

Cedar Ridge Homeowners' Association,
P.O. Box 7403,
Bonney Lake, WA 98390.7403

BY-LAWS OF
CEDAR RIDGE HOMEOWNERS ASSOCIATION
A WASHINGTON NON-PROFIT CORPORATION

The name of the Association is the Cedar Ridge Homeowners Association, a Washington Non-Profit Corporation, located in Pierce County of the State of Washington.

ARTICLE 1 DEFINITIONS

Words Defined. To the purpose of these Bylaws, the following terms shall have the following meanings and all definitions shall be applicable to the singular and plural forms of such terms.

- 1.1** "Absentee Ballot" shall mean a ballot completed and received in advance of an election by a homeowner who is unable to be present at the meeting.
- 1.2** "Annual Homeowners Meeting" the Association will hold an annual meeting of its members once during each fiscal year at a time stated in the By-Laws.
- 1.3** "Association" shall mean Cedar Ridge Homeowners' Association a Corporation organized and existing under the Washington Non-Profit Corporation Act.
- 1.4** "Board" shall mean the body, regardless of title whose primary authority is to manage the affairs of the Association.
- 1.5** "Board Liaison" Each standing or special committee may have a member of the Board of Directors assigned to the committee to ensure compliance with the Governing Documents. A Board Liaison must be a member of the following committees, ACC, Elections, and Rewrite.
- 1.6** "Board Meeting" shall mean a regular formal gathering by the Board of Directors to manage the affairs of the Homeowner's Association.
- 1.7** "Board Quorum" shall mean a quorum of the board consists of a majority of the directors (board members) in office at the beginning of a meeting is required to vote and take action on Association business.
- 1.8** "Capital Improvements" a durable long-lasting upgrade, adaptation or enhancement to a property which significantly increases the value of a property. Repairs and general maintenance are not considered a capital improvement. Capital improvements are voted on by the Association homeowners or members.
- 1.9** "Committee" shall mean a group of homeowners elected or appointed to examine, assist with issues that concern the homeowner's Association which reports to the Board Liaison or directly to the Board when there is no liaison.
- 1.10** "Common Areas" any property owned or maintained, repaired, or improved upon or administered by the homeowner's Association.
- 1.11** "Declaration" shall mean the Declaration of Covenants, Conditions, and Restrictions (CCR's) for Cedar Ridge.
- 1.12** "Dissolution Meeting" shall mean a meeting called to dissolve, break apart or close the Association.
- 1.13** "Electronic meetings" shall mean meetings of the Association may be accessed by a phone call, video, or other conferencing process for members who cannot attend. The meeting notice must state the conferencing process to be used, provides information explaining how to participate in conference directly, or by meeting in a central location giving all owners the opportunity to hear and perceive the discussion.
- 1.14** "Executive session" shall mean the Board of Directors may assemble in closed session of any open meeting to discuss personal matters, legal communications, legal issues, violations of Governing Documents and other matters. Upon return to open meeting the motion will be voted on and the actions to the motion recorded in the meeting minutes.
- 1.15** "Governing Documents" shall mean the Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions, By-Laws, Plat Map and any Rules and Regulations of the Association or any other written instrument approved by the Board.
- 1.16** "Lot" shall mean any one of the 91 lots numbered 1 through 91 on the Plat Cedar Ridge, together with the structures and improvements thereon.

1.17 “Member in Good Standing” shall mean a Lot Owner who has paid the Association dues and or assessments and is without fines or liens imposed by the Cedar Ridge Homeowners Association.

NOTE: Failure to pay assessment(s) when due results in loss of voting privileges until assessment(s) and associated fines are paid in full.

1.18 “Noncompliance” shall mean a failure or refusal to comply with the Governing Documents of the Association.

1.19 “Owner” shall mean whether one or more persons or entities, holding the title to a Lot within the Property, excluding mortgages or other persons or entities having such interest merely as security for the performance of an obligation. Purchasers or assignees under recorded real estate contract shall be deemed Owners as against their respective sellers or assignors.

1.20 “Person” shall mean an individual, corporation partnership, Association, trustee, or other legal entity.

1.21 “Plat” shall mean the recorded Plat of Cedar Ridge as filed with Pierce County, Washington and any amendments, corrections, or addenda thereto subsequently recorded.

1.22 “Property” shall mean the land and all improvements and structures now or hereafter placed on the land within the Plat of Cedar Ridge.

1.23 “Proxy Vote” shall mean a vote cast by one person as a representative of another. A homeowner delegates their voting power to another homeowner. Both must be in good standing.

1.24 “Quorum” is the minimum number of members of the Association necessary to conduct business. For the purpose of meetings and the purpose of conducting business a quorum is present when 20% is present at the beginning of the meeting in person or by absentee vote. For the purpose of governing document changes or dissolution a quorum is only met if 80% has voted.

1.25 “Reserve Funds” fund established by the Association and administered by the Board to fund major maintenance, repair or replacement of common elements that will require major maintenance, repair or replacement within thirty years. Examples are front entrance sign, sprinkler system, mailboxes, street lights.

1.26 “Simple Majority Vote” a vote is passed when 50% plus one of those entitled to vote (in good standing) in person, absentee, or proxy cast a vote in accord.

1.27 “Special Meeting” shall mean the Association may hold a special meeting of the members and can conduct only business described in the meeting notice.

ARTICLE 2 CEDAR RIDGE HOMEOWNERS' ASSOCIATION

2.1 The Association. The Owners of Lots within the property as listed with the Pierce County Auditor’s Office shall constitute the Cedar Ridge Homeowner’s Association. The Association is a Washington State Non-Profit Corporation.

2.1.1 The Registered Office for the Cedar Ridge Homeowners Association will be: Cedar Ridge HOA PO Box 7403, Bonney Lake WA 98391 for legal purposes and correspondence

2.1.2 The Board of Directors shall provide their names, addresses and a contact (phone or email) to all members of the Association and to any and all State agencies as required by law. All homeowners’ rights are guaranteed by the Revised Code of Washington.

2.2 Association Membership. The membership of the Association at all times shall consist exclusively of all owners or real property as listed with the Pierce County Auditor’s office over which the Association has jurisdiction, both developed and undeveloped.

2.2.1 Every Lot Owner, by acceptance of a deed or contract for such Lot is deemed to be covenant and agrees to membership in the CEDAR RIDGE HOMEOWNERS ASSOCIATION, for the purpose of owning property, maintaining, replacing, or improving any such property, or any improvements placed thereon. Membership cannot be transferred unless by sale or transfer of Lot itself. Every Lot Owner agrees to pay when due all dues, assessments, fines, or other charges that may be levied from time to time by the Cedar Ridge Homeowners Association in accordance with these Governing Documents and/or the Articles of Incorporation of the Association.

2.3 Any sums for dues, assessments, fines, or fees not paid within 30 days of the due date on the invoice or statement, may become a continuing lien on the Lot owned, which lien may be foreclosed by the Association. Any lien created hereby shall be subordinate only to any duly recorded purchase money mortgage, deed of trust or real estate contract which appears as a “first Lien” against the Lot. Any homeowners’ dues, fees, fines, or assessments

which are delinquent become due and payable upon sale or transfer of the Lot itself. Failure to pay dues, assessments, fees, fines, and consequential liens will result in a members (homeowner) loss of "Good Standing" and will subsequently lose voting and proxy privileges and the ability to serve on the Board in a director's position or participate on a committee until all assessments, dues, fees, and fines are paid in full. Fines are considered assessments for enforcement and collection purposes.

2.4 Association Powers. Unless otherwise restricted by law or the Association's governing documents, the Association shall have the following powers, limited to the scope necessary for the management, maintenance, and operation of the Association's responsibilities:

- a. To adopt, amend, and enforce reasonable bylaws, rules, and regulations for the governance of the Association and the community.
- b. To adopt and manage an annual budget for expected expenses, including but not limited to the maintenance of entrance signage, mailbox standards, light pole standards, payment of electricity for neighborhood lighting, insurance, administrative costs, and reserves. The Association may collect annual assessments from homeowners accordingly.
- c. To contract with, hire, or discharge vendors, service providers, and professionals as needed to perform services related to the Association's responsibilities.
- d. To initiate or defend legal or administrative proceedings in the name of the Association when necessary to protect the interests of the Association or enforce its governing documents. The Association shall not intervene in private disputes between homeowners unless it directly affects Association matters.
- e. To enter into contracts and incur obligations as necessary to carry out the Association's duties.
- f. To manage, maintain, repair, or replace any Association-owned or controlled property, including the entrance signage, mailbox and light pole standards, and any other common assets.
- g. To pay for utility services used for Association-maintained features, including but not limited to street lighting.
- h. To impose reasonable late fees for non-payment of assessments and levy fines for violations of the Association's governing documents, following written notice, an opportunity to be heard, and procedures established by the Board.
- i. To exercise any additional powers provided in the governing documents or permitted by the Washington Nonprofit Corporations Act (RCW 24.03A) or the Washington Homeowners' Associations Act (RCW 64.38), as necessary for the effective governance and operation of the Association.

2.5 Board of Directors. The affairs of the Association will be administered by a Board of Directors which will consist of no less than three and no more than 5. Board members are elected to a two-year term.

2.5.1 Persons wishing to serve on the Board must reside within the Cedar Ridge development, be in good standing and without liens or fines. Homeowners must submit their names in writing to the Election Committee by the date designated by the Board in the third quarter of the year to have their name put on the ballot.

2.5.2 At no time shall a member of the Board of Directors be compensated for their services.

2.5.3 The Board and their successors shall be released from all liability whatsoever for claims arising out of or in connection with these By-Laws.

ARTICLE 3 ASSOCIATION MEETINGS

3.1 A meeting of the Association must be held at least once each year. Board meetings are held monthly and no less than quarterly. Special meetings may be called by the President, a majority of the Board of Directors or by Owners having 20% of the votes in the Association.

3.2 Not less than fourteen days (14) nor more than fifty days (50) in advance of any meeting of the Association, the Secretary or other officers specified in the By-Laws shall cause notice of the meeting to all homeowners. Notice of the special meeting may be hand delivered or sent by first class United States mail to the mailing address of the owner or any other address designated in writing by the owner. Notice of board meetings may be placed on the website or in the monthly newsletter.

3.3 The notice of any meeting shall state the time, date and place of the meeting and the business to be placed on the agenda by the Board of Directors for a vote by the homeowners including proposed amendments to the Governing Documents, budget and removal of a director or directors.

3.4 Meetings of the Association may be conducted via telephone, video, or other conferencing process if the meeting notice states the process to be used and explains how homeowners may participate directly or at a central location. The process must provide all homeowners the opportunity to hear and perceive the discussion and comment.

3.5 Annual meeting. There shall be an Annual Meeting of the Owners of the Association in the last quarter of the fiscal year. Written notice from the Board will designate the time and place of the meeting and the business to be placed on the agenda for a vote by the homeowners. Discussions include changes to the budget, dues assessments, and the election of the new Board.

3.5.1 At each Annual Meeting the members will elect by majority vote of those present at the meeting and those absentee ballots received by the designated due date, individuals to serve on the Board for a two-year term. The ballots will be opened at the annual meeting by the election committee and the results announced.

3.5.2 Each Lot is entitled to ONE (1) vote and votes for Directors are non-cumulative.

3.5.3 Homeowners may also vote by proxy. A proxy vote allows one member to vote for another when they cannot attend the Annual Meeting. The member (homeowner) may appoint a proxy to vote or act for another member by executing an appointment form in the form of a record. A proxy is good for 90 days at which time another appointment form maybe written. Specific procedures must be followed and are identified in Revised Code of Washington. Both the proxy voter and the carrier must be in good standing.

3.5.4 The Association may hold elections to vote on issues without a meeting. Ballots will be mailed to all Lot Owners. The ballots will include all issues to be voted on and the date the ballots must be returned. Ballots will be opened and counted at a meeting. A quorum must be met and then the specific requirements depending on the issue must be met to pass.

3.5.5 Voting on elections will be done by the Lot Owners as it appears on the Pierce County Tax records.

3.6 Meetings of the Board will be held monthly or no less than quarterly at a time and place designated by the Board. All lot owners are welcome to attend any or all board meetings. Homeowners attending the monthly Board meetings may participant, ask questions and make suggestions to the Board during the meeting, unless the Board thinks the member is disruptive to the business at hand. If a Lot Owner wishes to make a presentation to the Board, the homeowner will notify the Board at least 72 hours prior to the meeting with the topic of discussion, time needed to make the presentation and any supporting speakers that will be needed. Following the presentation the Board may put the matter on the next month's agenda and decide the issue after investigating and researching the matter.

3.6.1 "Executive Session" All meetings of the Board of Directors shall be open to all homeowners of record and their authorized agents except for executive sessions and meetings are private. Upon the affirmative vote in open meeting to assemble in closed session, the Board of Directors may convene in closed executive session to consider personnel matters; consult with legal counselor, 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. Minutes of Executive Session will be kept by the Board and separate from the regular monthly board meeting minutes.

3.6.2 In case of emergency, the Board may act on shorter notice of 14 days if the Board deems it is in the best interest of the Association.

3.6.3 Quarterly Meetings. If the Board elects to operate on a quarterly meeting schedule, it must hold no fewer than four (4) Board meetings per calendar year, in addition to one (1) Annual Homeowners Meeting. Between

scheduled Board meetings, the Board shall provide homeowners with monthly Treasurer's Reports and timely updates on any important issues or decisions. This information may be distributed by email, website, mail, newsletter, or other available communication methods. Any Board votes conducted between meetings must be unanimous and documented in writing either on paper, by email, or through other electronic means. All such votes shall be officially recorded in the minutes of the next Board meeting. Matters involving compliance or sensitive topics may be documented without details or recorded within Executive Session minutes to protect all parties involved.

3.6.4 Homeowner Comment Period. At the beginning of each regular Board of Directors meeting and the Annual Meeting, the Board shall provide a minimum of fifteen (15) minutes for Lot Owners to address the Board on relevant concerns, comments, or questions. The comment period may be extended at the discretion of the Board. Speakers must identify themselves by name and Lot number and shall be given a reasonable time to speak. The Board may adopt additional reasonable procedures for managing the comment period, including sign-in sheets, time limits per speaker, and topic relevance. While the Board is not required to immediately respond or take action during the comment period, all homeowner comments will be noted in the meeting minutes and may be scheduled for follow-up or future discussion.

3.7 Action without a meeting. The Board of Directors may take any action required or permitted to be taken at a Board meeting without a meeting, if all Directors consent in writing to the action. Written consent may be provided by physical or electronic means and must be filed with the Association's records. Such action shall have the same force and effect as a unanimous vote at a duly called meeting and shall be recorded in the minutes of the next regular Board meeting.

3.8 Special meetings. Are called for the purposes of considering matters that require the approval of some or all Lot owners or for other reasonable purpose.

3.8.1 Meeting for Dissolution of the Association. The Board of Directors or 20% of the Homeowners shall call for a special meeting to discuss and propose dissolving the Association. The Board will discuss the purpose of dissolving and what is involved, including but not limited to lights turned off, mailboxes no longer repaired, water shut off, no more landscaping done at front entrance, no community events and other pertinent information. The Board will explain how the assets will be distributed once all creditors are paid and how the distribution of assets will be determined. A vote to dissolve the Association will be done by sending a ballot to each Lot Owner. Once quorum is met, 67% of the all Lot Owners must vote in favor of terminating the Association to dissolve. After dissolution is authorized, the Homeowner's Association must file with the Secretary of State's office "Articles of Dissolution"

ARTICLE 4 FINANCIAL AND OTHER RECORDS

4.1 The records of the Association, including the names and addresses of all the Lot Owners and the names of the renters will be maintained by the Board of Directors.

4.2 The Board shall keep complete, detailed, and accurate books and records of the Association in a form that complies with general business and accounting practices.

The books and records including contracts, documents, meeting minutes, papers, correspondence, election results (2 years) Policy and Procedures, Rules and Regulations and any other paperwork of the Association shall be available for examination by all homeowners, holders of mortgages on the lot and their respective agents on reasonable advance notice to the Board of Directors.

4.3 The Homeowners Association Board of Directors shall keep and maintain the financial records sufficiently detailed to enable and fully declare to each homeowner the true statement of its financial status. All financial records of the Association including checks, receipts, bank records, expenditures, monthly, quarterly, and annual treasurer reports in whatever form they are kept shall be made available for examination by all homeowners, holders of mortgages on the lot and their respective agents on reasonable advance notice to the Board.

4.4 All association books and records shall be available for homeowners' examination during business hours unless reasonable hours agreed upon. The Board will provide the information requested within 10 days unless the size of requested information requires longer time.

4.5 The Homeowners Association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the Association in providing access to records. All books, records and financial records are the property of the Association and will be maintained by the Board.

4.6 Notices. Any notice shall be deemed effective when personally delivered or mailed by standard mail to the owner of public record at the time of such mailing to the owner's address as it appears on the Pierce County tax records or to any other address designated in writing by the owner.

Legal notices including lien notices, final non-compliance notices, fine and fee notices and any other type of legal notice will be sent both by first class mail or certified mail to the owner's address as it appears on the Pierce County tax records or to any other address designated in writing by the owner to ensure the homeowner receives the notice.

ARTICLE 5 AUTHORITY OF THE BOARD OF DIRECTORS

5.1 The Board of Directors shall manage and administer all matters concerning the compliance of all Articles as outlined in the Articles of Incorporation, the Covenants, Conditions and Restrictions, By-Laws and Rules and Regulations of the Homeowner's Association otherwise known as the Governing Documents.

5.2 Subject to any specific requirements thereof, the Board of Directors shall have the authority to establish operating Policy and Procedures to conduct the business of the Association.

The President may sign, act on making Board Policy and Procedures, Board Rules and Regulations and other board business only after the Board has discussed the issue at a board meeting (Annual or Special meeting), make a decision, votes on the issue and informs the Homeowners.

5.3 Except as provided in the Governing Documents of the Homeowners' Association, the Board of Directors shall act in all instances on behalf of all members of the Homeowner's Association. In the performance of their duties the Board of Directors shall be knowledgeable of all the Governing Documents and shall exercise the degree of care and loyalty required of an officer or director of a Non-Profit Corporation organized under RCW 24.03 of the State of Washington.

5.4 The Board of Directors shall not act on behalf of the Homeowner's Association to amend the Articles of Incorporation, the Covenants, Conditions and Restrictions or the By-Laws, to take any action that would require the appropriate vote of the homeowners, to terminate the Association, to elect members to the Board of Directors, or to determine the qualifications, powers, and duties or terms of office of members of the Board of Directors.

The Board of Directors may fill any vacancies on the Board of Directors for a period of time not to exceed the unexpired portion of the term being filled.

The Board of Directors should check the last ballot for election of Board of Directors for names of candidates not elected to the board and names of write in candidates to consider for any open position on the Board.

5.5 The Board is empowered to adopt, amend, and revoke on behalf of the Association detailed Administrative Rules and Regulations from time to time to ensure the compliance with the By-Laws, CCR's and other Governing Documents for the purpose of enhancing and protecting the value, desirability and attractiveness of the property and to govern the operation and procedures of the Association.

5.6 The Board shall have the authority to establish or define a schedule of action for non-compliance through a defined fee and fine schedule. The Board of Directors may impose and collect charges for late payments of dues and assessments and levy reasonable fines in accordance with a previously established fine schedule adapted by the Board

of Directors and furnished to all homeowners for violations of the CCR's, By-Laws, Rules and Regulations of the Association otherwise known as the Governing Documents.

5.7 The Board of Directors shall appoint the members of the Architectural Control Committee (ACC) whose duties are defined in the Covenants, Conditions and Restrictions and the By-Laws of the Homeowner's Association. There shall be at least two (2) Board of Directors on the ACC.

5.8 The Board of Directors may establish committees from time to time to examine, assist with issues or activities that concern the Homeowner's Association provided that One (1) member of the Board of Directors serves as the Board Liaison of the committee(s) or the Committee will report to the Board. All homeowners wishing to volunteer for a committee must fill out a "Committee Volunteer Form" and submit to the Board personally. The form should include the lot number, committee they are applying for, signature and approval from the Board.

5.9 The Elections Committee shall operate independently of the Board. Volunteers for the Elections Committee shall be homeowners with the Board Liaison being the only Board member on the Committee. In the event no homeowners volunteer to be on the Election Committee then the Board will run the elections.

5.10 At no time shall any member of the Board of Directors or any other homeowner appointed to or asked to serve on any committee be compensated in any manner for their service.

5.11 A majority of the number of the Board of Directors elected or appointed, as outlined in the Governing Documents of the Homeowner's Association shall constitute a quorum for the transaction of business that is empowered solely to the Board of Directors. A minority of the Board of Directors, in the absence of a quorum, may adjourn any meeting but shall not transact any business.

5.12 Enforcement of By-Laws. The Board of Directors shall manage and administer all matters concerning compliance of all articles as outlined in the Covenants, Conditions and Restrictions and the By-Laws of the homeowner's Association. The Board of Directors shall have the right to enforce any provision of this declaration or to recover damages resulting from any violation thereof by any proceeding at law or in equity. Thirty (30) days after written notice to the owner of any lot setting forth a violation, the Board of Directors or their agents may enter upon any Lot, which entry shall not be deemed a trespass and take whatever steps are necessary to correct the violation(s). The expenses thereof, if not paid by such Lot Owner(s) within 30 days after written notice and billing, may be filed as a lien upon such Lot. Failure of the Board of Directors to enforce any provision shall in no event be deemed a waiver of the right to do so. In the event of legal action, the prevailing party(s) shall be entitled to recover actual costs and reasonable attorney fees.

5.13 Goods and Services. The Board shall acquire and pay for as common expenses of the Association all goods and services reasonably necessary or convenient for the efficient and orderly maintenance of the portions of the Common Areas.

5.14 The homeowners by a majority vote present and entitled to vote at any meeting of the Homeowner's Association at which a quorum is present may remove by a ballot vote any member of the Board of Directors with or without cause.

ARTICLE 6 BUDGET AND ASSESSMENT OF COMMON AREAS

6.1 The fiscal year for the budget and the business of the Association will be the calendar year. The Board, prior to the expiration of each fiscal year will establish a budget for the anticipated income and common expenses during the upcoming fiscal year.

6.2 The budget will include the projected income to the Association by category, the projected common expenses by category, the amount of assessment per Lot Owner, (homeowner) and the date the assessments are due. The budget will also include the amount of regular assessments budgeted for the reserve account.

6.3 The Board of Directors will present the financial statement of the Association including the fiscal years proposed budget and actual expenses as well as the proposed budget for the upcoming year at the Annual meeting. The homeowners will ratify the budget at the Annual meeting.

6.4 The Board of Directors will notify each Lot Owner in writing at least ten (10) days in advance of each assessment the amount of the assessment, the date the assessment is due and a copy of the budget for the year for which the assessment is based.

6.5 After adoption by the Board of Directors of any proposed regular or special budget of the Association, the Board shall set a date for a meeting of the Homeowners to consider ratification of the budget not less than fourteen (14) days and not more than sixty (60) days after mailing of the summary. Unless at that meeting of the homeowners of a majority of the votes in the Association are allocated or a larger percentage specified in the Governing Documents reject the budget, in person or by proxy, the budget is ratified, whether or not a quorum is present. In the event the budget is rejected or the required notice is not given, the previous budget last ratified by the homeowners shall be continued until such time as the homeowners ratify a subsequent budget proposed by the Board of Directors.

6.6 Common Expenses. The following expenses shall be considered expenses common with all owners: the purchase, operation and maintenance of common area, sprinkler system, mailbox purchase, operation and maintenance of street lighting and lighting in common areas, maintenance of common areas, purchase of landscaping and equipment for common areas, activities deemed by the Board for the common good of the Association and supplies and materials for the operations of the Association. Common expenses shall be inclusive of the cost of liability and casualty insurance in whatever amount is reasonable and deemed appropriate. The responsibility for the common expenses shall be administered by the Association and paid for by the homeowners.

6.7 The Board will assess each Lot Owner or homeowner an annual and special assessments that will be paid to the Association on or before the due date. Payments received after the due date are considered delinquent.

6.8 The Board of Directors will notify in writing each homeowner the annual dues as well as any assessments, the amount due, the date the payment is due, the charges the homeowner will be responsible for if not paid by the due date, and a copy of the budget for which the assessment was based.

6.9 Homeowner yearly dues are payable by last day of February for the forthcoming year or as specified by the homeowners Board of Directors.

Any assessments or dues not paid within thirty (30) days of the due date, March 31st, shall incur a late charge of \$15.00 per month, starting April 1st, every month until the assessment is paid along with the cost of attaining compliance. If the dues or assessment are not paid by the end of December of the year due, the Board may begin Lien proceedings if a payment arrangement is not reached or begun.

6.10 Reserve Fund Investments. The Board of Directors is authorized to invest reserve funds on behalf of the Association in accordance with applicable Washington State laws, including RCW 64.90.545. Reserve funds shall be held in accounts or investments that ensure the preservation of capital and liquidity to meet anticipated common area repair or replacement needs. Permissible investments may include, but are not limited to, FDIC-insured savings accounts, certificates of deposit, U.S. Treasury securities, or other conservative instruments as approved by the Board. The Board shall not invest reserve funds in speculative or high-risk investments. All investment decisions shall prioritize safety, liquidity, and compliance with any applicable reserve study recommendations or state requirements.

ARTICLE 7 LIMITATION OF LIABILITY

Neither the Board, the ACC, the Homeowner's Association, or any member thereof, shall be liable to any owner, occupant, builder or developer for any damages, loss or prejudice suffered or claimed on account of any action or failure to act of the committee or member thereof, provided that the member has acted in good faith and on the basis of the facts as known.

ARTICLE 8 AMENDMENT TO THE BY-LAWS

This By-Laws may be amended at any time by a majority vote of the Lot Owners who have voted after quorum is met (31 votes).

ARTICLE 9 DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

9.1 The affairs of the Association shall be governed by the Board of Directors.

At each Annual Meeting of the Association, the members shall elect by majority vote of those present and absentee votes received, individuals to serve as Board members for a two-year term until the successor members are elected. Proxy voting is allowed at any meeting of the Owners.

The ballots will be opened at the Annual meeting and results announced.

The Board by a majority vote shall appoint or dismiss all standing and special committees. All committees may have a member of the Board of Directors known as a Board Liaison to act on behalf of the Board or the committee reports directly to the Board. The Board Liaison will ensure compliance of the Associations Governing Documents, any policies of the Board of Directors and within the amount of money budgeted for the committee for the annual budget. The Board Liaison will have the same voting privileges as members of the committee.

9.2 The Board of Directors shall consist of President, Vice President, Secretary, Treasurer and Sergeant-At-Arms/ Newsletter Editor. The duties for each Director are as follows:

President The President presides at all Board meetings, Annual Meeting and Special meetings. The President takes full responsibility for the operation of the Homeowner's Association. The President or a designee receives all mail, supplies and communication. The President presides or assigns a designated Board member to chair the Architectural Control Committee or ACC.

Vice President The Vice President presides over all Board meetings, Annual meetings and Special meetings in the absence of the President. The Vice President carries out duties and assignments as assigned by the President.

Secretary The Secretary maintains the register of the Lot Owners, renters, and the Board of Directors. The Secretary is responsible for recording the minutes of all meetings, sending out notices of all meetings, non-compliance notices, and all correspondence for the Association. The Secretary maintains the records of the Association. The Secretary carries out duties and assignments as assigned by the President.

Treasurer The Treasurer signs check(s) co-signed by another approved Director. The Treasurer dispenses funds as approved, reports the financial status of the Association monthly to the Board and Homeowners, quarterly to the members through the newsletter and yearly at the Annual Meeting. The Treasurer prepares the annual budget, files the tax return, maintains the financial records and assumes full responsibility of all homeowner finances. The Treasurer carries out duties and assignments as assigned by the President.

Sergeant-At-Arms /Newsletter Editor The Sergeant-At-Arms is responsible for keeping order and enforcing Robert's Rules of Order at all meetings of the Association. The Newsletter Editor is responsible for publishing the monthly newsletter and ensuring the information in the newsletter is correct. The Sergeant-At-Arms carries out duties and assignments as assigned by the President.

9.3 If the Board of Directors consists of less than 5 members, the Board shall combine the duties of the Board to ensure the business of the Association is addressed and covered.

The Newsletter Editor position maybe appointed to a homeowner. The Homeowner would report directly to the Board and the Newsletter would be reviewed for correct content before it is distributed to the homeowners.

ARTICLE 10 SEVERABILITY

Invalidation of any provision hereof shall not affect the other provisions, which shall remain in full force and effect.

In witness whereof, we the members of the Board of Directors of Cedar Ridge Homeowners Association have hereunto set our hands this _____ day of _____, 20 __, to evidence the adaption of the foregoing amended By-Laws.

BY:

Julie Summers President

Joanie Davey Treasurer

Svetlana Antohi Secretary