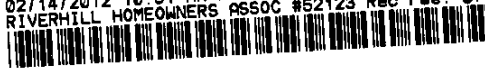


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02/14/2012 10:51 AM AMEND
RIVERHILL HOMEOWNERS ASSOC #52123 Rec Fee: \$77.00 Pages: 16



Name and

Return Address

RIVERHILL HOMEOWNERS ASSOC.
PO BOX 2004
BELFAIR, WA 98528

DOCUMENT TITLE (S)

AMENDED BY-LAWS

REFERENCE NUMBER (S) of related documents

1721736

Additional Reference #'s on page _____

GRANTOR (S) Last, First and Middle Initial

RIVERHILL HOMEOWNERS ASSOCIATION

Additional Grantors on page _____

GRANTEE (S) Last, First and Middle Initial

PUBLIC

Additional Grantees on page _____

LEGAL DESCRIPTION (Abbr. Form: quarter/quarter, section, township & range, plat, lot, & block)

Additional Legal Descriptions on page _____

PARCEL NUMBER

**AMENDED
BY – LAWS
OF RIVERHILL HOMEOWNERS ASSOCIATION
*Adoption Date: 17-January-2012***

RIVERHILL HOMEOWNERS ASSOCIATION (RHOA) is a Washington non-profit Corporation organized under the provisions of the Washington Non-Profit Corporation Act [R.C.W. 24.03] for the purpose of operating a non-profit association to manage the water system, street lighting, and the community river-front property within the Plat of Riverhill, in Mason County, Washington, and any additions to the Plat of Riverhill; and to the ownership of the greenbelt areas located in said Plat, and for no other purposes; and in furtherance of said purposes, the following By-Laws of Riverhill Homeowners Association are hereby adopted:

**ARTICLE I
Management**

Section 1: The business and property of Riverhill Homeowners Association (RHOA) shall be managed by a Board of not less than five (5) or more than nine (9) Directors, as set by the membership.

Section 2: The Directors shall be elected by a majority vote of the membership at the annual meeting of the membership, held in the fall of each year, as set by the Board of Directors, elected Directors must own property within the Plat of Riverhill.

Section 3: Within sixty (60) days after their election, the members of the Board of Directors shall elect the following Executive Board Officers: President, Vice President, and Secretary and Treasurer.

Section 4: The Board of Directors of the corporation shall hold regular Board meetings, as necessary, for the management of the corporation. The Directors shall attend Board meetings and annual Association meetings. The Directors will aid the Executive Board Officers in making decisions concerning the business of the Association.

Section 5: A majority vote of the membership of Board of Directors may remove any Director from office at any regular or special meeting. If a Director is to be removed, notice of the proposed removal shall be given at least ten (10) days prior to the meeting that the proposed removal is to be voted upon. Such notice to the Director must state the cause for the proposed removal. Absences without notification to the Board for two (2) consecutive meetings may be due cause for removal.

Section 6: Any vacancy occurring on the Board of Directors by reason of death, resignation, sale of the property, or removal of a Director shall be filled by the remaining Board of Director appointing someone from the Association membership. Such an appointee shall serve the unexpired term of the Director whose position has been vacated.

Section 7: The term of all Directors shall be for a period of one (1) year starting January 1st to December 31st.

ARTICLE II Duties of Officers

Section 1: The PRESIDENT shall supervise all activities of the corporation and execute all instruments on its behalf; call meetings of the membership of the Board of Directors as deemed necessary, setting date and time of meetings; preside at all meetings of the corporation; perform such other duties usually inherent in such office. The President will receive an annual gratuity of \$500, to be paid at the end of his/her term, providing he/she remains in office for the entire term. Gratuity will be pro-rated if he/she does not remain in office for full term.

Section 2: The VICE PRESIDENT shall act as President in the President's absence and perform other duties as the President may direct. The Vice President will receive an annual gratuity of \$200, to be paid at the end of his/her term, providing he/she remains in office for the entire term. Gratuity will be pro-rated if he/she does not remain in office for full term.

Section 3: The SECRETARY shall be generally responsible for all meeting notices and the minutes of all meetings of the membership and of the Board of Directors, and shall have overall charge of all of the Association books, records, and papers. The Secretary will receive an annual gratuity of \$300, to be paid at the end of his/her term, providing he/she remains in office for the entire term. Gratuity will be pro-rated if he/she does not remain in office for full term.

Section 4: The TREASURER shall be generally responsible for keeping safely all money, financial accounts of the Association, and for preparing and

keeping a complete accounting of the financial records of the Association for presentation to the members at the annual membership meeting, monthly Board meetings, and all other times as required. The Treasurer will receive an annual gratuity of \$600, to be paid at the end of his/her term, providing he/she remains in office for the entire term. Gratuity will be pro-rated if he/she does not remain in office for full term.

Section 5: The Board of Directors will receive a meeting gratuity of \$25, to be paid at the end of his/her term, providing he/she remains in office for the entire term and has not missed more than 2 unexcused meetings during his/her term.

Section 6: The Board of Directors shall be responsible for securing the corporate license for the State of Washington, bonding of the officers, and insurance for the corporation on an annual basis.

ARTICLE III Funds

Section 1: Any funds collected by this corporation shall be held separately and used only for the purposes of defraying expenses of the Association. Assessments shall be billed to each property owner in the Plat of Riverhill, or additions thereof. Assessments will be billed on an annual basis and shall stipulate a designated due date(s).

Section 2: Assessments not paid in full by the due date(s), will be assessed a board-approved late fee. A board-approved lien will be filed against the property on any unpaid assessment after December 31st of the year incurred.

Section 3: Voting privileges will be suspended when a member is in arrears after the designated due date. When the member's account becomes current, full voting privileges will be reinstated.

Section 4: An Emergency Reserve Replacement Fund will be maintained to cover capital expenses for six months. All financial accounts will require two signatures for withdrawal of funds. Only one signature per family shall be allowed.

Section 5: An annual financial review will be performed prior to the 31st of January or before the financial records are turned over to a new Treasurer and presented to the Board of Directors. The financial review shall be performed by at least two (2) Association members (other than the sitting Board) and will be reimbursed by the Board.

Section 6: Assessments. The following are included in the meaning of "assessments"

6.1: General Annual Assessment and/or Dues. The Association shall impose a general annual assessment and/or dues on each lot or member within the Association, which assessment or dues shall be imposed as specified within these By-laws.

6.2: Special Assessments. Special assessments for particular expenses in the case of emergencies or special projects may also be imposed as required by the Board of Directors after notification and public hearing is held with the membership.

6.3: Other Charges. In addition to these general and special assessments, the following charges may be imposed and are for the purposes of the By-laws also considered assessments.

- a. **Service Fees.** The Board of Directors may, at its discretion, impose direct fees for such goods and services as, for example use of recreational facilities, retail sale items, road lights, maintenance to roads, and lien filing;
- b. **Remediation expenses.** The Board of Directors may charge to a member any lot condition remediation expenses incurred by the Association, as specified in the recorded Covenants, either before or after any Sheriff's sale;
- c. **Fines.** Any fines pursuant to a system for the imposition of fines for violation of Riverhill Homeowners Association covenants and/or rules, as adopted by the Board of Directors;
- d. **Late Fees and Interest.** The Association may add reasonable late fees, as well as interest of not more than 12% per annum, compounded annually, to any delinquent account and all assessments related thereto; and
- e. **Expenses and Fees.** If the Board of Directors is required to expend any funds, with or without litigation, in pursuit of dispute resolution or the collection of any assessments, as defined herein, to include defense of any claims regarding the boards authority, jurisdiction or exercise of any of the powers of the Association; the assertion of or defense to any claims regarding the personal or real property of the

Association; the correction of any violation of Riverhill Homeowners Association covenants and/or rules; or with regard to any other dispute concerning its actions and/or powers; all expenses, including but not limited to attorney, accountant, other expert, title report and surveyor fees; lot condition remediation costs; litigation, including court and discovery expenses; and any and all other amounts reasonably expended in the process of collection, dispute resolution or corrections; shall be paid by the member/property owner responsible.

ARTICLE IV Code of Ethics

Section 1: Standard of Care. All Directors, Officers, committee members, agents, contractors, employees, volunteers and others performing services for or on behalf of the Association, shall do so in a manner in the best interest of the Association, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use in similar circumstances.

Section 2: Open Meetings. All regular meetings of the Board of Directors and its committees shall be open for observation by all members and their authorized agents, except as otherwise specified by law.

Section 3: Open Records. Except as otherwise specified by law, the minutes of any membership, Board or committee meetings, and all other records of the Association, shall be available for examination by all members and the holders of any mortgages on any lots and their authorized agents, on reasonable notice, and upon payment of reasonable costs incurred to provide the same.

Section 4: Compensation. Any person possessing special skills which are considered necessary to the operation of the facilities or services to the Non-Profit Corporation may be considered employable for the purpose of carrying out said functions and shall be compensated for such services.

Section 5: Conflict of Interest. No member of the Board of Directors shall participate in any vote on any subject which he/she has a specific personal, professional, financial, or other conflict of interest. He/she may, however, participate in discussions regarding the same.

Section 6: Loyalty. All members, including Board members, are encouraged to share their views and opinions. Constructive dissent can be a very valuable resource to a Board of Directors. Board members may vote in the

minority on issues, and they are not required to personally endorse any Board of Directors decision or action. They may discuss their opinions freely and openly with anyone. By accepting a Board of Directors position, each Board member agrees to work within the Association processes and systems to advance his/her views or positions, and not to either individually, or in collaboration with others, intentionally sabotage or subvert the work of the Board of Directors.

Section 7: Confidentiality. All members, including Board members, as well as volunteers, employees, agents, and contractors, shall maintain confidentiality with respect to any information they become aware of having to do with any matters involving personnel, consultation or communications with legal counsel, likely or pending litigation, possible violations of the governing documents, or involving the possible liability of a member to the Association, insofar as such matters may be discussed in any closed session meeting of the Board of Directors.

Section 8: Loans. The Association shall make no loans to its Directors, Officers, or members.

Section 9: Audits. The Board of Directors may cause to be prepared an audit of any or all of the financial accounts or affairs of the Association at any time, and to what extent, it deems appropriate. In addition, at least annually, the Board of Directors shall cause to be prepared a financial statement of the Association and shall be audited annually where provided by law, or as directed by the Board of Directors.

Section 10: Accounts. The funds of the Association shall be kept in accounts in its name, and shall not be combined or shared with the funds of any other Association, or any other person(s) or board member(s) responsible for custody of such funds.

ARTICLE V Membership

Section 1: Although the Riverhill Board of Directors acts on behalf of the Association, the primary authority of the Riverhill Homeowners Association (RHOA) rests with its members. Members are the legal owners or contract purchasers of residential lots within the jurisdiction of the RHOA. Members elect the Board of Directors, approve or disapprove the annual budget, further financial proposals, and vote on initiatives or referenda. Members are responsible for complying with all the Association requirements, including paying in a timely manner all assessments due to the Association, and respecting the covenants and other applicable rules. Membership is appurtenant to ownership

of each lot in the RHOA. No member may withdraw membership except by transfer of ownership. Each member in good standing has the right to apply for written approval for building and other plans and/or activities in conjunction with RHOA covenants and by-laws.

Failure to comply with RHOA covenants and other rules, including the obligation to pay assessments, may result in the

- a. Loss of status as a member in good standing.
- b. Loss of rights to use such common property and facilities, including recreational properties.
- c. Denial of submitted applications.
- d. Participate in such activities and serve on the Board of Directors and its committees.
- e. Loss of status will apply to all properties owned by the respective member.

Each member is personally responsible for the actions of himself or herself, all guests, family members and tenants, as they relate to the facilities and operations of the Association, its governing documents, and other Association rules and regulations and other requirements. Each member also has all of the rights and responsibilities conferred by RHOA covenants and governing documents and other Association rules and regulations, as well as state and federal law.

Each member who leases or rents his or her RHOA property(s) must notify the Board of Directors of the tenancy, including the names of any tenant(s), their addresses, and telephone numbers. Upon such notification, the membership rights to use the common properties shall be relinquished by the member and transferred to the tenant(s) for the length of the tenancy or until the homeowner has reassumed responsibility for their property.

Section 2: Petition Rights. Any member in good standing who in good faith believes that the Association has acted in any way contrary to the best interests of the membership, Association or to the provisions of these By-laws or any other rules or requirements, including taking any action involving a member individually, or any action affecting the entire membership, may petition the Board of Directors in writing to consider the matter. The petition shall state the question, rule and/or requirement at issue, the specific factual allegations made, and the identity and contact information for any witnesses. It shall also include copies of all evidence, where reasonably possible. The Board of Directors shall reasonably and fairly address such complaints and issue a response in writing.

Section 4: Members in Good Standing. Members shall not lose their status as members in good standing unless the Board of Directors acts to change their status, based on their violation of Association covenants and/or other rules, or after notice or they are not paid in full in their payments. Members will be afforded an opportunity to submit a petition at a Board of Directors meeting.

Section 5: Meetings.

- a. **Annual Membership Meeting.** There shall be a general membership meeting of the Association in November of each year.
- b. **Special Membership Meetings.** Special meetings of the membership may be called by the President of the Board of Directors, a majority of the Board of Directors, or by members having ten percent of the total votes of the Association stating a reason for the meeting.
- c. **Notice.** Notice of all membership meetings shall be delivered to each member at such address as appears in the records of the Association. Notice shall be provided not less than 14 days, and not more than 50 days, prior to the meeting. The notice shall state the time, place and preliminary agenda of the meeting. Notice shall also be given by other reasonably available means such as posting on temporary reader boards and on the Association website.
- d. **Place.** Membership meetings shall be held at a location in the vicinity of the Riverhill development, as the Board of Directors may select.
- e. **Agenda.** The notice of any membership meeting shall include preliminary agenda for the meeting, as set by the Board of Directors. The agenda for meetings shall include any elections and approval of a budget and/or other financial proposals. The agenda shall also include properly submitted referenda, which are issues to be presented to the general membership by the Board of Directors, either for binding vote or guidance; and initiatives, which are issues submitted by the signatures of members in good standing representing in writing ten percent of the total votes of the Association. It may also include provisions for discussion of particular issues.
- f. At the annual membership meeting, the Officers and committee chairpersons shall provide summary reports of operations of the preceding year, plans for the upcoming year, as well as long-range goals, all of which shall be included in the agenda.
- g. **Quorum.** See Article VI section 1.

- h. **Proxy.** The written authorization empowering another person to vote or act for the signer.
- i. **Ballots.** A member may cast his/her vote in person or by proxy, according to procedures established by the Board of Directors.
- j. **Majority.** Actions of the membership shall be taken by a majority vote of the members in good standing, voting at a meeting with a quorum, except as otherwise provided by law or RHOA governing documents.
- k. **Procedures.** The Board of Directors shall establish procedures for initiatives, referenda, and membership meetings that are reasonable and fair, including additional procedures to ensure the accuracy of voting as deemed appropriate.

ARTICLE VI Voting

Section 1: Fifteen (15) voting members, in good standing, in attendance at the annual Association meeting shall constitute a quorum. Property Owner(s), within the Plat of Riverhill, and if not in arrears, shall be entitled to one (1) vote per lot. Only those with a water share (developed or undeveloped) will be allowed to vote on water system issues. A valid proxy shall be in writing and entitled to one (1) vote per lot.

Section 2: Each member of the Board of Directors shall have one (1) vote in matters coming before the Board. All voting at Board of Directors meetings shall be by members in person. Voting by proxy is not allowed at board meetings. A simple majority of the Board members, including two (2) officers shall constitute a quorum at any Board meeting.

Section 3: Dissolution of the corporation through absorption by a public utility shall require 100% written notification to the membership and a 60% affirmative vote of the entire Association membership.

ARTICLE VII Household Pets

Section 1: The responsibility of the Board of Directors is to enforce the Protective Covenants and By-Laws as the core mission. To ensure the quality of the Riverhill Homeowners Association while enforcing the above listed reference items. When homeowners are allowed to let animals run loose throughout the Homeowners Association this defeats the purpose of the Association. Washington State Law allows fines to be levied against the Homeowner(s) in accordance with the Protective Covenants and By-Laws. Simply stated the Covenants and By-Laws are in place to protect all Homeowners and thus they shall be followed.

Section 2: If another resident has found a household pet to be a "nuisance", then it shall be the responsibility of that resident to notify the Board of Directors in writing of the violation. The letter shall include:

- a. Date and approximate time of violation.
- b. Name and address of the violating homeowner.
- c. Number of violations seen and locations.
- d. Letter must be dated and signed by complainant.
- e. Phone number of complainant.

Section 4: When the Board of Director has received the complaint letter, the complaint will be investigated for validity.

Section 5: The Board of Directors will contact the offending homeowner and advise them of the violation(s) and proper measures to be taken to correct the problem in a timely matter. Also included will be a list of fines that will be assessed for non-compliance.

Section 6: If additional complaints letters are received after the agreed upon time frame ie: (Installation of a fence and/or kennel) has been given to correct the violations the offending homeowner will be assessed a fine until the violation is corrected.

Section 7: Fine schedule is as follows:

- a. First offence \$25.00
- b. Second offence \$50.00
- c. Third offence \$100.00
- d. Fourth offence, court action will be initiated and the offending party will be responsible for all the court and legal fees.

ARTICLE VIII REMEDIAL MAINTENANCE

Section 1: AUTHORITIES. The Riverhill Homeowners Association Protective Covenants provide, among other restrictions, as follows:

- a. "No lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, other waste or for any illegal use;"
- b. "No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the community."

Section 1.1: RCW 64.38.020 provides that homeowners' associations such as Riverhill Homeowner's Association have the authority to, "... (1) adopt and amend bylaws, rules, and regulations;...(11) ...after notice and an opportunity to be heard by the board of directors or by the representative designated by the board of directors and in accordance with the procedures as provided in the bylaws or rules and regulations adopted by the board of directors, levy reasonable fines in accordance with a previously established schedule adopted by the board or directors and furnished to the owners for violation of the bylaws, rules, and regulations of the association;...(12) Exercise any other powers conferred by the bylaws; (13) Exercise all other powers that may be exercised in this state by the same type of corporation as the association; and (14) Exercise any other powers necessary and proper for the governance and operation of the association."

Section 1.2: The By-laws of Riverhill Homeowners Association provide that among the purposes of the Association "are to promote community welfare; to make Riverhill Homeowners Association a better place in which to live and enjoy life, for the benefit of it's members and their families; and to exercise any and all powers of non-profit associations and homeowners' associations pursuant to the Articles of Incorporation of Riverhill Homeowners Association and the laws of the State of Washington, including RCW chs. 24.03 and 64.38, or as amended."

Bylaws further provide, when necessary and appropriate, the ability for the Board of Directors to develop rules and regulations to support the purposes of the Association, and to provide procedures for its operation. When a rule and/or regulation addresses a systematic response to matters of community concern, it may be adopted in the form of an Association resolution.

The Bylaws further provide that members are responsible for the actions of their family members, guests and tenants.

Section 2: FINDINGS. The Board of Directors of Riverhill Homeowners Association finds that in almost all cases, members abide by the restrictions of the Protective Covenants, and that when a problem arises, and a warning letter is sent, members quickly come into compliance. However, on rare occasions, members do not comply, even after a warning letter, or the full application of the fine schedule.

Section 2.1: The Board of Directors further finds that with respect to violations of the Protective Covenants prohibitions against rubbish, trash, garbage or other waste, failure to comply can create dangerous, unsanitary and illegal conditions on lots within the jurisdiction of the association.

Section 2.2: The Board of Directors further finds that hulk vehicles constitute violations of said protective covenant prohibitions against rubbish, trash garbage or other waste, and are in addition noxious and offensive, and constitute an annoyance and nuisance to the community. Hulk vehicles, for the purpose of this finding, are cars, trucks, recreational vehicles, trailers, and mobile homes that are not currently licensed and registered and fully operational. The only exception for such vehicles is fully enclosed in an approved structure and not visible from outside the member's property.

Section 2.3: The Board of Directors finds that in cases of violations of these covenants, the Board has remedy of litigation. However, that litigation can take a great deal of time to realize, during which the dangerous, unsightly and illegal conditions continue to exist, and in fact worsen. The Board of Directors further finds that a more immediate remedy for such conditions is required to protect the community welfare and to make Riverhill Homeowners Association a better place in which to live and enjoy life for the members and their families.

Section 2.4: The Board of Directors further finds that it has the authority pursuant to Washington Law and its own governing documents to adopt the following regarding Remedial Maintenance.

Section 3: Remedial Maintenance.

Section 3.1: That when a member's property becomes in violation of Protective Covenants prohibitions against rubbish, trash, garbage and other waste, including violations of the same involving hulk vehicles; and either (1) provisions of the Riverhill Homeowners Association Fine and Appeal Process rules have been followed, up through final action by the Association; or, (2) the conditions on the property constitute an emergency, because of dangerous unsanitary conditions, in the reasonable judgment of the Board of Directors, before the Fine and Appeal Process has been completed; the Board may take action pursuant to this Resolution.

Section 3.2: The Board of Directors may take, at the expense of the lot/property owner and or member any actions reasonably necessary to address what it reasonably considers to be dangerous unsanitary conditions, including entering upon the property and removing such rubbish, trash, garbage and other waste, including hulk vehicles. It shall use reasonable care to protect and not damage any property of the member, but it shall have full authority to remove and dispose of rubbish, trash, garbage and other waste. It shall further comply with any and all laws regarding the removal and disposal of hulk vehicles that may apply.

Section 3.3: If the member has been afforded a written warning, and issued at least one fine, and an emergency is deemed to exist; or if the appeal process has resulted in final action by the association; the Board of Directors may take action to remediate violations as specified herein upon 48 hours' notice to the member, or to anyone reasonably believed to have authority with respect to the property; such notice to be given in the manner best calculated to actually provide notice. If no such notice is possible, then the same shall be conspicuously posted on the property at least 48 hours prior to Board action.

Section 3.4: If the member has not yet been subject to the provisions of the fines and appeals processes, then notice of intent of the Board to take action pursuant to this resolution shall be given. The first warning letter to the member shall provide at least 30 days' advance notice of the intent of the Board.

Section 3.5: For the protection of the member as well as the association, the Board, when taking remedial action hereto, shall reasonably document all of its actions that take place on a member's lot, and retain such documentation for at least one year.

Section 3.6: The violating member responsible shall be responsible for paying for all costs, fees and expenses of Board actions pursuant hereto, including costs of litigation if necessary.

Section 3.7: If the Board finds that the interests of the membership require immediate action in matters subject to this section, and therefore the terms of this section shall apply immediately, and shall apply retroactively to all conditions currently existing.

ARTICLE IV Recreational Property Use Guidelines

Section 1: Use of property shall follow the below listed rules and guidelines set forth within this section.

Section 2: The Board of Directors can, with a majority vote change the below listed rules and guidelines as necessary to improve the quality and/or safety of the overall membership.

Section 3: Rules:

- a. Use of properties and facility will be at your own risk.
- b. Guests must be accompanied by a member in good standing.
- c. Membership card required when using the gazebo recreational area.
- d. Children (12 and under) must be accompanied by a parent or under adult supervision.
- e. No overnight camping unless approved by the RHOA Board of Directors.
- f. Large group use must be approved by RHOA Board or Directors.
- g. Take your garbage with you when you leave.
- h. No skateboarding.
- i. No fireworks.
- j. Pets must be on a leash – pick up after your pet.
- k. Violation of these rules will be cause for removal from community properties and possible termination of recreational membership.

ARTICLE X Amendments

Section 1: The Board of Directors will review these By-Laws annually to ensure the Association is in compliance with the stated By-Laws and amend them as deemed necessary.

Section 2: Addendum (A): Riverhill Homeowners Association parcel numbers as obtained by Mason County Assessors office and updated annually.

Section 3: Addendum (B): Riverhill Homeowners Association assigned water share information updated annually.

DATED this 17 day of January, 2012

RIVERHILL HOMEOWNERS ASSOCIATION

By [Signature]
Jeromy Hicks, President

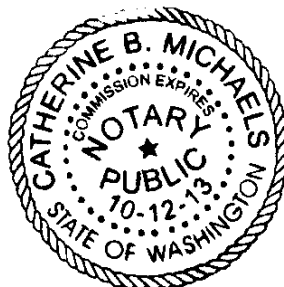
By [Signature]
Cathy Strong, Vice President

STATE OF WASHINGTON

COUNTY OF MASON

On this day personally appeared before me Jeromy Hicks, to me know to be the President of RIVERHILL HOMEOWNERS ASSOCIATION, described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as the free and voluntary act and deed of said corporation for the uses and purposes therein mentions

Given under my hand and official seal this 17 day of Jan., 2012



[Signature]
Catherine Michaels Notary Public
In and for the State of Washington
Residing at: Belfair
My Commission expires: 10-13-2013