

BYLAWS
of
OAK HILLS HOMEOWNERS ASSOCIATION

ARTICLE I

Name

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

ARTICLE II

Purposes

The Association shall be conducted as a nonprofit corporation for the purposes set forth in the Articles of Incorporation and the Declaration of Covenants, Conditions, and Restrictions of Oak Hills Development.

ARTICLE III

Definitions

Section 1. "Association" shall mean and refer to OAK HILLS HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to properties as described in the Declaration of Covenants, Conditions, and Restrictions of Oak Hills Development, including additional phases of the development as described in said Declaration.

Section 3. "Common area" shall mean all real property under the control of the Association for the common use and enjoyment of the owners, including ingress, egress and utility easements, landscaped entry way, storm water detention ponds and common open space, including wetlands and wetland buffers.

Section 4. "Owner" or "lot owner" shall be any person or entity who is a record owner of a fee or undivided fee interest or purchaser under contract of any presently existing or subsequently divided lot or parcel referred to above. 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 vote) for each lot or parcel owned.

Section 5. "Member" shall mean and refer to those persons entitled to membership as provided herein and in the Declaration.

Section 6. "Declarant" shall mean Tukey Investments, LLC.

Section 7. "Declaration" shall mean the recorded Declaration of Covenants, Conditions, and Restrictions of Oak Hills Development as now or hereafter amended.

Section 8. "Oak Hills Development" means the property described in the Declaration of Covenants, Conditions, and Restrictions of Oak Hills Development recorded under Jefferson County Auditor's File No. _____, including future phases as described in said Declaration.

ARTICLE IV

Section 1. The privileges and facilities of the Association shall be extended to the spouse and children of a member and may be extended to guests under such rules and regulations as the Board of Directors may prescribe.

Section 2. No membership may be conveyed or transferred except by sale of the lot to which such membership is appurtenant or the making of a contract for the sale therefor. In the event of the death of a member, his or her membership shall pass in the same manner and to the same person as does the lot to which such membership is appurtenant.

Section 3. No memberships shall be forfeited nor any members expelled. No member may withdraw except under the transfer of title to or upon contracting for the sale of the real property to which his membership is appurtenant.

Section 4. There shall be two classes of members:

Class A: All owners or contract purchasers with the exception of the Declarant are Class A members. Each Class A member shall be entitled to one vote. The interest of each member shall be equal to that of any other member and no member shall acquire any interest which shall entitle the member to any greater voice, vote, authority or interest in the Association than any other member, provided this limitation shall not apply to Class B member(s). There shall be one voting member for each lot or unit. The voting owner shall be one voting member for each lot or unit. The voting owner shall be designated by the owners of each lot or unit by written notice to the board or managing agent and need not be an owner. Designation shall be revocable at any time by actual notice to the board or managing agent. Designation shall be revoked upon the death or declared incompetence of any party with an ownership interest in the lot or unit. This power of designation and revocation may be exercised by a guardian, administrator or executor of an owner's estate. Where no designation is made, or when the designation has been made but is revoked, and no new designation has been made, the voting owner of each unit shall be the group composed of all its

time. All notices required to be given to owners of any property or any contract vendor of any such property shall be sent by U.S. mail, to the respective addresses as designated by such owners from time to time in writing. All notices shall be deemed to have been given when mailed, except notices of change of address, which shall be deemed to have been given when received.

Section 3. Invalidity. The invalidity of any part of these Bylaws shall not impair or effect in any manner the validity, enforceability or effect of the balance thereof.

Section 4. 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.

Section 5. The Use of Section, Number and Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural where the context so requires.

Section 6. Waiver. No restriction, condition, obligations or provision 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.

Section 7. Conflicts. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control. In the case of conflict among the Articles, Bylaws and Declaration, the Declaration shall control.

Section 8. Amendment of Bylaws. These Bylaws may be amended, modified or revoked in any respect from time to time by a majority vote of the Board of Directors in a regular or special meeting called for that purpose; provided, that any such amendment prior to becoming effective

owners; all such owners may be present at any meeting of the voting owners and, if those present act unanimously, the several owners may vote or take any other action as a voting owner. Voting rights of Class A members may be suspended or revoked according to the terms of these Bylaws or the Declarations.

Class B: The Class B member(s) shall be Tukey Investments, LLC, which shall be entitled to one vote for each unsold platted lot or unit. The voting rights of Class B members shall not be suspended or revoked.

Section 5. At all special or regular meetings of the membership a quorum shall consist of **thirty-four** (34%) percent of the total votes of the Association present at the beginning of the meeting in person or by proxy.

Section 6. The Association shall have an annual meeting of the membership for the purpose of electing Directors, ratifying the proposed annual budget and any other matters listed on the agenda. The annual meeting shall be held at such time as is provided in Article V, Section 12.5 herein.

Section 7. Special meetings may be called by the President, a majority of the board of directors, or members representing at least ten (10%) percent of the total votes of the Association.

Section 8. Notice of annual and special meetings shall state the place, day and hour of the meeting and the purpose or purposes for which the meeting is called and any other matters as are required by RCW 64.38 as now or hereafter amended. An agenda of matters to be considered should be included. In the case of an annual meeting, a summary of the budget shall be included. The

notice shall be given by the Secretary not less than fourteen (14) days or more than sixty (60) days

prior to the meeting by being hand delivered or sent prepaid by first class U.S. mail to the mailing address of each member or to any other mailing address designated in writing by the member.

ARTICLE V

Board of Directors

Section 1. Number and Qualifications. The affairs of the Association shall be governed at the time of the organizational meeting by the three (3) Directors listed in the Articles of Incorporation. Thereafter the affairs of the Association shall be governed by a Board of Directors composed of not more than seven (7) persons, and not less than three (3) persons, the exact amount to be determined at the time of the organizational meeting. The number so selected at the organizational meeting of the Association may thereafter be increased or decreased by a majority vote of the members at any annual meeting in which a quorum is present; provided however, that the number shall not exceed seven (7) persons nor be less than three (3) persons. Their fees, if any, shall be determined by the members at any annual meeting.

Section 2. Election and Term of Office. The Directors shall be elected by a majority of the members at a meeting in which a quorum is present. The three (3) Directors at the organizational meeting and any additional Directors added at that meeting shall serve until the first annual meeting of the Association and until their successors are duly qualified and seated. At such first annual meeting of the Association, the term of office of the Director receiving the largest number of votes shall be fixed for a period of three (3) years. The term of office of the Director receiving the least number of votes shall be fixed at one (1) year. The term of office of the remaining Director or Directors shall be fixed at two (2) years. In the case of tie votes, the term of the Directors receiving

tie votes shall be determined by any lottery method agreed to by the Directors with the tie votes. At the expiration of the initial term of office of each respective Director, his or her successor shall be elected to serve for a term of three (3) years. No Board member may serve for more than two (2) successive terms. At the end of the second successive term that person shall then be ineligible to serve as a Board member for the following term.

Section 3. Vacancies. Vacancies in the Board of Directors caused by any reason 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 serve for the unexpired term of his or her predecessor and until a successor is elected and seated at an annual meeting of the Association.

Section 4. Removal of Directors. Any Director may be removed with or without cause by a majority vote of the membership present in person or by proxy and entitled to vote at any meeting of the members called for that purpose at which a quorum is present.

Section 5. Nomination of Directors. Nomination for election to the Board of Directors, except for the first Directors who shall be nominated from the floor, shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman (who shall be a member of the Board of Directors) and two (2) or more members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in any event not less than the number of vacancies that are to be filled.

Section 6. Appointment of Directors: So long as the Declarant owns property within Oak Hills Development, the Declarant shall have the right to appoint, without a vote of the membership, Directors to the Board of Directors equal to a simple majority of the Board of Directors. The Association may not amend these Bylaws to remove this section without the consent of Declarant or until Declarant no longer holds property within the Association. Of the first Board consisting of three individuals, the Declarant may appoint two of those Directors.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by mail, addressed to his or her residence or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors may be called by the President or Secretary in a like manner and on like notice upon the written request of a majority of the Directors.

Section 8. 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.

Section 9. 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 be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned

meeting, any business may be transacted without other or further notice. Directors may participate in a meeting by means of a conference telephone or other communication equipment whereby all persons participating in the meeting can hear each other at the same time.

Section 10. Bonds of Officers and Employees. The Board of Directors may require that all officers and employees of the Association handling or responsible for corporate funds shall furnish adequate bonds. The premium on such bonds shall be paid by the Association as a common expense.

Section 11. Power of the Board of Directors. The Board of Directors shall have the power:

11.1 to establish assessments against the various parcels or lots for payment of the costs of owning, maintaining, repairing and improving the common areas and improvements on the common areas;

11.2 to adopt reasonable rules and regulations governing use of the common areas and for enforcement of the Protective Covenants;

11.3 to enforce the provisions of the Declaration and such Articles, Bylaws or rules and regulations as may be adopted;

11.4 to arrange for and supervise the ownership, repair, maintenance and improvements of the common areas;

11.5 to determine and collect all annual and special assessments, including assessment for such reserves as may be necessary for the future costs of ownership, maintenance, repair or improvement of the common areas or other requirements as may be determined by the Association;

11.6 to obtain and maintain such insurance coverage as may be required;

11.7 to employ such managers, consultants, engineers, employees or other persons

as may be necessary;

11.8 to 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 on such activities;

11.9 to purchase personal property or services which may be necessary or incidental to administration of the common areas or to any functions allocated to the Association;

11.10 to grant easements to any other property or individual across the common areas, upon such conditions as may be reasonable; or to dedicate to the public such common areas.

11.11 to assume responsibility for maintenance, control and administration of such other or additional common areas or facilities as may be obtained or established for the benefit of the lot owners or to join with other lot owners associations in the maintenance, control and administration of common areas;

11.12 to establish and collect annual, monthly or other special assessments for any other expense authorized herein or reasonably related to the functions of the Association or preservation or maintenance of the common areas and facilities;

11.13 to 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, utilities and properties;

11.14 to take any other actions authorized in either the Declaration or by RCW 64.38 as now or hereafter amended;

Section 12. Duties of the Board of Directors. It shall be the specific duties of the Board of

Directors to:

12.1 Hold one annual meeting within sixty (60) days prior to the annual meeting of the members. The Board may hold other regular meetings during the year as the Board by majority vote may agree upon.

12.2 Cause to be kept a complete record of all its acts and corporate affairs, including minutes of all meetings which shall be available to all members and their authorized agents upon request. All meetings of the Board shall be open for all members and their authorized agents as provided in and subject to closed executive sessions as authorized by RCW 64.38 as now or hereafter amended.

12.3 Supervise all officers, agents and employees of the Association and to see that their duties are properly performed.

12.4 Supervise the care, upkeep and surveillance of any common areas and facilities.

12.5 Adopt an annual proposed budget at the Board's annual meeting as provided in Article VIII, Section 1 herein and, within thirty (30) days of said meeting, set a date for the annual meeting of the members and give notice as provided in Article IV, Section 8 (which notice shall include a budget summary). Upon the adoption of any proposed special budget at any regular or special meeting of the Board, the Board shall also set a date for a meeting of the members to consider ratification of said proposed special budget within the same time frames and utilizing the same procedures provided for the proposed annual budget. Both the annual budget and a special budget shall contain proposed annual and/or special assessments.

12.6 Fix the amount of the annual and any special assessments against each parcel of real property, and provide means for the collection of such assessments as so fixed.

12.7 Issue, or cause the appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessments have been paid. A reasonable charge may be imposed by the Board for the issuance of these certificates. If a certificate states payment, such certificate shall be conclusive evidence of such payment.

12.8 Procure and maintain adequate liability and hazard insurance on property owned by the Association.

12.9 Provide for the maintenance, repair and upkeep of the properties of the Association or under its control, including any common areas.

12.10 Keep financial and other records sufficiently detailed to enable the Association to fully declare to each member the true statement of its financial status as provided in RCW 64.38 as now or hereafter amended.

12.11 Prepare or cause to be prepared, at least annually, a financial statement of the Association.

12.12 Keep funds of the Association only in accounts in the name of the Association and not commingle those funds with other persons or legal entities.

12.13 As necessary, appoint one or more committees by resolution, each of which shall consist of two or more Directors, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board in the management of the corporation, except as prohibited in RCW 24.03.115 as now or hereafter amended.

12.14 Appoint/elect an Architectural Control Committee in accordance with the Declaration.

ARTICLE VI

Officers

Section 1. Designation. The executive officers of the Association shall be a President, Vice President, Secretary and Treasurer, provided that the office of Secretary-Treasurer may be combined, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an assistant Treasurer and assistant Secretary and such other subordinate officers as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board after the annual election and shall hold office at the pleasure of the Board, and/or until their successors be elected and qualified.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors any officer may be removed, either with or without cause, and his 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 officer, however, shall not affect a removal from his position as a member of the Board of Directors.

Section 4. Vacancies. A vacancy in any office may 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 whom he or she replaces.