

**BYLAWS OF
SOMTHINGVIEW MEADOW HOMEOWNERS' ASSOCIATION**

Article I. Offices

1.1 The mailing address of the principal office of the association shall be P.O. Box 0000, SmallCity, Washington 98XXX. The association may have such other offices as the Board of Directors ("Board") may designate or as the business of the association may require from time to time.

Article II. Members

2.1 Membership Qualifications. The association shall have a maximum of 39 members. Each member shall be a parcel holder of one or more parcels in the development known as SomthingView Meadow and shall be deemed to be a member when documents conveying the parcels which he or she is purchasing are filed of record. Membership in this corporation may not be transferred except in connection with the transfer or sale of parcels in SomthingView Meadow.

2.2 Annual Meeting. The annual meeting of the members shall be held the 2nd Saturday of September at such place designated by the Board, for the purpose of electing directors and transacting such other business as may come before the meeting. If the day fixed for the annual meeting is a legal holiday, the meeting shall be held within one week. If the election of directors is not held on the day designated for the annual meeting of the members, or at any adjournment thereof, the election shall be held at a special meeting of the members called as soon thereafter as practicable.

2.3 Special Meetings. Special meetings of the association may be called by the President, a majority of the board of directors, or by owners having ten percent of the votes in the association.

2.4 Place of Meeting. All meetings shall be at such place as designated by the Board or by a waiver of notice signed by all of the members entitled to vote at the meeting.

2.5 Notice of Meeting. Not less than fourteen nor more than sixty days in advance of any meeting, the Board shall cause notice to be hand-delivered or sent prepaid by first class United States mail to the mailing address of each owner or to any other mailing address designated in writing by the owner. The notice of any meeting shall state the time and place of the meeting and the business to be placed on the agenda by the board of directors for a vote by the owners, including the general nature of any proposed amendment to the articles of incorporation, bylaws, any budget or changes in the previously approved budget that result in a change in assessment obligation, and any proposal to remove a director.

2.6 Action by Members Without a Meeting. Any action required or permitted to be taken at a members' meeting may be taken without a meeting if a written consent setting forth the action so taken is signed by all members entitled to vote with respect to the subject matter thereof. Any such consent shall be inserted in the minute book as if it were the minutes of a members' meeting.

2.7 Quorum. A majority of the members of the association entitled to vote, represented in person or by proxy, shall constitute a quorum at a members' meeting. If less than a majority of the members are represented at a meeting, a majority of the members so represented may adjourn the meeting from time to time without further notice. At an adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. The members present at a duly organized meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum.

2.8 Proxies. At all members' meetings a member may vote by proxy executed in writing by the member or his/her attorney-in-fact. Such proxy shall be filed with the Secretary of the association before or at the time of the meeting. Unless otherwise provided in the proxy, a proxy

shall be invalid after 11 months from the date of its execution.

2.9 Voting. Each member shall be entitled to one vote for each parcel in the development upon each matter submitted to a vote at a meeting of members provided that a member must have paid all fees assessed by the association to be entitled to vote.

2.10 Cumulative Voting. Each member entitled to vote at an election of directors may vote in person or by proxy the number of votes to which he or she is entitled for as many persons as there are directors to be elected and for whose election he or she has a right to vote, or he/she may cumulate his/her votes by distributing among one or more candidates as many votes as are equal to the number of such directors multiplied by the number of votes to which he is entitled.

2.11 Association Budget. Within thirty (30) days after adoption by the Board of Directors of any proposed regular or special budget of the association, the Board shall set a date for a meeting of the members to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing of the budget summary. Unless at that meeting the members of a majority of the votes in the association reject the budget, in person or by proxy, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the members shall be continued until such time as the members ratify a subsequent budget proposed by the Board of Directors.

Article III. Board of Directors

3.1 General Powers. The business and affairs of the association shall be managed by a Board of Directors. The Board of Directors shall have all powers enumerated herein and those powers granted directors under the laws of the State of Washington, RCW 64.38.

3.2 Number, Tenure, and Qualifications. The Board shall be composed of five (5) directors; provided, however, that the number of directors may be increased from time to time by an

amendment to the Bylaws. Each director shall hold office until the next annual meeting and until his/her successor shall have been elected and qualified unless he or she resigns or is removed.

3.3 Regular Meetings. A regular Board meeting shall be held without notice immediately after and at the same place as the annual meeting of members. By resolution, the Board may provide the time and place for holding additional regular meetings without other notice than such resolution. Except as provided in this subsection, all meetings of the board of directors shall be open for observation by all owners of record and their authorized agents. The board of directors shall keep minutes of all actions taken by the board, which shall be available to all owners. Upon the affirmative vote in open meeting to assemble in closed session, the board of directors may convene in closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the governing documents of the association, and matters involving the possible liability of an owner to the association. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The board of directors shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the board of directors, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirements of this subsection shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

3.4 Special Meetings. Special Board meetings may be called by or at the request of the President or a majority of the directors. The person or persons authorized to call special meetings

may fix any place for holding any special Board meeting called by them.

3.5 Notice. Written notice of each special Board meeting shall be delivered personally, faxed, or mailed to each director at his/her business address or home address at least two days before the meeting. If such notice is mailed, it shall be deemed to be delivered when deposited in the United States mail properly addressed, with postage prepaid. If the notice is faxed, it shall be deemed to be delivered when the content of the fax is sent and receipt of the fax is acknowledged by the recipient by a return fax notice or other written acknowledgment. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. All business to be transacted at any regular or special meeting of the Board must specify the agenda (listing each subject or issue) in the notice or waiver of notice of such meeting.

3.6 Quorum. A majority of the directors shall constitute a quorum for the transaction of business at any Board meeting, but if less than such majority be present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

3.7 Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

3.8 Vacancies. Any vacancy occurring on the Board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board. A director elected to fill a vacancy shall be elected for the unexpired term of his/ her predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of the members called for that purpose.

3.9 Removal. Any director serving on the Board of Directors may be removed from the

Board with or without cause by the majority vote of the voting representatives at a special meeting called for that purpose. Any vacancy in the Board of Directors created or caused by any reason whatsoever, may be filled by an election held at a special meeting of the Association called for that purpose or by the remaining directors if the special meeting of the Association does not occur within sixty (60) days of the occurrence of the vacancy.

3.10 Compensation. The directors and officers of the Association shall serve without compensation.

3.11 Presumption of Assent. A director of the association present at a Board meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her dissent is entered in the minutes of the meeting or unless he files his/her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or unless he forwards such dissent by registered mail to the secretary of the association within two weekdays (not holidays) after the adjournment of the meeting. A director who voted in favor of such action may not dissent.

3.12 Action by Directors Without a Meeting. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a written consent setting forth the action to be taken is signed by each of the directors. Any such written consent shall be inserted in the minute book as if it were the minutes of the Board meeting.

Article IV. Officers

4.1 Number. The officers of the association shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, each of whom shall be elected by the Board. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board. Any two or more officers may be held by the same person.

4.2 Election and Term of Office. The officers of the association shall be elected annually by the Board at the Board meeting held after the annual meeting of the members. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as a Board meeting conveniently may be held. Each officer shall hold office until the next annual meeting and/or until his/her successor shall have been elected and qualified unless he or she resigns or is removed.

4.3 Removal. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board for the unexpired portion of the term.

4.5 President. The President shall be the principal executive officer of the association and, subject to the Board's control, shall supervise all the business and affairs of the association. When present, he or she shall preside over all members' meetings and over all Board meetings. With the Secretary or other officer of the association authorized by the Board, he or she may sign contracts, or other instruments that the Board has authorized to be executed except when the signing and execution thereof has been expressly delegated by the Board or by these Bylaws to some other officer or agent of the association or is required by law to be otherwise signed or executed by some other officer or in some other manner. In general, he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

4.6 Vice President. In the absence of the President, or in the event of his/her death, inability or refusal to act, the Vice President (or in the event of more than one vice president, the vice president who was first elected to such office), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Vice

Presidents shall perform such other duties as from time to time may be assigned to them by the President or by the Board.

4.7 Secretary. The Secretary shall: (a) keep the minutes of the members' and the Board meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be custodian of the association's records; (d) keep a register of the post office address of each member as furnished to the Secretary by each member; (e) have general charge of the membership list of the association; and (f) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board.

4.8 Treasurer. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board shall determine. He or she shall have charge and custody of, and be responsible for, all funds and securities of the association; receive and give receipt for moneys due and payable to the association from any source whatsoever, and deposit all such moneys in the name of the association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws, and in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the President or by the Board.

Article V. Contracts, Loans, Checks, and Deposits

5.1 Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the association, and such authority may be general or confined to specific instances.

5.2 Loans. No loans shall be contracted on behalf of the association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such

authority may be general or confined to specific instances.

5.3 Loans to Officers and Directors. No loans shall be made by the association to its officers or directors.

5.4 Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the association shall be signed by such officer or officers, agent or agents, of the association and in such manner as if from time to time determined by resolution of the Board.

5.5 Deposits. All funds of the association not otherwise employed shall be deposited from time to time to the credit of the association in such banks, trust companies or other depositories as the Board may select.

Article VI. Fiscal Year

6.1 The fiscal year of the association shall be November 1st to October 31st.

Article VII. Waiver of Notice

7.1 Whenever any notice is required to be given to any member or director of the association under the provisions of these Bylaws, or under the provisions of the Articles of Incorporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Article VIII. Indemnification

8.1 To the full extent permitted by the Washington Business Corporation Act, the association shall indemnify any person who was or is a party or is threatened to be made a party to any civil, criminal, administrative or investigative action, suit or proceeding (whether brought by or in the right of the association) by reason of the fact that he or she is or was a director or officer of

the association, or is or was serving at the request of the association, as a director or officer of another association, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceedings; and the Board of Directors may, at any time, approve indemnification of any other person which the association has the power to indemnify under the law. The indemnification provided by this section shall not be deemed exclusive of any other rights to which a person may be entitled to as a matter of law or by contract.

Article IX. Responsibilities of the Association and Members

9.1 It will be the responsibility of the association to maintain the road system within the development, excluding private driveways and privately owned easements or other roads. Each member will pay a reasonable annual fee, as determined by the Board of Directors, to the association for the maintenance, construction, reconstruction and improvement of the road system. The construction and maintenance of all driveways and access roads shall be the responsibility of the members and the construction of any such driveway or access road which crosses the common roads within the development shall be in conformance with the specifications provided by the association. Any injury caused to the common roads within the development by a member as a result of the building of any driveway or access road shall be paid for by the member.

9.2 Insurance. It is the responsibility of the association to obtain and maintain directors' insurance and liability insurance on the common areas. The Board of Directors is authorized to assess members a reasonable fee to be paid annually for such insurance.

9.3 Payment of Fees. The fees provided for herein shall be paid regularly and promptly by members within thirty (30) days from receipt by the member of a notice from the association. All fees and charges which are not paid within this time period shall become a lien upon the property

or properties of a member. The association is the successor of the developer, and has the right to foreclose a lien as provided in the Declaration of Covenants.

9.4 Attorney's Fees. In the event it is necessary for the association to institute legal action to collect any of the fees charged or required to be paid by a member or members, the defaulting member agrees to pay a reasonable sum for costs and attorneys' fees in addition to any judgment which may be awarded to the association.

Article X. Amendments

10.1 These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a majority of the Board at any regular or special meeting of the Board.

ADOPTED by the Board of Directors on this ____ day of _____, 2005.

Secretary

President