

# AMENDED AND RESTATED BYLAWS, RULES & REGULATIONS WITH RESPECT TO MONTERRA I, II, III, IV AND V

(LAST AMENDED 12 DECEMBER, 2022)

Monterra Homeowners Association  
22 Circle Drive, Port Angeles, WA 98362

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## ARTICLE I MEMBERSHIP

Section 1. As allowed by HUD, Monterra is a 55 and older community of single-family dwellings for residential purposes, and for the quiet and private enjoyment of property owners. No Lot or residence may be used as a facility for for-profit or not-for-profit business for any purpose, other than rental to a single family or person for full time residence, unless specifically approved and authorized by the MHA Board of Directors in writing, in advance. Monterra is a community where 80% of the homes must have one Owner/Resident 55 years of age or older; the remaining 20% of the homes must have at least one Owner/Resident between the ages of 18 and 54. To ensure that Monterra remains in compliance with the HUD qualifications, any property that is rented out, in which the owner does not reside full time, must have at least one Tenant that is 55 years of age or older, subject to fees/fines as specified herein. No one under 18 years of age shall reside in Monterra, subject to fees/fines as specified herein. HUD requires that MHA maintain a documented age verification system of all residents. MHA uses the MHA Age Affidavit Form for this purpose.

Section 2. Members of the Association shall be as follows:

Section 2a All persons who are owners of record of one or more lots, which lots are subject to membership in the Homeowners Association as a condition of ownership of property pursuant to a declaration of restrictive covenants governing such property. Such owners will be known as "Members".

Section 2b. All persons who are owners of record of one or more bluff lots which have incurred significant bluff erosion and as a result have permanently vacated their house due to safety concerns of proximity to the bluff, may apply to the MHA Board for an exemption of annual HOA dues. It is the responsibility of the property owner to present to the MHA Board President, in writing, that their property be considered eligible as Bluff Restricted Property. If approved by the MHA Board, the property will be identified as “Bluff Restricted Property”, and the property owners shall be known as “Bluff Restricted Members” of the Homeowners Association. Owners of Bluff Restricted Properties will comply with Bylaws as detailed in Section 5, below.

Section 2c. The property rights and interests of each member of this Association likewise shall be equal, provided that such interest is and shall be appurtenant to the numbered lot or lots within Monterra of which said Member is the owner.

Section 2d. A building site shall be taken to be a numbered lot forming a part of the plat of Monterra, or contiguous portions of any two or more contiguous lots permitted by the restrictions applicable thereto, and thereby allowed to be used as a site for a dwelling or such other structure as is permitted by the protective covenants.

Section 2e. The voting power of each member of this Association shall be equal, provided that ownership of more than one lot creates a vote in the Association multiplied by the number of lots owned. Provided further that in the case of joint ownership of a numbered lot or lots, the joint owners shall be considered a single voting unit and entitled to only one vote for each lot so jointly owned.

Section 2f. The voting rights of any member may be suspended by this Association for any period during which any fines/fees, dues, or assessments or other charges for which the member is obligated to the Association are not paid, or for any reasonable period as a sanction for the infraction of any published rule or regulation of the Association.

Section 2g. Voting procedure for any issue (other than the election of circle Representatives or increase in member dues) which requires the vote of the Membership shall be accomplished in any manner allowed by RCW 64.38.120. A notice will be provided to all members of the Monterra Homeowners Association at least thirty (30) days before voting will occur. Said notice will explain the issue to be voted upon. When a vote requires notarized signatures, it will be necessary for members to attend a voting meeting. The issue will be decided by a majority vote of members who are voting, provided a quorum is achieved.

Section 3. Special meetings of the membership of the Association may be called from time to time at the discretion of the Executive Board of the Association, and at any time a signed instrument of twenty-five (25) or more members is submitted to the Executive Board requesting a special meeting. This meeting must be held within ten (10) days of the request.

Section 4. At any meeting or vote of the membership of the Association, (except at a meeting called for the purpose of raising dues as set forth in Article VI), thirty-four percent of the members shall constitute a quorum. Subject to the requirements of Article I Section 3e herein, each member shall be entitled to one vote...

Section 5. A list of Bluff Restricted Properties, if any, will be updated and maintained by the MHA Board of Directors. The following Bylaws are adopted and apply to any Bluff Restricted Properties:

1. Owners of Bluff Restricted Property will not be required to pay the annual MHA dues and be exempt from special assessments with the exception of fines or assessments levied to enforce maintenance and appearance of property in accordance with MHA standards and requirements.
2. Owners of the Bluff Restricted Property will not have Monterra Homeowner voting privileges.
3. Owners of Bluff Restricted Property will not have clubhouse privileges.
4. Owners of Bluff Restricted Property will not have the use of MHA common grounds.
5. Owners of Bluff Restricted Property will have signage sufficient to safeguard and warn the public or any visitors from bluff dangers. Signage placards are available from MHA.
6. Owners of Bluff Restricted Property will maintain the property appearance in accordance with MHA covenants and Bylaws requirements.
7. Any proposed construction, improvement or any change of Bluff Restricted Properties will require MHA specified construction/project application, review, approval by the MHA Architectural Committee; and if approved, any applicable Clallam County permits.
8. All activity on Bluff Restricted Properties must be in harmony and consistent with current use of residential lots.
9. Any property, which is designated as Bluff Restricted Property, that is again re-occupied by the owner will immediately revert to the status of a regular member of the Association. It is the responsibility of the property owner to inform the MHA Board President, in writing, their intention of no longer wanting their property being designated as Bluff Restricted Property.
10. Violations of any of the above listed items are subject to MHA covenants.

## **ARTICLE II MANAGEMENT**

Section 1. The Board of Directors shall consist of ten (10) directors, the Treasurer, the Recording Secretary and the Monterra Information Manager.

Section 2. The Board of Directors of the Association shall be elected as follows:

During the month of November of each year, the current representatives from each Division shall call a meeting at which two (2) representatives shall be elected from each of the following described Divisions by a majority of the members of that Division, attending or by written proxy.

- A. Monterra Ib Cypress Circle
- B. Monterra Ia Heather Circle
- C. Monterra II Holly Circle
- D. Monterra III and V Sea Bluff & west Monterra Drive and east Monterra Drive, respectively
- E. Monterra IV Ivy Lane

One of such persons from each Division shall be the Representative for that Division and the other shall be the Alternate Representative, and together they shall be known as the Board of Directors. The five Representatives shall be known as the Executive Board. Only an MHA Member residing fulltime in Monterra may serve on the MHA Board of Directors. Except for the office of Treasurer (see Article II Section 3) all committee chairpersons, coordinators, etc. must also, be an MHA Member residing fulltime in Monterra. (see Article II Section 11)

Other members of the Board of Directors shall be the Treasurer of the Association, the Recording Secretary and the Monterra Information Manager. They shall be appointed by a majority of the Executive Board and shall be non-voting members of the Board.

Section 3. In the event that the Executive Board is unable to select a Treasurer from among the membership within sixty days (60) of the election of the new Board of Directors, the Executive Board may hire a Treasurer from outside the membership.

Section 4. Any action of the Association shall be done by majority vote of the Executive Board. Three members of the Executive Board shall constitute a quorum. In the event that any member of the Executive Board is unable to attend a meeting, the Alternate Representative from the same Division may sit for the purposes of that meeting as an Executive Board member, and shall have all the rights and privileges of an Executive Board member for that meeting.

Section 5. Following the first meeting after the election of a new Executive Board, that Executive Board shall elect the following officers; President, Vice President and Secretary. The Executive Board shall appoint a Treasurer, Recording Secretary, Monterra Information Manager, Architectural Committee, Clubhouse Manager, Maintenance/Grounds Manager, Mowing Crew Coordinator and RV Storage Area Manager. The new Board shall take office as of January 1st of the following year. The December Board of Directors Meeting shall be attended by both the in-coming and out-going Boards.

Section 6. The Executive Board shall hold regular meetings and such special meetings as the Executive Board shall deem necessary for the competent management of the affairs of the Association. Any matter which the Executive Board believes cannot wait until the next regular meeting of the Executive Board shall be cause for a special meeting, in person, via conferencing, or via email voting. Any special meeting must have a Board quorum present. If any Executive Board member cannot be reached, the Alternate Representative shall vote, in his or her place. If there still is not a quorum, a consensus of those voting shall govern. In an actual emergency, the President is authorized to deal with it and inform the other Board members as soon as possible. An emergency shall be defined as a situation involving potential imminent danger which, if not dealt with immediately, could cause further damage to people or property.

Section 7. Each member of the Executive Board shall possess one vote in matters coming before the Executive Board. All voting at meetings shall be by Executive Board members (or Alternate Representatives if the Representative for a Division is not present), in person, via conferencing, or if appropriate, via email, where a quorum is present. Voting by proxy shall not be allowed.

Section 8. Any Director may be removed from office by a majority vote of the homeowners within his/her Division. The person(s) proposing such action shall notify the President and notice of the

proposed removal of a Director must be given in writing by the Recording Secretary, to such Director seven days (7) prior to the date of the meeting at which the issue is to be voted upon, and must state specifically the cause of the proposed removal.

Section 9. Unexcused absence from three consecutive meetings of the Board shall be due cause for removal of a director, at the discretion of the remaining Board Members. The unanimous vote of all remaining Board members shall be required in order to remove such director. Written notice of such removal, signed by the remaining members of the Board shall be sent or delivered to the director being removed.

Section 10. Any voting member vacancy occurring on the Board of Directors by reason of death, resignation or removal of a director shall be filled by the Alternate Representative of that MHA Division. If there is no Alternate Representative in that Division or if the Alternate does not want to fill the Director position, the MHA President shall appoint a serving representative from another division to arrange and preside over a special election for that Division so members can elect a new Director. If the Division is unable to elect someone to fill the vacancy, the remaining Directors will appoint someone from another Division. Such appointee shall serve until the next regular election.

Section 11. In the event that a Monterra Division is not able to find volunteers to serve on the Board of Directors, the existing Board will appoint an Executive Board Member(s) at-large. [in order to comply with these Bylaws, the Executive Board must have five (5) members]. The Executive Board Member at-large must be a fulltime resident and member of the MHA and will serve for one (1) year, or the remaining portion of a year. They will not represent any Division but will be a voting member of the MHA Board of Directors, attending all Board meetings. As an Executive Board member, they will be eligible to hold an office on the Board.

Section 12. The Executive Board is limited to an expenditure of a maximum of \$5,000 for a single expenditure, except in an emergency. An emergency shall be defined as a situation involving potential imminent danger, which, if not dealt with immediately, could cause further damage to people or property. Amounts exceeding \$5,000 for a single expenditure must be voted upon by the Monterra Homeowners Association Members. Approval will be by a majority vote of members who are voting in any manner allowed by RCW 64.38.120, provided a quorum is achieved. (see Article I Section 5).

Section 12a. Persons so authorized by the Executive Board shall have the authority to spend up to \$500 per project, on behalf of the Association. Requests to spend larger amounts shall be presented to the Executive Board in writing and Board approval is required for such expenditures.

Section 13. Robert's (Simplified Rules of Order) shall be adopted for use as the Monterra Homeowners Association's manual of parliamentary procedure for Member Meetings and Board of Director's Meetings. If any person engages in disruptive behavior at a Member Meeting or Board of Director's Meeting, the person may be asked to sit down, or as necessary, the person may be asked to leave the meeting, or the meeting may be adjourned.

### **ARTICLE III DUTIES OF THE OFFICERS**

Section 1. **PRESIDENT** The President shall supervise all activities of the Association, execute all instruments in its behalf, preside over all meetings of the Board and the Membership of the Association, call such meetings of the Membership as shall be deemed necessary, and perform such other duties usually inherent in such office. Annually, the President shall designate one or more persons to act in the capacity of auditor for the purpose of verifying the accuracy of the Treasurer's accounts and to render a written report on the findings to the Board in March.

Section 2. **VICE PRESIDENT** The Vice President shall act for the President in his/her absence and perform such other acts as the President may direct.

Section 3. **SECRETARY** The Secretary shall act as the Sunshine Committee Coordinator; that is, send out necessary get well and condolence messages on behalf of the Board. The Secretary shall be reimbursed by the Association for any cards and postage purchased.

Section 4. **TREASURER** The Treasurer shall receive and be accountable for all funds belonging to the Association, pay all obligations incurred by the Association when payment is authorized by the Executive Board, maintain bank accounts in local depositories designated by the Executive Board, render periodic financial reports and perform such other duties as the President may direct. The Treasurer, as directed by the Board will transfer excess revenue over expenses at year-end to the Reserve Fund Accounts in the ratios specified by the Board. If the Treasurer is a Monterra resident, the Treasurer must be a member of the Monterra Homeowners Association, may not be a Representative from any Division and will be a non-voting member of the Board of Directors.

Section 5. **RECORDING SECRETARY** The Recording Secretary will be responsible for taking the minutes of all regular meetings of the Board and those special meetings as per Article II, Section 6. The Recording Secretary will transcribe and type the minutes, distribute copies of the minutes to all members of the Board of Directors, post a copy of the monthly Board of Directors/Membership Meeting minutes in the Clubhouse and file a copy in the MHA files in the MHA office. The Recording Secretary must be a member of the Monterra Homeowners Association, need not be a Representative from any Division and will be a non-voting member of the Board of Directors.

Section 6. **MONTERRA INFORMATION MANAGER** The Information Manager will be appointed by the MHA Board of Directors and may serve for an unlimited time or until the Board appoints someone new to the position. This person needs to be knowledgeable about MHA documents, history and guidelines for the operation of the Association. The Information Manager shall attend all meetings of the Board and will be a non-voting member of the Board of Directors.

Section 7. **CLUBHOUSE MANAGER** The Clubhouse Manager shall be responsible for all functions of the Association related to the Clubhouse and the scheduling of use of the Clubhouse by residents. The Manager will distribute Clubhouse keys to the membership and will maintain the Clubhouse in a clean and orderly manner. The Manager will be responsible for lowering the appropriate flag upon the death of a resident or government official.

Section 8. MAINTENANCE/GROUNDS MANAGER The Maintenance/Grounds Manager shall oversee any new maintenance, bring recommendations for maintenance to the Executive Board and perform such other acts as the President may direct.

Section 9. MOWING CREW COORDINATOR The Mowing Crew Coordinator shall coordinate the volunteers who do the seasonal mowing of the MHA Greenbelt Areas, work with the volunteers who maintains the mowers, work with the volunteers who get the gas for the mowers and make sure there is a mower volunteer for all Greenbelt Areas. Residents of Monterra that have been trained and approved for use of Monterra HOA-owned equipment by the Mowing Crew Coordinator may use that equipment when volunteering for the maintenance of Monterra Greenbelts, easements and Open Areas. Monterra HOA-owned equipment may not be used for maintenance of personal properties or non-Monterra property.

Section 10. RV STORAGE AREA MANAGER The RV Storage Area Manager will direct the use of the RV Storage Area. The Manager will issue keys upon receipt of a \$5.00 key deposit, assign storage areas, provide a copy of the RV Storage Area Rules and Regulations to each space renter and maintain the Area in a neat and orderly manner.

Section 11. ARCHITECTURAL COMMITTEE The Architectural Committee shall consist of at least two members from the Monterra Homeowners Association Membership. If two (2) volunteers cannot be found, the Committee shall be chosen from the current Board of Directors. The Committee shall be appointed by the MHA Executive Board of Directors and shall serve for a one-year (1-year) term. The Architectural Committee approves or disapproves Project Applications and performs other duties as set forth in the MHA Covenants. All decisions made by the Committee shall be reported to the MHA Board of Directors.

#### **ARTICLE IV AMENDMENTS**

Proposed Bylaws amendments shall be introduced and read at a Board of Directors Meeting, discussed and read at the next regular Membership meeting and voted upon at the following regular Board of Directors Meeting or Membership meeting. These Bylaws may be amended by a majority vote of the Executive Board of Directors of the Association.

#### **ARTICLE V MEMBERSHIP FEES**

Section 1. Membership fees (excepting utilities and liens incident to the enforcement of the Articles of Incorporation or Bylaws) of the Association for various services provided by the Association hereafter shall be fixed from time to time as the Executive Board deems necessary, provided that the rate shall not exceed twelve dollars and fifty cents (\$12.50) per month per lot for members of record prior to 2015. Any new member of record starting 2015, the monthly rate shall not exceed (\$20.84) per month per lot. In no case may the dues exceed \$20.84 per month per lot, except upon the affirmative vote of two-thirds of the members of the Association voting in any manner allowed by RCW 64.38.120.

## Enforcement Fees

1. A \$50 annual late fee and 12% per annum simple interest shall be assessed against any owner delinquent in the payment of any dues, fees, assessments, or other charges levied by the MHA Board. Any payment made by a delinquent owner that is less than the total amount owed shall be put first toward interest, then toward the remaining principal.
2. Annual dues are delinquent on February 1 and August 1. RV Space Rental is delinquent on February 1.
3. Assessments are delinquent on date stated in the assessment.
4. Should a property be listed for sale or sold with dues, fees, interest and/or assessments in arrears; at that time an additional fee, in addition to fees previously assessed, of \$360 will be assessed and is to be paid on closing of the sale. This fee can be avoided by paying all past-due dues, interest and/or assessments prior to listing the property for sale.
5. An administrative fee for transfer of property of \$150, plus out-of-pocket expenses, will be assessed and must be paid upon sale, transfer, assignment or other conveyance of title to any MHA property lot.
6. Unless a different fee is specified in the Covenants or Bylaws, fees for violations will be \$100 per month, 30 days from violation notification, if not corrected.
7. All MHA Greenbelt Areas and facilities are managed by the Association. Members must receive Board approval prior to making any changes to any Greenbelt property/facilities/signage or not abiding to signage requirements, etc. Failure to obtain authorization from the Board will result in a \$250 monthly fine.
8. All members are given an "MHA Age Affidavit Form" by their Division Representative when they move in. Members have no more than 30 days to fill out the form and return it to their Rep. Failure to comply will result in a \$350 monthly fine until completed.
9. All members have the responsibility to refile a new "MHA Age Affidavit Form" if any changes occur after the completion of the original form. Failure to return the form within 30 days will result in a \$350 monthly fine until completed and returned.
10. Property owners are required to have tenants/renters fill out a "MHA Age Affidavit Form" and mail the completed form to the MHA, along with evidence of proof of age prior to anyone moving into their property. Failure to comply will result in a \$350 monthly fine payable by the property owner until the completed form is received.
11. If a property owner allows anyone to move into any property in Monterra and at least one Tenant/renter is not 55 years of age, the penalty will be \$2000 per month (or portion thereof) until the violation is corrected, in addition to any and all fines, fees, costs and expenses specified under Article VI of the Covenants, and shall be payable by the owner, Tenant, or both.
12. If a property owner or Tenant/renter allows anyone to move into any property in Monterra who is under 18 years of age, the underage penalty will be \$2000 per underage individual per month (or portion thereof) until the underage person is removed, in addition to any and all fines, fees, costs and expenses specified under Article VI of the Covenants, and shall be payable by the owner, Tenant, or both.
13. If property owners want copies of HOA documents/to review HOA documents, the first 10 copies/year/ property owner will be free. Additional copies will be 50 cents/page and \$20/hour for time. If a property owner schedules time, but fails to show up for a scheduled appointment without cancelling, or shows up late, the hourly fee will still be assessed.



Section 2 –Prior to the completion of the sale, transfer, assignment or other conveyance of any property in Monterra, sellers are responsible for: (1) providing prospective buyers copies of the current Articles of Incorporation, Covenants, and Bylaws, Rules & Regulations; (2) securing the buyer’s signature on the Monterra Prospective Buyer’s Form acknowledging receipt of said documents; and (3) returning a copy of the signed Prospective Buyer’s Form to the HOA Board of Directors. Failure to do so may result in a delay in closing of the sale of the property, and possible fees/fines. The Board will have the authority to levy fines and determine the appropriate fine and party to be fined.

Bylaws of the Monterra Homeowners Association, Inc. as executed on July 15, 1989, and incorporating amendments of June 11, 1990; July 10, 1991; July 2, 1992; September 6, 1995; August 6, 1997; May 6, 1998; December 2, 1998; June 6, 2001; December 5, 2001; December 3, 2003; June 2, 2004; December 1, 2004; December 6, 2006, December 2, 2009; January 22, 2015; September 2, 2015; September 5, 2018; September 16, 2021, and January 1, 2022.

These Bylaws are adopted for the Association effective 12 December, 2022, pursuant to a resolution passed by the Executive Board on 12 December, 2022 and amend the former Bylaws of the Monterra Homeowners Association, Inc.

These amended and restated Bylaws, Rules & Regulations for Monterra Divisions I, II, III, IV, and V are adopted for the Monterra Homeowner’s Association pursuant to a vote by the Monterra Board of Directors on the 12<sup>th</sup> day of December, 2022.