

BYLAWS
OF
HIGHLAND GREENS
CONDOMINIUM OWNER'S ASSOCIATION

ARTICLE I

OBJECT AND DEFINITIONS

1.1 Purpose.

The purpose for which this Association is formed is to govern the condominium property which is described in Schedule A attached hereto and by this reference is made a part hereof, and which property has been submitted to the provisions of the Horizontal Property Regimes Act of the state of Washington by a Declaration entitled "Declaration and Covenants, Conditions, Restrictions and Reservations" establishing a plan for condominium ownership of apartments within the above-referenced condominium (hereinafter referred to as the "Declaration").

1.2 Assent.

All present or future owners, tenants, future tenants, or any other person using the facilities of the project in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the condominium apartments (hereinafter referred to as "apartments") in the project or the mere act of occupancy of any of said apartments shall constitute ratification of these Bylaws.

1.3 Definitions.

Unless otherwise specified, all terms shall have the same meaning in these Bylaws as such terms have in the Declaration. The terms "owners" and "members" as used herein shall be synonymous.

ARTICLE II

MEMBERSHIP, VOTING, MEETINGS
AND ADMINISTRATION

2.1 Matters Governed by Declaration.

With regard to various matters including membership, meetings, and voting, reference is made to Article 14 of the Declaration.

2.2 Additional Administrative Provisions.

2.2.1 Majority of Owners. As used in these Bylaws the term "majority of owners" shall mean those owners of more than fifty percent (50%) of the undivided ownership of the general common elements.

2.2.2 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of owners holding at least forty percent (40%) of the total votes under Section 14.4 of the Declaration shall constitute a quorum. An affirmative vote of owners holding a majority of the total votes present, either in person or by proxy, shall be required to transact business; provided, however, that no Board member shall be removed unless a majority of owners vote affirmatively therefor.

2.2.3 Proxies. Votes may be cast in person or by proxy. Proxies shall be in writing and the signatures must be witnessed or acknowledged. Proxies must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid for a period longer than eleven (11) months after the date thereof.

2.2.4 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 Board members by mail, the existing Board members shall advise the Secretary in writing of the names of proposed Board members sufficient to constitute a full Board and of a date at least fifty (50) days after such advice is given by which all votes are to be received. The Secretary within five (5) days after such advice is given shall give written notice of the number of Board members to be elected and of the names of the nominees to all owners of each membership. The notice shall state that any such owner may nominate an additional candidate or candidates, not to exceed the number of Board members to be elected, by notice in writing to the Secretary at the specified address of the principal office of the Association, to be received on or before a specified date fifteen (15) days from the date the notice is given by the Secretary.

Within five (5) days after such specified date the Secretary shall give written notice to all owners of a membership, stating the number of Board members to be elected, stating the names of all persons nominated by the Board and by the members on or before said specified date, stating that each owner may cast a vote by mail and stating the date established by the Board by which such votes must be received by the Secretary at the address of the principal office of the Association, which shall be specified in the notice. Votes received after that date shall not be effective. All persons elected as Board members pursuant to such an election by mail by receipt of the number of votes required by applicable law shall take office effective on the date specified in the notice for receipt of such votes.

(b) In the case of a vote by mail relating to any other matter, the Secretary shall give written notice to all owners of each membership, which notice shall include a proposed written resolution setting forth a description of the proposed action, and shall state that such persons are entitled to vote by mail for or against such proposal and stating a date not less than twenty (20) days after the date such notice shall have been given on or before which all votes must be received and stating that they must be sent to the specified address of the principal office of the Association. 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 principal office of the Association shall be equivalent to receipt of a vote by mail at such address for the purpose of this Section 2.2.4.

2.2.5 Adjourned Meeting. If any meeting of the owners cannot be organized because a quorum has not attended, the owners

who are present either in person or by proxy, may adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called.

2.2.6 Order of Business. The order of business at all meetings of the owners of apartments shall be as follows:

- A. Roll call.
- B. Proof of notice of meeting or waiver of notice.
- C. Reading of minutes of preceding meeting.
- D. Reports of officers.
- E. Reports of committees.
- F. Election of Board members (annual meeting only).
- G. Unfinished business.
- H. New business.

ARTICLE III

MANAGEMENT OF CONDOMINIUM

3.1 In General.

The affairs of the Association shall be governed by a Board which, after Declarant's management authority ends, shall be composed of five (5) members. With regard to initial management by Declarant (or a temporary Board selected by Declarant), transfer of management to the permanent Board and the Board's authority, reference is made to Article 16 of the Declaration.

3.2 Additional Provisions Regarding Board.

3.2.1 Election and Term of Office. The members of the initial Board (that is the first Board elected by the owners after Declarant's management authority ends) shall serve for at least a one-year term of office; provided that at the Association meeting at which the initial Board is elected the owners shall adopt voting procedures designed to assure that the expiration dates for the term of the initial Board members are staggered.

3.2.2 Vacancies. Vacancies in the Board caused by any reason other than the removal of a Board member by a vote of the

Association shall be filled by vote of the majority of the remaining Board members, even though they may constitute less than a quorum; and each person so elected shall be a Board member until a successor is elected at the next annual meeting of the Association.

3.2.3 Removal of Board Members. At any regular meeting or at any special meeting called for that purpose, any one or more of the Board members may be removed with or without cause, by a majority of all of the apartment owners, and a successor may then and there be elected to fill the vacancy thus created. Any Board member whose removal has been so proposed by the owners shall be given an opportunity to be heard at the meeting. Notwithstanding the above, until Declarant's management authority ends, only Declarant shall have the right to remove a Board member.

3.2.4 Organization Meeting. The first meeting of a newly elected Board shall be held immediately following the annual meeting, and no notice shall be necessary to the newly elected Board members in order legally to constitute such meeting.

3.2.5 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 Board members, but at least two such meetings shall be held during each fiscal year and one such meeting shall be held immediately following the annual meeting of owners. Notice of regular meetings of the Board shall be given to each Board member, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

3.2.6 Special Meetings. Special meetings of the Board may be called by the President on three (3) days notice to each Board member, given personally, or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Board members.

3.2.7 Waiver of Notice. Before, at or after any meeting of the Board, any Board member may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Board members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

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

3.2.9 Fidelity Bonds. The Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

3.2.10 Board Fees. Each Board member shall receive such sum as the owners may from time to time determine, plus transportation expenses, for attendance at any regular or special meeting of the Board.

ARTICLE IV

OFFICERS

4.1 Designation.

The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board, annually.

4.2 Election of Officers.

The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any person may hold concurrently any two (2) offices, except that the same person may not concurrently hold the offices of President and Secretary. The office of Vice President need not be filled. The Board may elect officers from among its members, or otherwise.

4.3 Removal of Officers.

Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and his successor elected at any regular or special meeting of the Board called for such purpose.

4.4 President.

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association

and the Board. He shall have all of the general powers and duties which are usually vested in the office of the President of a nonprofit association including, but not limited to, the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

4.5 Vice President.

A Vice President shall have all the powers and authority and perform all of the functions and duties of the President in the absence of the President or his inability for any reason to exercise such powers and functions or perform such duties.

4.6 Secretary.

The Secretary shall keep the minutes of meetings of the Board and minutes of meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall in general perform all the duties incident to the office of Secretary. The Secretary may compile and keep up to date at the principal office of the Association a complete list of members and their registered mailing addresses. Such list shall also show opposite each member's name the number or other appropriate designation of the apartment owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

4.7 Treasurer.

The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Managers.

4.8 Assistant Secretary.

The Board may appoint one or more Assistant Secretaries to perform all of the duties of the Secretary in the absence of the Secretary.

4.9 Assistant Treasurer.

The Board may appoint one or more Assistant Treasurers to perform all of the duties of the Treasurer in the absence of the Treasurer.

ARTICLE V
INDEMNIFICATION OF OFFICERS
AND MANAGERS

5.1 Indemnification.

The Association shall indemnify every Board member or officer, and his or her heirs, executors and administrators as provided in Article 22 of the Declaration. Nothing contained in said Article 22 shall, however, be deemed to obligate the Association to indemnify any member or owner of a condominium apartment who is or has been a Board member or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as a member or owner of a condominium apartment covered thereby.

ARTICLE VI
OBLIGATIONS OF OWNERS

6.1 In General.

Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which the condominium was built and each owner shall comply strictly with all provisions of the Declaration. Without limiting the generality of the foregoing, particular reference is made to Articles 11, 12 and 13 of the Declaration.

6.2 Use of General Common Elements
and Limited Common Elements.

Each owner shall use the general common elements and the limited common elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners.

6.3 Right of Entry.

6.3.1 An owner shall permit the Managing Agent or other person authorized by the Board the right of access to the owner's apartment and appurtenant limited common areas from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of the common areas, or at any time deemed necessary by the Managing Agent or Board for the making of emergency repairs or to prevent damage to any of the common areas.

6.3.2 An owner shall permit the Managing Agent or other persons authorized by the Board, or other owners, or their representatives, when so required, to enter his apartment for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, or to the apartments and limited common areas of such other owners; provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

ARTICLE VII

BYLAWS

7.1 Amendments.

Bylaws (and amendments thereto) for the administration of the Association and the property, and for other purposes not inconsistent with the Act or with the intent of the Declaration, shall be adopted by the Association by concurrence of those voting owners holding sixty percent (60%) of the voting power at a regular or special meeting. Notice of the time, place and purpose of such meeting shall be delivered to each apartment owner at least ten (10) days prior to such meeting.

ARTICLE VIII

MORTGAGES

8.1 Notice to Association.

An owner who mortgages his apartment shall notify the Association through the Managing Agent, if any, or the President of the Board, giving the name and address of his mortgagee. The Association shall maintain such information in a book or list entitled "Mortgagees of Apartments".

8.2 Notice of Unpaid Assessments.

The Association shall at the request of a mortgagee of an apartment report any unpaid assessments due from the owner of such apartment.

ARTICLE IX

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND REQUIRED PROXIES

9.1 Proof of Ownership.

Any person on becoming an owner of a condominium apartment shall furnish to the Managing Agent or Board a photocopy of a certified copy of the recorded instrument vesting that person with an interest or ownership, which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or at a special meeting of members unless this requirement is first met.

9.2 Registration of Mailing Address.

The owners of each condominium apartment shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications; and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a condominium apartment owner or owners shall be furnished by such owners to the Secretary within five (5) days after transfer of title; such registration shall be in written form and signed by all of the owners of the condominium apartment or by such persons as are authorized by law to represent the interests of (all of) the owners thereof. If no such address is registered or if all of the owners cannot agree, then the address of the apartment shall be the registered address until another registered address is furnished as permitted under this section. Registered addresses may be changed from time to time by similar designation.

9.3 Completed Requirement.

The requirements contained in this Article shall be first met before an owner of a condominium apartment shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

ARTICLE X

CONFLICT WITH DECLARATION OR LAW

These Bylaws are intended to comply with and supplement the requirements of the Washington Horizontal Property Regimes Act and the Declaration. If any of these Bylaws conflict with the provisions of said statute or Declaration, the provisions of the statute and Declaration will apply.

ARTICLE XI

NONPROFIT ASSOCIATION

This Association is not organized for profit. No member, member of the Board or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any members of the Board. The foregoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid to any member or manager while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) any member or Board member may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XII

FISCAL YEAR

The fiscal year of the Association shall begin on 1 JANUARY and end on 31 DECEMBER.

DATED this 9 day of FEBRUARY, 1979.

DECLARANT,

JMB, A General Partnership
FAIRGREEN, INC., a Washington Corporation, General Partner

By William J. Wolcott

William J. Wolcott
its President

SCHEDULE B TO

HIGHLAND GREENS CONDOMINIUM DECLARATION

	FLOOR LOCATION	ENTRY HALL, LIVING RM DINING ROOM, KITCHEN	NO. OF BEDROOMS	NO. OF BATHS	TOTAL NO. OF ROOMS	FLOOR AREA	DECK	APPR. GARAGE AREA
1	1st	Yes	3	2	8	1450	yes	276
	2d	Yes	3	2	8	1396	Yes	276
3	1st & 2d	Yes	2	2	7	1270	Yes	275
4	1st & 2d	Yes	2	2	7	1270	Yes	275
5	2d	Yes	3	2	8	1396	Yes	276
5	1st	Yes	3	2	8	1450	Yes	276
1	1st	Yes	3	2	8	1450	Yes	276
2	2d	Yes	3	2	8	1396	Yes	276
3	1st & 2d	Yes	2	2	7	1270	Yes	275
4	1st & 2d	Yes	2	2	7	1270	Yes	275
5	2d	Yes	3	2	8	1396	Yes	276
5	1st	Yes	3	2	8	1450	Yes	276
1	1st	Yes	3	2	8	1452	Yes	276
2	2d	Yes	3	2	8	1401	Yes	276
3	2d	Yes	3	2	8	1401	Yes	276
4	1st	Yes	3	2	8	1452	Yes	276

SCHEDULE B TO
HIGHLAND GREENS CONDOMINIUM DECLARATION

FLOOR LOCATION	ENTRY HALL, LIVING RM DINING RM., KITCHEN	NO. OF BEDROOMS	NO. OF BATHS	TOTAL NO. OF ROOMS	FLOOR AREA	DECK	APPR. GARAGE AREA
1st	Yes	3	2	8	1523	Yes	276
2d	Yes	3	2	8	1401	Yes	276
2d	Yes	3	2	8	1401	Yes	276
1st	Yes	3	2	8	1523	Yes	276
1st	Yes	3	2	8	1494	Yes	276
2d	Yes	3	2	8	1482	Yes	276
1st & 2d	Yes	2	2	7	1270	Yes	276
1st & 2d	Yes	2	2	7	1270	Yes	276
2d	Yes	3	2	8	1396	Yes	276
1st	Yes	3	2	8	1450	Yes	276
1st	Yes	3	2	8	1450	Yes	276
2d	Yes	3	2	8	1396	Yes	276
1st & 2d	Yes	2	2	7	1270	Yes	275
1st & 2d	Yes	2	2	7	1270	Yes	275
2d	Yes	3	2	8	1396	Yes	276
1st	Yes	3	2	8	1450	Yes	276
1st	Yes	3	2	8	1450	Yes	276
2d	Yes	3	2	8	1396	Yes	276
1st & 2d	Yes	2	2	7	1270	Yes	275
1st & 2d	Yes	2	2	7	1270	Yes	275

SCHEDULE C TO
HIGHLAND GREENS CONDOMINIUM DECLARATION

<u>BUILDING</u>	<u>APARTMENT</u>	<u>VALUE</u>	<u>PERCENTAGE</u>
1	101	\$79,000	2.722
	102	\$79,000	2.722
	103	\$69,000	2.378
	104	\$69,000	2.378
	105	\$79,000	2.722
	106	\$79,000	2.722
2	201	\$79,000	2.722
	202	\$79,000	2.722
	203	\$69,000	2.378
	204	\$69,000	2.378
	205	\$79,000	2.722
	206	\$79,000	2.722
3	301	\$79,000	2.722
	302	\$79,000	2.722
	303	\$79,000	2.722
	304	\$79,000	2.722
4	401	\$79,000	2.722
	402	\$79,000	2.722
	403	\$79,000	2.722
	404	\$79,000	2.722
5	501	\$79,000	2.722
	502	\$79,000	2.722
	503	\$69,000	2.378
	504	\$69,000	2.378
	505	\$79,000	2.722
	506	\$79,000	2.722
6	601	\$79,000	2.722
	602	\$79,000	2.722
	603	\$69,000	2.378
	604	\$69,000	2.378
	605	\$79,000	2.722
	606	\$79,000	2.722
7	701	\$79,000	2.722
	702	\$79,000	2.722
	703	\$69,000	2.378
	704	\$69,000	2.378
	705	\$79,000	2.722
	706	\$79,000	2.722

Total value of all
units

\$2,902,000

100.000