

RECORDED

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Lovell-Sauerland & Associates, Inc.  
19400 - 33rd Avenue West, Suite 200  
Lynnwood, Washington 98036

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AUDITOR  
SNOHOMISH COUNTY, WASH.  
DEPUTY \_\_\_\_\_

**BYLAWS  
OF  
CASCADE HIGHLANDS HOMEOWNERS ASSOCIATION**

**ARTICLE I  
OFFICERS**

**1.1 Executive Officers**

The executive officers of the Corporation shall be a President, a Vice President, a Secretary and a Treasurer. These officers shall hold office for one year, after which time they shall be elected annually by the Board of Directors. They shall take office immediately after election. The officers of the Corporation for the first year need not be members of the Corporation. Thereafter, they shall be members of the Board of Directors and members of the Corporation.

**1.2 President**

Subject to the direction of the board of Directors, the President shall be the chief executive officer of the Corporation, and shall perform such other duties as from time to time may be assigned to him by the Board. The President shall be ex-officio, a member of all committees.

**1.3 Vice President**

The Vice President shall have such power and perform such duties as may be assigned to him by the Board of Directors or the President. In case of the absence or disability of the President, the duties of that office shall be performed by the Vice President.

**1.4 Secretary**

The Secretary shall keep the minutes of all proceedings of the Board of Directors and all committees and the minutes of the members' meetings in books provided for that purpose; he shall have custody of the Corporate seal and such books and papers as the Board may direct, and he shall, in general, perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors and the President; and he shall also perform such other duties as may be assigned to him by the President or by the Board.

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### 1.5 Treasurer

The Treasurer shall have custody of all receipts, disbursements, funds and securities of the Corporation and shall perform all duties incidental to the office of Treasurer, subject to the control of the Board of Directors and the President. He shall perform such other duties as may from time to time be assigned to him by the Board or the President. If required by the Board, he shall give a bond for the faithful discharge of his duties in such sum as the Board may require.

### 1.6 Subordinate Officers

The President, with the approval of the Board of Directors, may appoint such other officers and agents as the Board may deem necessary, who shall hold office during the pleasure of the Board, and who shall have such authority and perform such duties as from time to time may be prescribed by the President of the Board.

## ARTICLE II BOARD OF DIRECTORS

### 2.1 Number

The business and affairs of this Corporation shall be managed by a Board of Directors which shall consist of not less than three (3) nor more than seven (7) members. The first Board of Directors need not be members of the Corporation. At the inception of the Corporation, the Board shall consist of three (3) members named in the Articles of Incorporation, and thereafter the number of directors shall be fixed by the Board.

### 2.2 Executive Committee

The Board of Directors may elect from their number an executive committee consisting of not less than three (3) members of the Board, which committee shall have all the powers of the Board of Directors between meetings, regular or special. The President of the Corporation shall be a member of and shall be chairman of the executive committee.

### 2.3 Regular Meetings

The Board shall meet for the transaction of business at such place as may be designated from time to time.

### 2.4 Special Meetings

Special meetings of the Board of Directors may be called by the President or by a majority of the Board for any time and place, provided reasonable notice of such meetings shall be given to each member of the Board before the time appointed for such meetings.

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## 2.5 Quorum

The directors shall act only as a Board, and the individual directors shall have no power as such. A majority of the Board for the time being in office shall constitute a quorum for the transaction of business, but a majority of those present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice until the quorum be at hand. The act of a majority of directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise provided by law.

## 2.6 Annual Report

The Board of Directors, after close of the fiscal year, shall submit to the members of the Association, a report as to the condition of the Association and its property, and shall also submit an account of the financial transactions of the past year.

## 2.7 Vacancies

Whenever a vacancy in the membership of the Board shall occur, the remaining members of the board shall have the power, by a majority vote, to select a member of the Association to serve the unexpired term of the vacancy.

### ARTICLE III MEETINGS OF MEMBERS

## 3.1 Annual Meetings

There shall be an annual meeting of the members of the Association at such place as may be designated, on the second Thursday in April of each year if not a legal holiday under the laws of the State of Washington, and if a legal holiday, then on the next succeeding business day, which meeting shall commence between the hours of 6:30 p.m. and 8:30 p.m. for the transaction of such business as may come before the meeting. Written notice of the time and location of such meeting shall be mailed to each member of record by ordinary mail at least ten (10) days prior to said meeting.

## 3.2 Special Meetings

Special meetings of the members shall be held whenever called by the Board of Directors or by the holders of at least ten memberships. Notice of each special meeting, stating the time, place, and in general terms the purpose or purposes thereof, shall be sent by ordinary mail to the last known address of all members at least ten days prior to the meeting.

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### 3.3 Proxy

Each member may cast one vote, either in person or by proxy, for each lot owned by that particular member. When more than one person holds an interest in any lot, the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

### 3.4 Quorum

Except as set forth to the contrary elsewhere in these Bylaws or in the Declaration of Covenants, Conditions and Restrictions for Cascade Highlands, a majority of the members of the Association shall constitute a quorum at any meeting of the members, whether present in person or by proxy, and the majority in amount of such quorum shall decide any issue that may come before the meeting.

## ARTICLE IV MEMBERSHIP

### 4.1 Qualifications

Every person or entity who is an owner of record of any lot which is subject by covenants of record to assessment by the Association, shall be a member of the Association. Where two or more persons are the joint owners of real property, one and only one shall become a member. Where two or more persons are stockholders in a corporation owning real property in Cascade Highlands, including all divisions thereof, one and only one shall become a member. No owner shall have more than one membership, and only member shall be entitled to vote. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

Whenever a member shall cease to own real property in Cascade Highlands, or shall cease to own stock in a corporation that owns real property in Cascade Highlands, such member shall automatically be dropped from the membership roll of the Association.

### 4.2 Members

A member shall have no vested right, interest or privilege of, in, or to the assets, functions, affairs or franchises of the corporation, or any right, interest, or privilege which may be transferable or inheritable, or which shall continue after his membership ceases, or while he is not in good standing.

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#### 4.3 Manner of Admission

Any person or entity which becomes a record owner of any lot (excluding holders of security interests only), or becomes a purchaser under a real estate contract for any lot, shall automatically become a member. It shall be the duty of such member forthwith to advise the Secretary of the Association in writing of the member's name and address.

#### 4.4 Annual Dues

Every member shall be required to pay annual dues in the amount established by the Board of Directors from year to year, or by the members.

### ARTICLE V LOSS OF PROPERTY

5.1 The Board of Directors shall not be liable or responsible for the destruction or the loss of or damage to the property of any member or the guest of any member, or visitor, or other person.

### ARTICLE VI MAINTENANCE CHARGES

6.1 The Board of Directors shall have the right and power to subject the property situated in the plat of Cascade Highlands, including all divisions thereof, except the Common Areas located therein, to assess an annual maintenance charge. Commencing on 3-1, 1996, and on the same day of each year thereafter, each owner of property in Cascade Highlands, including all divisions thereof, other than the developer, shall pay to the Association, in advance, the maintenance charges assessed against his property, and such payments shall be used by the Association as hereinafter stated. The charge will be delinquent when not paid within thirty (30) days after it becomes due. In the event that an owner acquires title to property in Cascade Highlands, including all divisions thereof, after the annual due date for maintenance charge, then such owner shall be given a pro rata credit for the annual maintenance charge from the due date to the date on which such owner acquires title, or becomes a contract purchaser.

6.2 The annual charge may be adjusted or reduced from year to year by the Board of Directors as the needs of the property, in its judgement, may require, but in no event shall the increase in any year exceed the sum of twenty-five percent (25%) of the preceding year's assessment.

#### 6.3 The Maintenance Fund

The Maintenance Fund may be used:

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6.3.1 For lighting, improving and maintaining open space tracts and dedicated right of way areas maintained for the general use of the owners and occupants of land included in Cascade Highlands, including all divisions thereof;

6.3.2 For maintaining the drainage facilities located within Tracts 994, 995, 996, 997, 998 and 999, maintained for the general use of the owners and occupants of land included in Cascade Highlands, including all divisions thereof;

6.3.3 For paying real estate taxes and insurance premiums on the Common Areas;

6.3.4 For initiating actions to enforce the covenants, restrictions or other regulations including retaining counsel;

6.3.5 For employing policemen and watchmen;

6.3.6 For establishing and maintaining any park or recreational facilities on the common areas of Cascade Highlands, including all divisions thereof and,

6.3.7 For doing any other thing necessary or desirable, in the opinion of the Board of Directors of the Association, to keep the property neat and in good order, and to eliminate fire hazards, or which in the opinion of the Board of Directors may be of general benefit to the owners or occupants of the land included in Cascade Highlands.

6.4 The Association shall have a lien on all the lots in Cascade Highlands, including all divisions thereof, to secure the payment of maintenance charges due and to become due, and the record owners of such lots shall be personally liable for all maintenance charges.

6.5 Upon demand, the Association shall furnish to any owner or mortgagee or other interested person a certificate showing the unpaid maintenance charges against any lot or lots.

6.6 The Association may, in its discretion, subordinate in writing, for limited periods of time, the liens of the Association against any lot or lots for the benefit or better security of a mortgagee.

## ARTICLE VII NOTICE

7.1 Whenever, according to these Bylaws, a notice shall be required to be given to any member, it shall not be construed to mean personal notice, but such notice may be given in writing by the depositing of same in a post office in a postage prepaid, sealed envelope addressed to such member at his address as the same appears on the books of the Association, and the time when such notice is mailed shall be the time of giving of such notice.

7.2 Waiver of Notice

Any notice required to be given by these Bylaws may be waived by the person entitled thereof.

**ARTICLE VIII  
FISCAL YEAR**

8.1 Fiscal year of the Corporation shall begin on the first day of January, and terminate on the thirty-first day of December of each year.

**ARTICLE IX**

9.1 These Bylaws may be amended at any regular or special meeting of the Association by a vote of at least two-thirds (2/3) of the members of the Association. Provided, however, no amendment shall have the effect of limiting or eliminating use of or access to common areas by members whose membership will be derived from ownership of lots in subsequent divisions of Cascade Highlands for which the final plats have not been recorded.

**ARTICLE X  
ADOPTION**

10.1 These Bylaws are duly adopted by the Association, and the Association seal thereof affixed on the 22nd day of December, 1995.

ATTEST:

HILTON HIGHLANDS JOINT VENTURE, a Washington General Partnership

By: Alvin D. Zahnow  
Alvin D. Zahnow, Partner

By: Esther Zahnow  
Esther Zahnow, Partner

THE ECHELBARGER COMPANY, INC., a Washington Corporation, Partner

By: Patrick T. Echelbarger  
Patrick T. Echelbarger, President

LOVELL-SAUERLAND & ASSOCIATES, INC., a Washington Corporation, Partner

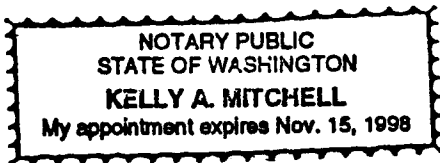
By: J. P. Sauerland  
Jurgen P. Sauerland, President

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STATE OF WASHINGTON )  
 )SS.  
COUNTY OF SNOHOMISH )

This is to certify that on this 22nd day of December, 1995, before me personally appeared Patrick T. Echelbarger, to me known to be the President of The Echelbarger Company, Inc., a Washington Corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed for the uses and purposes therein mentioned, and on oath further stated that said corporation is a partner of Hilton Highlands Joint Venture, a Washington General Partnership, and that said corporation was authorized to execute the said instrument on behalf of said partnership, and that said instrument was the free and voluntary act and deed of said partnership, for the purposes therein mentioned.

Witness my hand and official seal hereto affixed the day and year first above written.



Kelly A. Mitchell

Kelly A. Mitchell

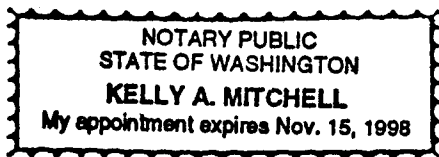
Notary Public in and for the State of Washington, residing at Everett

My commission expires: Nov. 15, 1998

STATE OF WASHINGTON )  
 )SS.  
COUNTY OF SNOHOMISH )

This is to certify that on this 22nd day of December, 1995, before me personally appeared Jurgen P. Sauerland, to me known to be the President of Lovell-Sauerland & Associates, Inc., a Washington Corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed for the uses and purposes therein mentioned, and on oath further stated that said corporation is a partner of Hilton Highlands Joint Venture, a Washington General Partnership, and that said corporation was authorized to execute the said instrument on behalf of said partnership, and that said instrument was the free and voluntary act and deed of said partnership, for the purposes therein mentioned.

Witness my hand and official seal hereto affixed the day and year first above written.



Kelly A. Mitchell

Kelly A. Mitchell

Notary Public in and for the State of Washington, residing at Everett

My commission expires: Nov. 15, 1998

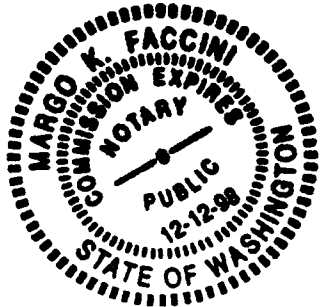
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STATE OF WASHINGTON )  
 )SS.  
COUNTY OF SNOHOMISH )

This is to certify that on this 22<sup>nd</sup> day of December, 1995, before me personally appeared Alvin D. and Esther Zahnow, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed for the uses and purposes therein mentioned, and on oath further stated that said person(s) is a partner of Hilton Highlands Joint Venture, a Washington General Partnership, and that said person(s) was authorized to execute the said instrument on behalf of said partnership, and that said instrument was the free and voluntary act and deed of said partnership, for the purposes therein mentioned.

Witness my hand and official seal hereto affixed the day and year first above written.



Margo K. Faccini  
MARGO K. FACCINI  
Notary Public in and for the State of  
Washington, residing at Snohomish  
My commission expires: 12 Dec 1998

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