

BYLAWS  
OF  
MOUNTAIN VIEW ESTATES MASTER ASSOCIATION

The following are Bylaws of Mountain View Estates Master Association, a corporation organized under the Washington Nonprofit Corporation Act (RCW 24.03, the “Nonprofit Corporation Act”). These Bylaws provide for operation of eight condominiums, identified as Mountain View Estates I through VIII, all located in Spokane County, Washington. Mountain View Estates I through VII were created pursuant to the Washington Horizontal Property Regimes Act (RCW 64.3), and Mountain View Estates VIII was created pursuant to the Washington Condominium Act (RCW 64.34) (collectively the “Condominium Acts”). They apply to all of the eight Condominiums, each Unit therein, and all common elements and common properties. Each Owner automatically, by virtue of such ownership, becomes a member of the Association. All present and future Owners, Mortgagees and other encumbrances, lessees, tenants, licensees, and occupants of Units, and their guests and employees, and any other person who may use the facilities of the Condominiums are subject to these Bylaws, the Condominium Declarations for Mountain View Estates Condominiums, as recorded in Spokane County, Washington, as the same may from time to time be amended (the “Declaration”) and the rules and regulations pertaining to use and operation of the Condominiums.

Words and phrases that are defined in the Declarations shall have the same meaning in these Bylaws.

ARTICLE 1. MEMBERSHIP; VOTING; REGISTER.

Section 1.1 Membership. There are two classes of membership in the Condominiums. The Owners of Units in the each of the Condominiums constitute the Class A Members in the Association. Entities, trustees under trusts, other fiduciaries, and natural persons may be Class A Members of the Association. Owners of a Unit as joint tenants, tenants in common, community property, or any other ownership involving more than one Owner, shall be joint Class A Members of the Association, but the sum total of their vote shall not exceed the voting power for Class A Members allocated to the Units owned.

The Owners of Units within each Condominium shall select two Directors to serve on behalf of that Condominium, which Directors shall serve on the Board of Directors for the Association. The 16 Directors so elected to serve on behalf of the eight Condominiums will constitute the Class B Members of the Association. Each Class B Member shall be entitled to the number of votes corresponding to one-half of the number of Units entitled to vote within the Condominium being represented. No Class B Member shall split or divide their vote.

Section 1.2 Number of Votes. The total voting power for the aggregate of Class A Members equals the number of Units in all of the Condominiums (excluding Units 1 and 2 in Mountain View Estates VIII, that are not to be improved with residences and have been designated as part of the Common Properties for all of the Condominiums). The total number of votes as Class A Members available to the Owner or Owners of each Unit shall be equal to one vote for each Unit owned. The total voting power of the Class B Members is 16 votes, one for each Class B Member.

Section 1.3 Voting by Multiple Owners as Class A Members. If only one of the multiple Owners of a Unit is present at a meeting of the Association, the Owner is entitled to cast the Class A Membership vote allocated to that Unit. If more than one of the multiple Owners are present, the Class A Membership vote allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is majority agreement if any one of the multiple Owners casts the vote allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of that Unit.

Section 1.4 Voting Representative. An Owner on a matter in which the Class A Membership is entitled to vote may, by written notice to the Board, designate a voting representative for that Unit. The voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board from a person having an ownership interest in a Unit, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the Unit, except in cases in which the person designated is a Mortgagee of the Unit. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in- fact of the Owner under a durable power of attorney, or the administrators or executors of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each Unit shall be the group composed of all of its Owners. If a Unit is owned by husband and wife and only one of them is at a meeting, the one who is present will represent the marital community.

The Class B Members may not designate a voting representative to act on their behalf on an ongoing basis. A Class B Member may, however, designate another representative who is an owner of a Unit within the Condominium being represented to vote by proxy at a specific meeting as provided in Section 1.5 below.

Section 1.5 Voting by Proxy; Pledged Votes to Mortgagee. Votes as Class A Members allocated to a Unit may be cast pursuant to a proxy duly executed by an Owner. If a Unit is owned by more than one person, each Owner of a Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this Paragraph except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates 11 months after its date of issuance. An Owner may, but shall not be obligated to, pledge his or her vote on all issues or on specific issues to a Mortgagee. If an Owner is in default under a first Mortgage on the Unit for one year or more, the Mortgagee shall automatically be authorized to declare at any time thereafter that the Owner has pledged his or her vote on all issues to the Mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge.

Votes allocated to the Class B Members, on matter entrusted to the Class B Members, may be cast pursuant to a proxy duly executed by a Class B Member in favor of another owner of a Unit within the Condominium being represented. A proxy pursuant to this paragraph shall be subject to the provisions regarding revocation and validity as stated in the paragraph above.

Section 1.6 Persons Under Disability. Minors and persons declared legally incompetent shall be eligible for membership in the Association, if otherwise qualified, but shall not be permitted

to vote except through a legally appointed, qualified, and acting guardian of their estate voting on their behalf, or, in the case of a minor with no legal guardian of his estate, through a parent having custody of the minor.

Section 1.7 Register of Members. The Board shall cause a register to be kept containing the names and addresses of all members of the Association. Persons who purchase an interest in a Unit shall promptly inform the Board of their interest. Persons who claim to be members of the Association shall, upon request, furnish the Board with copies of any documents under which they assert ownership of a Unit or any interest therein, and any Mortgages thereon.

## ARTICLE 2. MEETINGS OF MEMBERS.

Section 2.1 Place. Meetings of the Class A Members of the Association shall be held at such suitable place as may be convenient to the total membership as designated from time to time by the Board. Likewise, meetings of the Class B Members shall be held at suitable places as may be convenient to the Class B Members and designated from time to time by the Board.

Section 2.2 Annual Meeting. An annual meeting of the Class A Membership of the Association shall be held in the first quarter of each fiscal year on a date fixed by the Board, which date shall not be less than 10 nor more than 60 days after notice of the meeting is given to the members. At such annual meeting the Class A Members shall elect members to the Board or fill vacancies therein, with the Class A Members of each Condominium to elect two Members of the Board to represent their Condominium. The 16 Directors serving following any such election shall constitute the Class B Membership of the Board to meet from time to time and represent their respective Condominiums in ongoing business matters until their successors are duly elected and qualified. At the annual meeting, the Owners, as Class A Members, shall also have the authority to transact such other business as shall properly come before the meeting.

Section 2.3 Budget Meeting. Within 30 days after adoption of any proposed budget for the Association, the Board shall provide a summary of the budget to all of the members and set a date for a meeting of the members, as Class A Members, to consider ratification of the budget, which date shall be not less than 14 nor more than 60 days after mailing the summary. It is anticipated that this meeting will be made part of the annual meeting referred to in Section 2.2 above. Unless at the meeting members holding a majority of the votes in the Association vote to reject the budget, the budget is ratified, whether or not a quorum is present for the meeting. In the event the proposed budget is rejected or the required notice for the meeting is not given, the budget last ratified by the Owners, as Class A Members, shall be continued until a budget proposed by the Board is ratified.

In addition to the budget for the overall Association, separate budget meetings for items administered and dealt with within each Condominium may be held among the Owners of that Condominium. At such meetings, the representative Class B Members for that Condominium shall provide in order to determine any budget items that will pertain to that Condominium only.

Section 2.4 Special Meetings. A special meeting of the Association may be called by the president, by resolution of the Board or upon the written request of a majority of the Board or upon the written request of any Owner on not less than 10 nor more than 60 days in advance of the

meeting. No business shall be transacted at a special meeting except as stated in the notice given therefor unless consented to by each of the Owners present either in person or by proxy.

Section 2.5 Notice of Meetings. It shall be the duty of the secretary to give notice of each annual, budget and special meeting such notice shall be hand-delivered or sent prepaid by first-class United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner, to each member of the Association and to each Eligible Mortgagee, if required by Article 28 of the Declaration. The notice of any meeting shall state the time and place of the meeting and the items on the agenda to be voted on by the members, including the general nature of any proposed amendment to the Declaration or Bylaws, changes in the previously approved budget that result in a change in Assessment obligations, and any proposal to remove a Director or officer. Before any meeting of the Association, any member may, in writing, waive notice of such meeting. Attendance by a member at a meeting of the Association shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins.

Section 2.6 Quorum. The presence in person or by proxy of members of the Association or voting representatives holding 25% of the total voting power shall constitute a quorum for the transaction of business at any meeting of members of the Association.

Section 2.7 Adjournment of Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners present, in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 2.8 Majority Vote. Except as otherwise provided by the Condominium Act by the Declaration, or by these Bylaws, passage of any matter submitted to vote at a meeting where a quorum is present, shall require the affirmative vote of at least 51% of the votes present.

Section 2.9 Voting by Mail. The Board may decide that voting of the members shall be by mail with respect to any particular election of the Board or with respect to adoption of any proposed amendment to the Declaration or Bylaws, or with respect to any other matter for which approval by Owners is required by the Declaration or Bylaws, in accordance with the following procedure:

(a) In case of election of Directors by mail, the existing Directors shall advise the Secretary in writing of the names of nominees for all Directors to be elected and of a date not less than 50 days after such advice is given by which all votes are to be received. The Secretary, within five days after such advice is given, shall give written notice to all Owners of the number of Directors to be elected and of the names of the nominees. The notice shall state that any such Owner may nominate an additional candidate or candidates, not to exceed the number of Directors to be elected, by notice in writing to the Secretary at the address specified in the notice, to be received on or before a specified date not less than 15 days from the date the notice is given by the Secretary. Within five days after the specified date, the Secretary shall give written notice and/or ballot to all Owners stating the number of Directors to be elected, the names of all persons nominated by the Board, the names of persons nominated by members and the date by which votes of the Owners must be received by the Secretary at the address specified in the notice. Votes received after that date will not be effective. All persons elected as Directors pursuant to an election by mail shall take office effective on the date specified in the notice for the receipt of votes.

(b) In the case of a vote by mail relating to any other matter, the Secretary shall give written notice and/or ballot to all Owners, which shall include a proposed written resolution setting forth a description of the proposed action and shall state that the Owners are entitled to vote by mail for or against the proposal by delivering the vote on or before a specified date not less than 20 days after the notice to the address specified in the notice. Votes received after that date shall not be effective. Any such proposal shall be adopted if approved by the affirmative vote of not less than a majority of the votes entitled to be cast on such question, unless a greater or lesser voting requirement is established by the Declaration or Bylaws for the matter in question.

(c) Delivery of a vote in writing to the specified address shall be equivalent to receipt of a vote by mail at such address for the purpose of this Section 2.3.4.

Section 2.10 Written Ballot. At the discretion of the Board, any matter which might come before the Association at a meeting, including election of Directors, may be determined by written ballot, rather than at a meeting. Ballots shall be sent to all Unit Owners in the same manner as notice of meetings, with a specified deadline for return of ballots. Ballots for such meetings must be properly executed and returned in sufficient quantity to constitute a quorum, and determination of the matter presented shall be based upon the required percentage of ballots returned, unless approval of a specified percentage of all voting power is required by law, the Declaration or these Bylaws. The vote by ballot shall be determined by the Board within 48 hours of the deadline for return of ballots. Within 10 days after the ballots have been counted, each Unit Owner shall be notified by mail or other delivery of written notice of the results of the ballot or that a quorum of ballots was not returned.

Section 2.11 Order of Business. The order of business at meetings of the Association shall be as follows unless dispensed with on motion:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of inspectors of election;
- (g) Election of Directors (annual meeting or special meeting called for such purpose);
- (h) Unfinished business;
- (i) New business;
- (j) Adjournment.

Section 2.12 Parliamentary Authority. In the event of dispute, the parliamentary authority for the meetings shall be the most current available edition of Robert's Rules of Order or such other published code of parliamentary procedure as shall be approved by a majority at the meeting.

### ARTICLE 3. BOARD OF DIRECTORS.

Section 3.1 Number, Term and Qualifications. The overall affairs of the Association shall be governed by a Board of 16 Directors who will serve as the Class B Members on behalf of the Association. The term of office for Directors will begin on the first day of the calendar month following the date of adjournment of the annual meeting of which they are elected. The normal term of office for Directors will be for three years and until their successors are elected and take office. However, to provide for staggered terms, at the first annual meeting following adoption of these Bylaws, five of the Directors will be elected for one year, five shall be elected for two years, and the remainder shall be elected for three years. All Directors shall be Class A Members of the Association or the designated representative of any entity such as a trust that is a Class A Member of the Association.

Section 3.2 Powers and Duties. Collectively, the Board shall have the powers and duties provided for the administering authority of the Condominiums, with the Board Members representing each Condominium to have authority as a committee of the Board to administer and determine matters applicable to their Condominium. Collectively, the Board shall have the powers and duties designated in the applicable Condominium Act and in the Declaration and other powers reasonable and appropriate for administration of the affairs of the Association so long as consistent with the Declaration and the Condominium Act and to do such other acts and things as are not prohibited by statute or by the Declaration required to be done in another manner.

Section 3.3 Vacancies. Vacancies on the Board caused for any reason, whether through removal or otherwise, shall be filled by a vote of the majority of the Class A Members in Condominium where the vacancy occurs. Each person so selected shall be a Director for the unexpired term of the Director replaced and until a successor is elected and qualified.

Section 3.4 Removal of Directors. At any meeting organized by the Owners of any Condominium, a Director representing that Condominium may be removed, with or without cause, by Members holding a majority of the Class A Membership votes allocable to that Condominium. Any Director whose removal has been proposed shall be given an opportunity to be heard at a meeting held for purposes of considering the removal.

Section 3.5 Compensation. No compensation shall be paid to Directors for their services as Directors.

Section 3.6 Organization Meeting. The first meeting of the newly elected Board shall be held within ten days of election at a place to be fixed by the Directors at the meeting at which the Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to call the meeting, providing a majority of the whole Board shall be present at the meeting.

Section 3.7 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least two

such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Director personally or by mail, telephone, or facsimile transmission, at least three days before the day fixed for the meeting.

Section 3.8 Special Meetings. Special meetings of the Board may be called by the president on three days' notice to each Director, given personally or by mail, telephone, or facsimile transmission, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by either the president or secretary in like manner and on like notice on the written request of any two Directors.

Section 3.9 Waiver of Notice. Before any meeting of the Board, any Director may, in writing, waive notice of such meeting. Attendance by a Director at any meeting of the Board shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at the meeting.

Section 3.10 Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If there is less than a quorum present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At the adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.11 Open Meeting. Any Owner or voting representative may attend any meeting of the Board, but shall not be entitled to participate except with the consent of the Board. The Board may, however, go into private, executive session to consider the employment or dismissal of the managing agent or other persons employed by the Association, or to hear complaints or charges brought against such person, unless the person requests a public hearing, or to discuss with legal counsel litigation in which the Association is or is likely to become a party if public discussion would adversely affect the interests of the Association in such litigation.

#### ARTICLE 4. OFFICERS.

Section 4.1 Designation. There shall be five principal officers of the Association, namely a president, a first vice president, a second vice president, a secretary, and a treasurer, all of whom shall be elected by the Class A Members at the time the Board of Directors is elected. Officers shall be Members of the Association and may, but shall not be required to be, Members of the Board. Two or more offices may be held by the same person should the Class A Membership so decide, except that a person may not hold the offices of president and secretary simultaneously.

Section 4.2 Election of Officers. The officers of the Association shall be elected by the Class A Membership votes of the Members at the time the Board is elected.

Nomination: The nomination for election for the Officers of the Association 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 Chairperson, who shall be an Officer and two or more members of the Association. The Nominating Committee shall be appointed by the Officers of the

Association at each annual meeting of the members to serve in the year prior to the next annual meeting. The Nominating Committee shall make as many nominations for the Officers of the Association as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members (Class A or Class B members).

Election: Where applicable, election to the Officers of the Association shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declarations.

Section 4.3 Removal of Officers. At any regular meeting of the Board or at any special meeting of the Board called for such purpose, upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause. A successor to the removed officer may be elected at any such meeting.

Section 4.4 President. The president shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board and shall have all powers and duties usually vested in the office of the President.

Section 4.5 First Vice President. The first vice president shall perform the duties of the president when the president is absent or unable to act, and shall perform such other duties as may be prescribed by the Board.

Section 4.6 Second Vice President. The second vice president shall perform the duties of the president when the president and first vice president are absent or unable to act, and shall perform such other duties as may be prescribed by the Board.

Section 4.7 Secretary. The secretary shall keep the minutes of all meetings of the Board and of the Association and shall have custody of the business records of the Board and the Association, other than financial records kept by the treasurer. He or she shall also perform such other duties as may be prescribed by the Board.

Section 4.8 Treasurer. The treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association.

Section 4.9 Other Officers and Employees. Other officers of the Association and any persons employed to assist the officers, shall have such authority and shall perform such duties as the Board may prescribe within the provisions of the applicable statutes, the Declaration and these Bylaws.

Section 4.10 Compensation. The Board may pay reasonable compensation to any officer or Owner who performs substantial services for the Condominium in carrying out the management duties of the Board. The Board's decision to compensate an officer shall not become final until 60 days after notice of it (including the amount of compensation to be paid) has been given to all persons entitled to notice of meetings of the Association, and such decision may be reversed by the members of the Association at a meeting duly called and held within 60 days after the notice of the decision was given.

ARTICLE 5. COMMITTEES.

Section 5.1 Committees of Directors. There shall be eight standing committees within the Board of Directors, one committee for each of the eight Condominiums in Mountain View Estates. The two Directors elected to represent each Condominium shall constitute the committee of the Board on behalf of that Condominium. As provided in the Declaration and except as limited by law, these Bylaws, or a decision of a majority of the Class A Membership, the committee representing each Condominium shall have the authority to determine and administer matters affecting and to be decided by only that Condominium.

Section 5.2 Other Committees. Other committees, not having or exercising the authority of the Board in the management of the Association, may be appointed by the president or the Directors, and such committees may be composed of one or more members of the Association.

ARTICLE 6. HANDLING OF FUNDS.

Section 6.1 Accounts. The Association shall establish the necessary funds or accounts to provide properly for the operation and maintenance of each of the eight Condominiums. Overall superintendence of these funds shall be the responsibility of the treasurer of the Association. There shall be one Working Capital Fund managed by the Association as provided in Section 6.2 and eight accounts to be established as Reserve Funds, one for each of the eight Condominiums.

Section 6.2 Working Capital Fund. There shall be established a checking account in a commercial bank to be known as the "Working Capital Fund" that is intended to function as an operating control account on behalf of the Association and all of the Condominiums. This fund will be used for the normal operation of the Association and each of the eight Condominiums and will initially receive all periodic Assessments, first purchasers' initial contributions to the fund, and any other funds received by the Association. Checks shall be issued from this account for all management and operation expenditures necessary for the Condominiums and maintenance expenses of a routine or minor nature that do not require resort to the Reserve Fund for Common Elements. Funds for the Reserve Fund for Common Elements will normally be deposited in the Working Capital Fund and checks immediately issued, or transfers made, to the other fund so an overall account of the funds received and disbursed by the Association is centralized in the check register of the Working Capital Fund account.

Section 6.3 Reserve Funds for Common Elements, Common Properties and Reserves. The Association shall maintain a separate fund, segregated in a separate account for each Condominium, each of which shall be known as the "Reserve Fund for Common Elements and Common Properties" for that Condominium. The Treasurer shall deposit to each such reserve account, with designations and records being maintained to identify the segregated amounts allocated on behalf of each Condominium, and all of the Condominiums with respect to Common Properties as appropriate. Amounts received for purposes of periodic maintenance, repair, and replacement of Common Elements within each Condominium and of the Common Properties collectively maintained for the benefit of each of the Condominiums shall initially be deposited into the applicable segregated fund for such Condominium and then, when required to be used, shall be transferred to the Working Capital Fund for disbursement.

Section 6.4 Combination and Deposit or Investment of Funds. Except for funds on behalf of all of the Condominiums transferred into the Working Capital Fund pursuant to Section 6.2, funds contributed to a reserve fund for each Condominium shall be maintained and segregated in a separate interest-bearing account for the applicable Condominium. All funds of the Association shall be kept in accounts or deposits that are insured by agencies of the United States. The funds of the Association shall not be commingled with the funds of any other association or with the funds of any manager of the Association. Withdrawals of funds from the reserve account on behalf of each Condominium shall be approved by transfer slips signed by the appointed representative acting on behalf of that Condominium (referred to informally as the Building President), and, except in the case of an emergency, with transfers to be made quarterly.

ARTICLE 7. KEEPING RECORDS AND REPORTS.

The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for examination by the Owners, Mortgagees, and the agents or attorneys of either of them, during normal business hours and at any other reasonable time or times.

ARTICLE 8. AMENDMENTS.

These Bylaws may be amended according to the procedures and necessary consents required for adoption of amendments to the Bylaws in Article XXVIII of the Amendment to Declarations for Mountain View Estates as now existing or hereafter revised.

The foregoing Bylaws were adopted on \_\_\_\_\_, upon written agreement in lieu of the organizational meeting of the Association.

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Gloria Glorfield, Secretary