & 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, the Bylaws, and the Conditions, Covenants and Restrictions shall be available for inspection by any member, at the office of the Association, where copies may be purchased at reasonable cost.

BYLAW XVI

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: "FAIRWOOD HOMEOWNERS' ASSOCIATION, INC.", and the words "Corporate Seal Washington 1966" in the form and style herein by the impression of such seal.

BYLAW XVII

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of September and end on the last day of August of every year.

BYLAW XVIII

AMENDMENT

These Articles and Bylaws may be amended, at a regular or special meeting of the members by the approving vote of 2/3 of the membership, present in person or by proxy.

BYLAW XIX

These Articles and Bylaws were duly adopted by the Association and the Corporate Seal thereof affixed on the 27 day of October, 1992.