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## BY-LAWS OF OLYMPUS DIVISION NO. 4 HOMEOWNERS ASSOCIATION

### ARTICLE 1 DEFINITIONS

1.1 Definitions. Unless the context requires otherwise, the terms used in these By-Laws shall have the meanings specified in the Declaration of Covenants, Conditions, Restrictions and Reservations for Olympus Division No. 4 dated the \_\_\_\_\_ day of \_\_\_\_\_, 1993 and recorded with the King County Auditor at Recording No. \_\_\_\_\_, as such Declaration may be amended or supplemented from time to time. The term "Owner" as used in the Declaration shall also mean and refer to a "Member" as used herein.

1.2 Application. The Declaration, the Articles of Incorporation, these By-Laws and any rules and regulations of the Association or the Architectural Control Committee shall, unless otherwise specifically exempted, apply to all Members, Owners, guests and employees, all tenants, lessees and occupants on property subject to the Declaration and any other persons using common areas or other real property subject to the Declaration.

### ARTICLE 2 PRINCIPAL OFFICE

2.1 Principal Office. The principal office of the Association shall be located in the State of Washington at such place as may be fixed from time to time by the Board.

### ARTICLE 3 MEETINGS

3.1 Place and Time of Meetings. All meetings of the Association, Board and Members, both annual and special, shall be held at a place and time designated by the Board, or as otherwise specified in the notice for the meeting.

3.2 Annual Meetings. The annual meeting of the Members of the Association shall be held each year at a date and time to be fixed by the Board, but in no event shall the annual meeting be held less than once each calendar year. The election of the Board shall be held at the annual meeting. The financial statement for the preceding fiscal year and the budget the Board has adopted for the pending fiscal year shall be presented at the annual meeting for the information of the Members.

3.3 Special Meetings. Special meetings of the Members may be called for any lawful purpose by the Board, any officer, or by written request signed by Members representing ten percent (10%)

of the total votes of the Association, such request for a special meeting shall be made by submitting a written request, specifying the general nature of the business to be transacted, to the president or secretary of the Association. The officer receiving the notice shall promptly cause notice to be given to the Members that a meeting will be held at a date, time and place fixed by the Board, which meeting shall be held not less than ten (10) days nor more than ninety (90) days after receipt of the request. If the notice is not so given within twenty (20) days after receipt of the request by the designated officer of the Association, the person requesting the meeting may give the notice to the Members.

3.4 Notice. Notice of the time, place and purpose of any meeting may be waived in writing (either before or after such meeting) and will be waived by any Member by such Member's attendance in person or by proxy at the meeting, unless the Member at the beginning of the meeting objects to the holding of the meeting or the transaction of any business at the meeting.

3.5 Quorum. No quorum shall be required to convene any meeting of the Members of the Association unless a vote is to be taken. If a vote is to be taken, a quorum shall consist of the presence, in person or by proxy (if permitted) of Members holding one third (1/3) or more of the total votes, unless otherwise expressly provided herein.

3.6 Order of Business. At meetings of the Members the order of business shall generally be as follows:

- a. Roll call.
- b. Reading of minutes of last meeting.
- c. Reports of officers.
- d. Reports of committees.
- e. Election of directors.
- f. Unfinished business.
- g. New business.
- h. Adjournment.

#### ARTICLE 4 MEMBERSHIP AND VOTING

4.1 Membership. Members of the Association shall be as determined by the Declaration. The Board may require satisfactory proof of membership to be furnished to the



Association. Such proof may consist of a duly executed and acknowledged deed or recorded real estate contract evidencing that the person qualifies to be a Member in the Association as provided for in the Declaration. In the event more than one entity or individual is the record owner of a fee interest in any Lot, the owners of such interest may be required by the Board to designate a single individual to be the designated person to vote on behalf of such Lot. The Board may further require that any person who becomes an Owner of a Lot furnish to the Association at the time of acquisition of the Lot a copy of the instrument vesting the person with title to the Lot.

4.2 Registration of Mailing Address. The Owner of a Lot shall designate a single mailing address to be used by the Association for mailing of invoices, notices, demands and all other communications to the Owner(s) of the Lot.

4.3 Proxies. Votes may be by person or by proxy. Proxies shall be in writing and signed by the Owner of the Lot. Proxies must be filed with the secretary of the Association prior to the appointed time for the meeting in question. All proxies shall be valid for a period of no longer than six (6) months after the date thereof, unless otherwise specifically provided for in the proxy. A proxy may be revoked at any time by written notice to the secretary or the Association by the person who gave the proxy. A proxy is automatically revoked upon conveyance of the Lot to which it pertains.

4.4 Majority Vote. Except as otherwise provided in the Declaration, these By-Laws or other Governing Documents, or as specifically required by law, passage of any matter submitted to a vote at a meeting where a quorum is in attendance, shall require the affirmative vote of a majority of the votes present at such meeting in person or by proxy.

4.5 Voting by Mail. The Board in its discretion may permit Members to vote by mail with respect to any matter for which approval by the Members is required by the Declaration, By-Laws, Governing Documents or otherwise required by law. Any such votes must be received by the Association prior to a deadline established by the Board.

4.6 Action by Written Consent. Any action required or permitted to be taken by Members may be taken without a meeting if seventy five percent (75%) of all Members consent in writing to the action. The written consent shall have the same force and effect as an affirmative vote of the Members.

4.7 Voting. Except as otherwise provided for in the Declaration, each Member shall have one (1) vote.



ARTICLE 5  
DIRECTORS

5.1 Number. The initial Board of Directors shall consist of five (5) directors to be appointed by the Declarant. These directors shall serve until the first election of Board of Directors which shall take place at the first annual meeting. Thereafter, the Association shall be administered and managed by a Board of Directors consisted of five (5) directors who shall be members of the Association (or during the Development Period, an officer, director, employee or agent of Declarant). Members of the Board shall be elected by the Members. The directors elected shall serve for a term of one (1) year, until the next annual meeting of the Members and until their successors are elected and qualified. Directors may be re-elected. Each director shall hold office until the director's term expires and a successor has been elected and qualified. Any director may resign effective upon giving written notice to the Association of the resignation.

5.2 Removal and Vacancies. Any director serving on the Board may be removed from the Board with or without cause by a majority vote of the Members at a meeting called for such purpose. Any vacancy in the Board of Directors caused by any reason whatsoever will be filled by the affirmative vote of a majority of the remaining directors. A director elected to fill any vacancy shall hold office for the unexpired term of the predecessor and until a successor is elected and qualified.

5.3 Powers. Corporate powers of the Association shall be exercised by and under the authority of, and the business and affairs of the Association shall be managed under the direction of, the Board of Directors. In addition to the powers and authority expressly conferred on the Board of Directors by the Declaration, the Articles, these By-Laws and the Governing Documents, the Board of Directors may exercise all such powers of the Association and do all such lawful acts and things as may reasonably be required to properly conduct the business and affairs of the Association.

5.4 Regular Meetings. Regular meetings of the Board of directors may be held without notice at such reasonable place within the State of Washington, as the Board of Directors may from time to time designate. The annual meeting of the Board of Directors shall be held immediately after the adjournment of the annual meeting of members.

5.5 Special Meetings. Special meetings of the Board of Directors may be called at any time by the President, or in the President's absence, by any director, to be held at such reasonable place within the State of Washington, as the person calling the meeting may designate.



5.6 Notice. Notice of the date, time and place of all special meetings of the Board shall be given to each director by directly contacting the director, or by delivering personally or by mailing a written notice of the same, at least ten (10) days prior to the meeting. Such notice shall state the purpose or purposes for which the meeting is called.

5.7 Action of Board. A majority of the members of the Board shall constitute a quorum. The Board shall act by majority vote of the directors present at any meeting where a quorum exists. The Board may delegate all or any portion of its administrative duties to a manager or officers of the Association.

5.8 Waiver of Notice. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or conveyed. A waiver of notice signed by a director, whether before or after the time stated for the meeting, shall be equivalent to the giving of the notice.

5.9 Registered Dissent. A director who is present at a meeting of the Board at which action on a matter is taken shall be presumed to have assented to such action unless a dissent shall be entered in the minutes of the meeting, or unless the director shall file a written dissent to such action with the person acting as the secretary of the meeting, before the adjournment thereof, or shall forward such dissent by registered mail to the secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

5.10 Committees. The Board shall have the power to appoint the members of the Architectural Control Committee, subject to the rights of the Declarant during the Development Period. In addition, standing or temporary committees may be appointed by the Board from time to time and the Board may from time to time invest such committees with such reasonable powers as it may see fit, subject to such conditions as may be prescribed by the Board. However, any committees that include as members persons other than directors shall only act as advisory committees to the Board and shall not have any power or authority to represent or act on behalf of the Board or the Association. All committees so appointed shall keep regular minutes of the transactions of their meetings and shall cause them to be recorded in books kept for that purpose in the office of the Association. The designation of any such committee and the delegation of authority thereof, shall not relieve the Board or any member thereof, of any responsibility imposed by law.



5.11 Compensation. Directors shall not be paid compensation for their services, as such; provided, that nothing herein contained shall be construed to preclude any Director from service to the Association in any other capacity and receiving reasonable compensation for services rendered in such other capacity.

5.12 Action by Directors Without a Meeting. Any action required or which may be taken at a meeting of the Directors, or of a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed before such action by all of the directors, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

5.13 Action of Directors by Communications Equipment. Any action required or which may be taken at a meeting of the Board, or of a committee thereof, may be taken by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

## ARTICLE 6 OFFICERS

6.1 Designations. The officers of the Association shall be members of the Board or Members. The officers of the Association shall be a President, Vice President, a Secretary and a Treasurer, who shall be appointed or elected by the Board. The initial officers elected by the first Board shall be elected for a term of one (1) year by the directors at their first meeting, and shall hold office until their successors are elected and qualify. Any two or more offices may be held by the same person, except the offices of President and Secretary. The Board may also from time to time appoint or elect such other officers as the Board may determine to be appropriate. Such other officers shall hold office for such term and shall exercise such powers and perform such duties as the Board shall designate from time to time.

6.2 President. The President shall preside at all meetings of Members and of the Board, shall have general supervision of the affairs of the Association, and shall perform all such other duties as are incident to the office or are properly required by the Board.

6.3 Vice President. During the absence or disability of the President, the Vice President shall exercise all the functions of the President. The Vice President shall have such powers and discharge such duties as may be assigned from time to time by the Board.

6.4 Secretary. The Secretary shall issue notices for all meetings (except for notices for special meetings of the directors which are called by the requisite number of Members or directors), shall keep minutes of all meetings, shall have charge of the corporate books and shall make such reports and perform such other duties as are incident to his office, or are properly required by the Board.

6.5 Treasurer. The Treasurer shall have custody of all monies and securities of the Association and shall keep regular books of account. The Treasurer shall disburse the funds of the Association in payment of the expenses of the Association or as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Board from time to time as may be required, an account of all financial transactions and of the financial condition of the Association. The Treasurer shall perform such other duties incident to the office or that are properly required by the Board.

6.6 Delegation. In the case of absence or inability to act of any officer of the Association and of any person herein authorized to act in the officer's place, the Board may from time to time delegate the powers or duties of such officer to any other officer or any director or other person whom it may elect.

6.7 Removal - Vacancies. The officers shall serve at the pleasure of the Board. Any officer elected or appointed by the Board may be removed at any time, with or without cause, by the Board. Vacancies in any office arising from any cause may be filled by the Board at any regular or special meeting of the Board.

6.8 Compensation. Officers shall not be paid compensation for their services, as such; provided that nothing herein contained shall be construed to preclude any officer from service to the Association in any other capacity and receiving reasonable compensation for services rendered in such other capacity.

6.9 Bonds. The Board may, by resolution, require any and all of the officers to give bonds to the Association, with sufficient surety or sureties, conditioned for the faithful performance of the duties of their respective offices, and to comply with such other conditions as may from time to time be required by the Board. The premiums for such bonds shall be paid by the Association.

#### ARTICLE 7 FINANCE - HANDLING OF FUNDS

7.1 Assessments. Assessments shall be fixed, levied and collected as provided in the Declaration.



7.2 Depositaries. The monies of the Association shall be deposited in the name of the Association in such bank or banks or trust company or trust companies as the Board shall designate, and shall be drawn out only by check or other money order for payment of money signed by such person(s) and in such manner as may be determined by resolution of the Board.

7.3 Accounts. The Association shall maintain such separate accounts as required to properly provide for the operation and maintenance of the property, as required by the Declaration. Subject to the direction of the Board, overall management of these accounts and the funds therein shall be the responsibility of the treasurer of the association, who shall be authorized to open such accounts and adopt such procedures as may be advisable to properly secure the accounts and funds of the Association.

7.4 Records- Financial Reports. Complete, detailed and accurate books and records of the receipts and expenditures of the Association shall be kept in accordance with good accounting procedures, in a form reasonably approved by the Board. The books and records, authorizations for payment of expenditures, contracts, documents, papers and other records of the Association shall be available for examination by the Members and agents or attorneys of either of them, during normal business hours and at other reasonable time or times. An annual financial statement and report shall be furnished to each Member.

7.5 Audit. Any Member may at any time at his own expense cause an audit or inspection to be made of the books and records of the Association. The Board, as a common expense, shall obtain an audit of the books and records of the Association at such intervals as the Board shall determine, and copies of said audit shall be furnished to the Members.

## ARTICLE 8 NOTICES

Except as may otherwise be provided herein, or be required or specified by law, the Declaration or these By-Laws, any notice to any Member, officer or director shall be delivered either personally or by mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid to the Member at the Member's address as it appears on the records of the Association. Mailing addresses may be changed from time to time by notice in writing to the Board.

## ARTICLE 9 LIMITATION OF LIABILITY AND INDEMNIFICATION

9.1 Limitation of Liability. So long as a member of the Board, an officer, a member of the Architectural Control Committee, or any other committee, has acted in good faith,



without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, then no such person shall be personally liable to any Member or to any other person, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of such person; provided that this limitation of liability shall not apply to the extent that the consequences of such act, omission, error or negligence are covered by any insurance obtained by the Board.

Each Board member, officer, member of the Architectural Control Committee or any other committee who acts within the limits shall be indemnified by the Association to the full extent permitted by law, against all expenses and liabilities, including attorneys fees, reasonably incurred by or imposed in connection with any proceeding (or any settlement thereof) to which such persons may be a party otherwise, or may become involved, by any reason of holding or having held such position, whether or not such person held the position at the time such expenses or liabilities are incurred; except to the extent such expenses and liabilities are covered by insurance; and except in such cases wherein such person did not act in good faith, or not reasonably believe the conduct to be in the Association's best interests, or (in criminal proceeding) where the person had reasonable cause to believe the conduct to be unlawful; provided that no indemnification shall be made in respect of any proceeding in which such person shall have been adjudged to be liable to the Association. The Association may purchase and maintain insurance on behalf of any person who is, or was, a director, officer, employee, member of the Architectural Control Committee or other committee, or agent, against any liability incurred in any such capacity, or arising out of status as such.

#### ARTICLE 10 AMENDMENTS

During the Development Period, Declarant, may on its sole signature and without the need for any action by the Association or the Members, amend these By-Laws and the Articles of Incorporation. These By-Laws and the Articles of Incorporation may also be amended at any time by an instrument executed by the Board; provided, however, that such amendments by the Board shall have received the prior written consent or approval of a vote of Members having fifty one percent (51%) of the total outstanding votes in the Association; and provided, further, that no such amendment shall be valid during the Development Period without the prior written consent of the Declarant.

#### ARTICLE 11 DEVELOPMENT PERIOD

Notwithstanding the provisions of these By-Laws, during the

Development Period the Declarant shall have the voting rights, power of appointment and such other right and authority as provided for in the Declaration.

ARTICLE 12  
INTERPRETATION


These By-Laws are intended to comply with and supplement the Declaration. If any of these By-Laws or the other Governing Documents conflict with the provisions of the Declaration, the provisions of the Declaration, as amended or supplemented, will control. It is intended that the provisions of these By-Laws and the Governing Documents shall be liberally construed.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 1993.

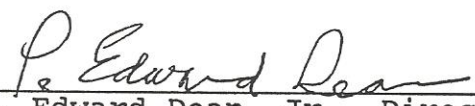
BOARD OF DIRECTORS

\_\_\_\_\_  
LaMar Hansen, Director

\_\_\_\_\_  
Barry Boley, Director

  
\_\_\_\_\_  
Gary King, Director

\_\_\_\_\_  
Wonha Kim, Director

  
\_\_\_\_\_  
P. Edward Dean, Jr., Director

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