

BYLAWS
OF
Emerald Highlands Homeowners Association

ARTICLE I

Name

The name of this corporation is and shall be EMERALD HIGHLANDS HOMEOWNERS ASSOCIATION, and for convenience shall be referred to hereinafter as the "Association."

ARTICLE II

Purposes

The Association shall be conducted as a non-profit corporation for the purposes set forth in the Articles of Incorporation.

ARTICLE III

Definitions

- A.** "Association" shall mean and refer to EMERALD HIGHLANDS HOMEOWNERS ASSOCIATION, its successors and assigns.
- B.** "Properties" shall mean and refer to properties shown on Exhibit A.
- C.** "CC&Rs" shall mean and refer to the 2007 Amended and Restated Declaration of Covenants, Conditions and Restrictions of Record of the Emerald Highlands Homeowners Association.
- D.** "Common Areas" shall mean all real property under the control of the Association for the common use and enjoyment of lot owners.
- E.** "Owner" or "Lot Owner" shall be any person or entity who is the record owner in fee or undivided fee interest or purchaser under contract of any presently existing or subsequently divided lot or parcel in the Properties. Said Membership is not intended to include persons holding an interest merely as security for the performance of an obligation. There shall be one unit of Membership (and one voting interest) for each lot or parcel owned.
- F.** "Member" shall mean and refer to those persons entitled to Membership in the Association as provided in the CC&Rs, ARTICLE I.

ARTICLE IV

Association Meetings

A. Time & Place.

An annual meeting of the Members, held for the transaction of such business as may properly come before the Association, shall be scheduled in the fourth quarter of each year at a time and place to be determined from time to time by the Board of Directors.

Special meetings of the Association may be called by the President, a majority of the Board of Directors, or by Members holding ten-percent of the voting interests of the Association.

B. Notice.

Not less than fourteen (14) nor more than sixty (60) days in advance of any meeting, a Notice shall be hand-delivered or sent prepaid by first class United States mail to the mailing address of each Member, or to any other mailing address designated in writing by the Member. The notice shall state the time and place of the meeting and the business to be placed on the agenda by the Board of Directors for vote by the Members, including the 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, or any proposal to remove a director.

C. Voting.

A Member may exercise a voting interest in person or by proxy executed in writing by such Member or such Member's duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date it is executed, unless otherwise provided in the proxy. A Member may vote for the election of directors, or any other issue provided for vote on the Proxy Form, by mail.

D. Quorum.

A quorum is present throughout any meeting of the Association if fifty one percent (51%) of the voting interests are represented in person or by proxy at the beginning of the meeting. A majority of those present and voting is required for passage of any motion.

ARTICLE V
Board of Directors

A. Composition

1. Number.

The affairs of the Association shall be governed by a Board of Directors composed of no fewer than five (5) nor more than nine (9) persons. Their fees, if any, shall be determined by the Members of the Association at any annual meeting.

2. Elections and Term of Office.

The Directors shall be elected by a majority of the Members of the Association at each annual meeting. Terms of office shall be three years and the members shall serve in three staggered groups. At each election one third of the members of the Board shall be elected. If the board has fewer than nine members, some years will have fewer than three positions to be filled.

3. Removal of Directors.

Any director may be removed, with or without cause, by concurrence of a majority of the voting interests of the Association present in person or by proxy and entitled to vote at any meeting of the Association at which a quorum has been established. The vacancy on the Board of Directors so created shall be filled by the Members of the Association at the same meeting.

4. Vacancies.

Vacancies in the Board of Directors caused by any reason other than the removal of the Director by a vote of the Members of the Association shall be filled by vote of the majority of the remaining Directors. Each person so selected shall serve for the unexpired term of his predecessor and until a successor is elected and seated at an annual meeting of the Association.

5. Nomination of Directors.

Nominations for election to the Board of Directors shall be made by a nominating committee. The nominating committee shall consist of a chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association. Members of the nominating committee shall be appointed prior to each annual meeting, shall be announced at that annual meeting, and shall serve from the close of such annual meeting until the close of the next annual meeting. The nominating committee shall make as many nominations as it may determine, but not fewer than the number of vacancies that are to be filled. Members of the Board whose term is expiring may be re-nominated.

B. Meetings of the Board

1. Place & Time.

The Board of Directors may determine by consensus the place and time for meetings, but not less often than once each quarter. Discussion and decisions may be held and made by email or conference call as agreed upon by the directors. Special meetings may be called by the president or at the request of a majority of the directors.

2. Waiver of Notice.

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

3. Board of Directors Quorum.

At all such meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting.

4. Bonding of Officers.

The Board of Directors may require that officers handling Association funds be bonded, and shall pay the premium for such bonding as a common expense.

C. Powers & Responsibilities of the Board

The Board of Directors shall have the power to:

1. Do all things necessary for the administration of the affairs of the Association and for the accomplishment of the best interests of the Association, its facilities, and properties.
2. Adopt reasonable rules and regulations governing the use of the Common Areas, and any additions to the CC&Rs as may seem desirable. Any such legislation must be approved by the requisite majority of the Members of the Association before becoming enforceable.
3. Enforce the provisions of the Declaration, the CC&Rs, and such additional articles, bylaws or rules and regulations as may be adopted.
4. Establish and implement Annual and Special Assessments, as outlined more fully in the CC&Rs.
5. Procure and maintain adequate liability and hazard insurance as may be required for the operation of the Association.
6. Arrange for and supervise the development and maintenance of the Common Areas for such use as may be determined by the Members of the Association. Arrange for and supervise any other repairs or maintenance which may be required for the general appearance of the grounds of the community for which the Association is responsible.
7. Purchase personal property or services which may be necessary or incidental to the administration of the Common Areas or for any functions allowed by the Association.
8. Institute or defend all forms of lawsuits or other proceedings as may be necessary to further protect the interests of the Association or the Common Areas and to incur reasonable attorneys fees and costs of such activities.

D. Officers

1. Designation.

The executive officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by and from the Board of Directors. The directors may appoint an assistant treasurer or secretary and such other subordinate officers as in their judgment may be necessary.

2. Election of Officers.

As soon as possible following the Annual Meeting, members of the Board of Directors shall meet to elect its officers. Election of the President and Vice President shall be by secret ballot. All officers shall hold office at the pleasure of the Board, and until their successors are elected and qualified. If the president's term of office has expired, he or she shall continue to act as chairperson of the Board until new officers have been elected and seated.

3. Removal of Officers.

Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed from office, with or without cause, and a successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose. Removal of such an officer, however, shall not constitute a removal of membership from the Board of Directors.

4. Vacancies.

A vacancy in any office shall be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the unexpired term of the officer replaced.

E. Duties of Officers

1. President.

The President shall be the chief executive officer of the Association and chairperson of the Board of Directors. He or she shall preside at all meetings of the Association and of the Board, and shall have all of the general powers and duties which are usually vested in the office of the President of an Association, including but not limited to the power to appoint committees from among the Members of the Association as may be deemed appropriate to assist in the conduct in the affairs of the Association.

2. Vice President.

The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such duties as from time to time may be imposed by the Board of Directors.

3. Treasurer.

The Treasurer shall receive, keep faithfully, and deposit in such bank or banks as may be designated by the Board of Directors, all funds, securities and liquid assets of the Association in its name for its account and shall disburse funds of the Association under the direction of the Board of Directors on checks signed in the manner determined by the Board. He or she shall keep full and accurate books of account and shall make such reports of the finances and transactions of the Association as from time to time may be required by the Board of Directors and shall prepare and present at the annual meeting of the Members a full statement showing in detail the financial condition of the Association.

4. Secretary.

The Secretary shall attend and keep the minutes of all meetings of the Board of Directors and of the Association, shall give all notices as provided by the bylaws, and shall have such other powers and duties as may be incidental to the office of Secretary, stipulated by these bylaws, or assigned from time to time by the Directors. If the Secretary is not present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of such meeting and record them in the books provided for such purpose.

ARTICLE VI
Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection and copying by any Member of the Association. Copies of all pertinent documents of the Association, including but not limited to the Articles of Incorporation, Bylaws, and CC&Rs, shall be available for inspection by any Member at the offices of the corporation and copies thereof made available at reproduction cost.

ARTICLE VII
Accounting

A. Budget.

For Budget purposes the fiscal year shall be from October 1st to September 30th. The Board of Directors shall adopt a budget for each fiscal year, which shall specify the amount of the annual assessment on each lot and the estimated receipts therefrom. It shall also include the estimated funds required to defray any common expenses and provide funds for the various and sundry accounts. Such budgets shall be submitted to the Membership at each annual meeting and shall be passed upon as presented or amended by a majority vote of the Members present at such meeting.

B. Accounts.

The funds and expenditures of the association as collected from annual or special assessments shall be credited and charged against various and sundry accounts as shall be appropriate and shall from time to time be established by the Board of Directors. Accounts may be established for current expenses, for the accumulation of reserves as a legal fund or for additional improvements or for accumulations for the making of improvements, additions, and betterments as are found desirable.

C. Depository.

The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall only be by check signed by such persons as are authorized by the Board of Directors.

At their discretion, the Board of Directors may seek investment of accumulated funds and may consult financial specialists for advice and counsel. Any such investments shall be reported in full to the Members of the Association.

ARTICLE VIII
Miscellaneous Provisions

A. Captions.

The captions herein are inserted only as a matter of convenience and for reference and in no way confine, limit or describe the scope of these bylaws or the intent of any provision thereof.

B. Invalidity.

The invalidity of any part of these bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance thereof.

C. Waiver.

No restriction, condition, obligations or provisions contained in these bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

D. Conflicts.

In case of any conflict between the Articles of Incorporation and these bylaws, the Articles shall be controlling. (RCW.03.025)


ARTICLE IX
Amendment and Adoption of Bylaws

These bylaws may be amended, modified, or revoked in any respect by a majority vote of Board of Directors in a regular or special meeting called for that purpose, provided that any such amendment prior to becoming effective shall first be submitted to the Membership for their consideration and approval or disapproval by majority vote at the next following annual meeting of the Association or a special meeting called for that purpose.

ADOPTION OF BYLAWS

The foregoing Bylaws were adopted by a majority vote of the Members of the Association on the 13TH day of NOVEMBER 2007

EMERALD HIGHLANDS HOMEOWNERS ASSOCIATION



President



Secretary

EXHIBIT A

Properties: Legal
Description

Emerald Highlands Planned Unit Development Lots 1 through 152 as recorded in Volume 12 of Plats, pages 12 through 42, records of the Clallam County.