

BYLAWS
OF
THE MEADOWS FERNDALE HOMEOWNERS' ASSOCIATION

The following are the Bylaws of The Meadows Ferndale Homeowners' Association (the "Association"), a corporation organized under the Washington Nonprofit Corporation Act (RCW 24.03, the "Nonprofit Corporation Act"). These Bylaws provide for the operation of The Meadows, a Planned Lot Development (the "Subdivision") located in Ferndale, Washington, created pursuant to the Washington Homeowners Association Act (RCW 64.38, the "Homeowners Act"). These Bylaws apply to the entire Subdivision, each Lot therein, and all Common Areas. 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 Lots, and their guests and employees, and any other person who may use the facilities of the Subdivision are subject to these Bylaws, the Declaration of Covenants, Conditions, Restrictions, and Reservations of the Plat of the Meadows as it may from time to time be amended (the "Declaration"), and the Rules and Regulations pertaining to use and operation of the Subdivision.

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

ARTICLE 1
MEMBERSHIP VOTING: REGISTER

Section 1.1. Membership. Each Owner shall be a member of the Association and shall be entitled to one membership for each Lot owned; provided, that if a Lot is sold on contract, the contract purchaser shall exercise the right of the Owner for the purposes of the Association and these Bylaws, except as hereinafter limited, and shall be the voting owner unless otherwise specified herein. Ownership of a Lot shall be the sole qualification for membership in the Association. The membership of the Association shall at all times consist exclusively of all the Lot Owners. Corporations, partnerships, associations, and other legal entities, trustees under an express trust, and other fiduciaries, as well as natural persons may be members of the Association. Owners of a Lot as joint tenants, tenants in common, community property, or other ownership involving more than one owner, shall be joint members of the Association, but the sum total of their vote shall not exceed the voting power allocated to the Lot owned. Memberships shall be appurtenant to each Lot, and such membership shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon transfer of title of such Lot and then only to the transferee of title to such Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title (including real estate contract) of a Lot shall automatically transfer the membership in the Association, to the new Owner thereof.

Section 1.2 Number of Votes. There shall be a total number votes in the Association equal to the total number of Lots subject to the Declaration. Each Lot is assigned one (1) vote in the Association. The membership and total number of votes is subject to change as phases are added to the Subdivision.

Section 1.3 Voting by Multiple Owners. If only one of the multiple Owners of a Lot is present at a meeting of the Association or has delivered a written ballot or proxy to the Association secretary, that Owner is entitled to cast all the votes allocated to that Lot. If more than one of the multiple Owners is present or has delivered a written ballot or proxy to the Association secretary, the votes allocated to that Lot 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 votes allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

Section 1.4 Voting Representative. An Owner may, by written notice to the Board, designate a voting representative for the Lot. 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 Lot, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the Lot, except in cases in which the person designated is a Mortgagee of the Lot. 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 Lot shall be the group composed of all of its Owners. If a Lot 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.

Section 1.5 Voting by Proxy. Votes allocated to a Lot may be cast pursuant to a proxy duly executed by an Owner. If a Lot is owned by more than one person, each Owner of a Lot may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. A Lot Owner may not revoke a proxy given pursuant to this Section except by actual notice or 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.

Section 1.6 Register of Members. The Board shall cause a register to be kept containing the names and addresses of all members of the Association, their designated representatives, any voting rights pledges and any proxies that have been filed with the Association. Owners who sell or convey their interests in a Lot shall promptly report to the Board of Directors the name and address of their successor in 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 Lot or any interest therein, and any Mortgages thereon.

ARTICLE 2 MEETINGS OF MEMBERS

Section 2.1 Place. Meetings of the Association shall be held at such reasonable place as may be designated from time to time by the Board.

Section 2.2 Annual Meeting. The annual meeting of the Association shall be held once a year on a date fixed by the Board. Notice for the annual meeting shall be delivered not less than 10 nor more than 60 days before the meeting, in the manner described below. At the annual meeting the Owners shall select members to the Board or fill vacancies therein as provided in the Declaration and Bylaws, and 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 to consider ratification of the budget. This date shall be not less than 10 nor more than 60 days after mailing the summary. 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 shall be continued until a budget proposed by the Board is ratified.

Section 2.4 Special Meeting. A special meeting of the Association may be called by the President, by a majority of the Board or upon the written request of owners having not less than 20% of the votes in the Association. Notice for the meeting shall be given as described below. No business shall be transacted at a special meeting except as stated in the notice given therefore 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. Not less than ten nor more than sixty days in advance of any meeting, the notice for that meeting shall be hand-delivered or sent prepaid by first-class United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner (and to any other person entitled to notice under the Declaration or Bylaws). 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 20% of the total voting power shall constitute a quorum for the transaction of business at any meeting of members of the Association. If a quorum is present at a meeting, a majority of the shareholders present may adjourn the meeting from day to day or to such time and place as may be decided by the Directors and no notice of such adjournment need be given. No business shall be transacted at an adjourned meeting that could not have been transacted at the meeting from which the adjournment was taken.

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 Homeowners 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 a majority of the votes present.

Section 2.9 Action by Members Without a Meeting. Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a written consent setting forth the action to be taken is signed by every member. Any such written consent shall be inserted in the minute book as if it were the minutes of a meeting of the Association.

Section 2.10 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) 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.

(b) 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.

Section 2.11 Written Ballot. At the discretion of the Board, any matter which might come before the Association at a meeting, including selection of directors, may be determined by written ballot, rather than at a meeting. Ballots shall be sent to all Lot 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 Lot 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 2.12 Order of Business. The order of business at meetings of the Association shall be as follows unless dispensed with or altered by 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 directors (annual meeting or special meeting called for such purpose)
- (g) Unfinished business
- (h) New business
- (i) Adjournment

Section 2.13 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.

Section 2.14 Presumption of Assent. A member of the Association present at a membership meeting at which action is taken on any matter put to a vote of the membership shall be presumed to have assented to the action taken unless that member's dissent or abstention is entered in the minutes of the meeting, or unless such member files a written dissent or abstention to such action with the person acting as secretary of the meeting before the adjournment thereof, or forwards such dissent or abstention to the secretary of the Association immediately after the adjournment of the meeting. The right to dissent or abstain shall not apply to a member who voted in favor of an action.

Section 2.14 Minutes. Minutes of all membership meetings shall be recorded by the secretary of the Association or by another person designated by the board of directors. Minutes for every meeting shall be approved by the Association before or at the next Association meeting.

Section 2.15 Action of Members by Communications Equipment. Any action required or which may be taken at a meeting of the members may be taken by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting may hear the other participants at the same time and participation by such means shall constitute presence in person at such meeting.

Section 2.16 Assessment. The Board, at either a regular or special meeting, shall have exclusive authority to establish Assessments to be charged against the individual Lots pursuant to the authority granted in the Declaration, subject to the Members' right of ratification.

ARTICLE 3
BOARD OF DIRECTORS

Section 3.1 Number, Term and Qualifications. The affairs of the Association shall be initially governed by a Board of one to three directors. The Declarant shall appoint the initial members of the Board who need not be Owners. The Declarant shall designate and remove the members of the Board in its sole discretion until it transitions the Association to the Owners. Within 30 days after the transition of the Association, the Declarant or the Board shall call a special meeting of the Owners to elect a Board of three directors. The directors elected at that meeting shall serve until the first day of the calendar month following the date of adjournment of the first annual meeting. Thereafter, 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 at which they are elected. The normal term of office for directors will be for two years and until their successors are elected and take office. However, to provide for staggered terms, at the first annual meeting, one-half of the number of directors (or the whole number nearest to one-half) shall be elected for one year, the same number shall be elected for two years. A majority of the directors elected by the Owners after the date of transition of the Association shall be members of the Association. If a corporation is a member of the Association, any one of its officers, directors, or shareholders may be elected to the Board; if a partnership is a member, any one partner of such partnership may be elected to the Board.

Section 3.2 Powers and Duties. The Board shall have the powers and duties provided for the administering authority of the Subdivision in the Homeowners Association Act and in the Declaration, and all other powers necessary for the administration of the affairs of the Association, and may do all such acts and things as are not prohibited by statute or by the Declaration required to be done in another manner. The Board may delegate the Board's administrative responsibilities to a Managing Agent including, without limitation, those responsibilities set forth in Article 7 of these Bylaws.

Section 3.3 Vacancies. Vacancies on the Board caused by reasons other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so selected shall be a director until a successor is elected at the next annual meeting of the Association to serve the balance of the unexpired term.

Section 3.4 Removal of Directors. At any regular or special meeting after the Declarant transitions the Association, any one or more of the directors may be removed, with or without cause, by members holding a majority of the votes in the Association and a successor may then and there be elected to fill the vacancy thus created and to serve the balance of the unexpired term. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 3.5 Compensation. A director who is a Lot Owner shall not be entitled to compensation for service as a director. If the Members determine that it is in their best interest to elect a director who is not a Unit Owner, the directors who are Unit Owners may establish

reasonable compensation to the non-Unit Owner director, obtain directors and officers insurance coverage, and take other actions to attract and retain competent outside 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 to legally 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, facsimile transmission or internet 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, facsimile transmission or internet 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 and such waiver shall be deemed equivalent to the giving of notice. 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. A quorum of the Board shall be deemed present throughout any meeting of the Board if a majority Directors are present at the beginning of the meeting. The act 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 Action by Directors Without a Meeting. Any action required or permitted to be taken at a meeting of the Board may be taken in the manner described in this Section.

(a) The Board may act without a meeting if a written or electronic consent setting forth the action to be taken is signed or provided by every director. Any such consent shall be inserted in the minute book as if it were the minutes of a meeting of the Board.

(b) The Board may act by communicating simultaneously with all directors by means of a conference telephone or similar communications equipment. Minutes of such simultaneous communications shall be inserted in the minute book as if they were the minutes of a physical meeting of the Board.

Section 3.12 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.

Section 3.13 Action of Directors by Communications Equipment. Any action required or which may be taken at a meeting of directors or of a committee thereof may be taken by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting may hear the other participants at the same time.

Section 3.14 Action of Directors by Written Consent. Any corporate action required or permitted by the articles of incorporation, the bylaws, or the laws of the State of Washington to be taken at a meeting of Directors, or committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or committee members, as the case may be, entitled to vote with respect to the subject matter thereof. Such written consent may be signed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document. Such consent shall have the same force and effect as a unanimous vote and may be described as such.

Section 3.15 Duties of Directors. A Director shall perform the duties of a Director, including the duties of a member of any committee of the Board upon which the Director may serve, in good faith, in such manner as the Director believes to be in the best interests of the Association. A Director appointed by the Declarant during the period of declarant control (if any) is required to exercise the degree of care required of fiduciaries of the Unit Owners. A Director elected or appointed by Unit Owners (including Declarant after the period of declarant control) is required to exercise ordinary and reasonable care, including reasonable inquiry as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more officers or employees of the Association whom the Director believes to be reliable and competent in the matter presented;

(b) Counsel, public accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

(c) A committee of the Board upon which the Director does not serve, duly designated in accordance with a provision in the Articles of Incorporation or Bylaws as to matters within its designated authority, which committee the Director believes to merit confidence; as long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need thereof is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

ARTICLE 4
OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be a president, a vice president, a secretary, and a treasurer, all of whom shall be elected by and from the Board. The directors may appoint from the Board such other officers as in their judgment may be necessary or desirable. Two or more offices may be held by the same person, 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 annually by the Board at the first Board meeting after the annual meeting of the Association. They shall hold office at the pleasure of the Board.

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 shall preside at all meetings of the Association and of the Board and shall have such authority and duties as usually vested in the office of the president. The President may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

Section 4.5 Vice President. The 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 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. The secretary shall also perform such other duties as may be prescribed by the Board.

Section 4.7 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 4.8 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 4.9 Compensation. The Board may pay reasonable compensation to any officer or Owner who performs substantial services for the Subdivision in carrying out the management duties of the Board.

Section 4.10 Vacancies. Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting of the Board.

ARTICLE 5 COMMITTEES AND MANAGER

Section 5.1 Committee of Directors. The Board may appoint one or more committees that consist of one or more directors. Such committees, if composed entirely of board members, shall have and exercise, to the extent provided in the resolution establishing the committee, the authority of the Board in the management of the Association. The appointment of any such committee shall not relieve the Board of its ultimate responsibility for the administration and management of the Subdivision.

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.

Section 5.3 Delegation to Manager. The Board of Directors may delegate any of its duties, powers or functions to any person or persons, to act as Manager of the Subdivision as provided in the Declaration.

ARTICLE 6 OBLIGATIONS OF LOT OWNERS

Section 6.1 Monthly Assessments. Lot Owners are obligated to pay the assessments imposed by the Association to meet all common expenses of the Subdivision as set forth in the Declaration, and the Board of Directors shall act to establish, assess, collect and expend such assessments as therein provided.

Section 6.2 Rules and Regulations. The Board of Directors may, from time to time, adopt such rules and regulations (in addition to the restrictions set forth in the Declaration) as may be required for the use, occupancy and maintenance of the Lots and Common Areas, and when so adopted, such rules and regulations shall be binding upon all of the Owners and occupants. Such rules and regulations shall be consistent with the Declaration and Bylaws, and, to the extent they are inconsistent, the rules and regulations shall be invalid. The Board of Directors may from time to time amend any such rules and regulations.

ARTICLE 7 HANDLING OF FUNDS

Section 7.1 Accounts. The Association shall establish the necessary funds or accounts to provide properly for the operation and maintenance of the Subdivision. Overall superintendence

of these funds shall be the responsibility of the Treasurer of the Association. There shall be at least two separate funds as described in Sections 7.2 and 7.3 of these Bylaws.

Section 7.2 Working Capital Fund. The Association shall establish and maintain a checking account in a federally insured financial institution to be known as the "Working Capital Fund". This fund will be used for the normal operation of the Subdivision and will receive all monthly Assessments, first purchasers' initial contributions to the fund, and other monies received by the Association. Checks shall be issued from this account for all management and operation expenditures necessary for the Subdivision and maintenance expenses of a routine or minor nature that do not require resort to the Reserve Fund. Funds for the Reserve Fund 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.

Section 7.3 Reserve Fund for Common Elements. The Association shall establish and maintain an interest-bearing savings account at a federally insured financial institution which shall be known as the "Reserve Fund". The Treasurer shall deposit to this Reserve Fund amounts reasonably anticipated to be required for the periodic maintenance, repair, and replacement of the Common Areas. The Association may establish a separate interest bearing savings account for insurance deductible reserves. The Reserve Fund is governed by RCW 64.38.

Section 7.4 Combination and Deposit or Investment of Funds. 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 from the Reserve Fund shall require the signature of at least two persons who are officers or directors of the Association.

ARTICLE 8 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. The Association shall cause to be prepared an annual audit unless this requirement is waived annually by Lot Owners, other than the Declarant, of Lots to which sixty percent (60%) of the votes are allocated, excluding the votes allocated to Lots owned by the Declarant.

ARTICLE 9 ADMINISTRATIVE AND FINANCIAL PROVISIONS

Section 9.1 Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 9.2 Contracts. The Board, except as otherwise provided in the Bylaws, may by resolution authorize any officer or agent of the Association to enter into any contract or execute and deliver any instrument in the name of and behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have power or authority to bind the Association in any contract or engagement or to pledge its credit or to render it liable for any purpose in any amount.

Section 9.3 Checks, Drafts, Etc. Except as otherwise specifically determined by resolution of the Board, or as otherwise required by the laws of the State of Washington, checks, drafts, promissory notes, orders for the payment of money or other evidence of indebtedness of the Association shall be signed by such officer or officers, or agent or agents, of the Association and in such manner as is from time to time determined by resolution of the Board.

Section 9.4 Books and Records. The Association shall keep at its registered office, its principal office in Washington, or at its secretary's office in Washington, the following:

- (a) The Association's current Articles of Incorporation and any amendments thereto;
- (b) The Association's current Bylaws and any amendments thereto;
- (c) The Association's records of accounts and finances;
- (d) The name and addresses of the Association's current officers and directors; and
- (e) Minutes of the proceedings of the Board, and any minutes, which may be maintained by committees of the Board.

Records may be written or electronic if capable of being converted to writing.

Section 9.5 Copies of Resolutions. Any person dealing with the Association may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board when certified by the president or secretary.

Section 9.6 A Director's Inspection Rights. Every Director shall have the right at any reasonable time to inspect and copy all books, records, and documents of any kind and inspect the physical properties of the Association and shall have such other rights to inspect the books, records, and properties of this Association as may be required under the Articles of Incorporation, the Bylaws, the Declaration, or by the provisions of the laws of the State of Washington.

Section 9.7 Right To Copy and Make Extracts. Any inspection under the provisions of this Article 8 may be made in person or by an agent or attorney of that person, and the right to make such inspection shall include the right to make copies and to make extracts at the sole expense of the party conducting the inspection.

ARTICLE 10
AMENDMENTS

These Bylaws may be amended only by a sixty percent (60%) vote of all of the members of the Association at a regular or special meeting of the members of the Association; provided, no amendments to these Bylaws shall be effective unless all members receive written notice of the proposed amendments at least thirty (30) days prior to the meeting at which such amendments are voted upon by the members of the Association; and further provided, only the Board shall have authority to amend these Bylaws until transfer of control pursuant to the Declaration.

ARTICLE 11
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 pay part of the funds or assets of the Association to 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 administration of the affairs of the Association.

ARTICLE 12
GOVERNING LAW

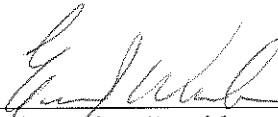
These Bylaws are intended to be in compliance with RCW Chapter 64.38. To the extent that these Bylaws deviate from the statute where no deviation is allowed, then the statute shall control.

ARTICLE 13
LIMITED LIABILITY

No director shall have personal liability to this Association or its members for monetary damages for conduct as a director; provided, this provision shall not eliminate or limit the liability of a director for acts or omissions that involve intentional misconduct by a director or a knowing violation of law by a director, or for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled.

DATED this 2nd day of June, 2016.

ATTESTED:



Eric Weden, President

APPROVED:



Russ Jeter, Secretary