

BYLAWS
OF
SUNRISE RIDGE/THE HIGHLANDS AT SOMERSET HILL HOMEOWNERS
ASSOCIATION

(A Washington Non-Profit Corporation)

With no approved Bylaws in evidence to govern the activities of the corporation at the time of incorporation of Sunrise Ridge at Somerset Hill Homeowners Association, now incorporated as Sunrise Ridge/The Highlands at Somerset Hill Homeowners Association and, in accordance of RCW 24.03.70, the Board of Directors therefore agrees to adopt the following as the Bylaws of Sunrise Ridge/The Highlands at Somerset Hill Homeowners Association, on the date signed below.

I. REGISTERED OFFICE AND AGENT

The registered office of the corporation shall be located in the state of Washington at such place as may be fixed from time to time by the board of directors upon filing of such notices as maybe required by law, and the registered agent shall have a business office identical with such registered office. Any change in the registered agent or registered office shall be effective upon filing such change with the office of the Secretary of State of the State of Washington.

II. MEMBERSHIP

A. General. Membership in this corporation shall be limited to those persons or entities having fee simple title or a real estate contract purchaser's interest in any lot located in the plat known as Sunrise Ridge/The Highlands at Somerset Hill. The privileges and facilities of the corporation shall be extended to the spouse and the children of the member under such rules and regulations as the board of directors may prescribe.

B. Transfer of Membership. Membership privileges shall run with the land, Membership of any person shall automatically transfer to any other person who acquires the ownership of or purchaser's interest in any lot as described in Section A hereof.

C. Voting Eligibility. Lot owners or purchasers shall have one vote per lot, even in the event that more than one person holds an interest in a lot. The vote for any membership owned by two or more parties may be cast by one of the parties as they determine. If joint owners of any lot(s) are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If both vote, both votes are void per Section 6.3 of the recorded CCR's.

D. Dues and Assessments. Each Member shall pay dues, assessments and charges as set out in the Declaration of Covenants, Conditions, Restrictions and Easements for Sunrise Ridge at Somerset Hill, as recorded with the Thurston County Auditor's Office on July 10, 2003 under Auditor's file numbers 3550145 and 3550148, on January 14, 2004 under Auditor's file numbers 3610590 and 3610591, on July 22, 2005 under Auditor's file numbers 37509876 and 3750987, on May 31, 2006, under Auditor's file numbers 3836477 and 3836478; and on November 11, 2006 under Auditor's file numbers 3871974 and 3871975.

III. MEMBERS' MEETINGS

A. Annual Meetings. The annual meeting of the members of this corporation, for the purposes of electing directors of the corporation and for such other business as may come before it, shall be held each year within 60 days of July 10th, as required by Section 6.5(a) of the recorded CCR's. All meetings shall be held at the hour and location as is provided in the notice for the meeting.

B. Special Meetings. Special meetings of the members of the corporation may be called at any time: by members having at least ten percent (10%) of the total voting power of the corporation; by the president; or by a majority of the board of directors.

C. Notice of Meetings. Written notice of the annual or any special meetings of members stating the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than fourteen (14) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the president, vice-president, secretary-treasurer, or officers or persons calling the meeting, to each member entitled to vote at such meeting. It is the obligation of each Owner to provide to the Corporation or its authorized agent any address change for the purposes of all notices and billings.

Notice may in the alternative be provided by electronic transmission to an address, location, or system designated in writing by a member. Notice to members by an electronic transmission complies with this section only with respect to those members who have delivered to the secretary a written record consenting to receive electronically transmitted notices. A member who has consented to receipt of electronically transmitted notices may revoke the consent at any time by delivering a written record of the revocation to the secretary. Consent is deemed revoked if the secretary is unable to electronically transmit two consecutive notices given in accordance with the consent.

Notice of regular meetings other than the annual meeting shall be made by providing each member with the adopted schedule of regular meetings for the ensuing year within 30 days of the

annual meeting and at any time when requested by a member or by such other notice as may be prescribed herein.

D. Waiver of Notice. Notice of the time, place, and purpose of any meeting may be waived in writing (either before or after such meeting) and will be waived by any member by his attendance in person or by proxy, unless the member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. Any member so waiving shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

E. Quorum. A quorum is present throughout any meeting of the corporation if the members to which thirty-four percent (34%) of the votes of the corporation are allocated are present in person or by proxy at the beginning of the meeting. In the event that there is no quorum reached, the directors may continue the meeting to a date no sooner than 14 nor more than 30 days in the future, at which time seventeen percent (17%) shall constitute a quorum. A reduced quorum shall not apply to the approval of any measure that needs a stated percentage of the total voting power of all members under the CCR's or bylaws.

F. Proxies. At all meetings of members, a member may vote by proxy executed in writing, signed and dated, by the member or by his duly authorized agent in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. Proxies may be for a specific meeting or date or date range. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Proxies may be general or have specific provisions required of the proxy holder. Proxies may be cancelled at any time by any owner of a lot by written notification to the secretary of the corporation or its authorized agent.

G. Voting. Each member shall be entitled to one vote per lot owned on each matter submitted to a vote of members. At each meeting of the membership at which a quorum is present, the act of 51% of the members present in person or by proxy shall be the act of the membership. The only exceptions are those measures that need a stated percentage of the total voting power of all members under the CCR's to be approved.

H. Election of Directors. Mail-in proxy ballots can be used for the election to the board of directors. Proxy ballots must be signed and dated by a member of the corporation and are counted for quorum. Mail-in proxy ballots may be superseded by general proxies signed after the date of the proxy ballot or by members attending the annual meeting in person. Ballots for election of directors are not secret. Like all other records of the corporation, they shall be available for examination by all owners at the office of the corporation manager with advance notice, per RCW 64.38.045 (1) and (2).

IV. DIRECTORS

A. **General Powers.** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of the board of directors except as otherwise provided by the laws under which this corporation is formed or in the articles of incorporation. The board of directors may hire and discharge or contract with a managing agent and its employees, agents and independent contractors. All expenditures shall be approved by a vote of the board of directors unless by vote of the board, specific types of expenditures are delegated to specific directors or the property manager for approval without vote. All decisions made for the corporation shall be made by a simple majority (51%) of the total number of current directors.

B. **Number, Tenure and Qualifications.** The board of directors shall consist of a minimum of five (5) directors. By approval of the majority of the membership present in person or by proxy at an annual or special meeting, the number of directors may be amended, but must be an odd number. Only one owner of a lot may serve as director at any given time.

Three directors shall be elected in odd years, and two shall be elected in even years. All elected directors shall have two-year (2 year) terms. All directors must be a lot owner. Co-owners of a lot may not both serve on the board of directors at the same time. All directors must be members in the corporation, that is, each must be a lot owner.

C. **Election.** The directors shall be elected by the members at their annual meeting each year, or at any special meeting called for that purpose.

D. **Duties of Directors.** A director of the corporation shall perform the duties of a director, including the duties as a member of any committee of the board of directors upon which the director may serve, in good faith, in a manner such director believes to be in the best interests of the corporation; and with such 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:

1. One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matter presented;
2. Counsel, public accountants, agents, other persons or entities as to matters which the director reasonably believes to be within such person's professional or expert competence; or
3. A committee of the board of directors upon which the director does not serve,

duly designated in accordance with a provision in the articles of incorporation or these bylaws, as to matters within its designated authority, which committee the director believes to merit confidence; so long as, in any such case, the director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Confidentiality is required of all directors as to closed executive session discussions on subjects defined in RCW 64.32.035(4), as well as to contract negotiations until a contract is approved or the issue becomes moot.

All directors shall be guided by the corporation's written Board Code of Conduct Policy, summarized as follows: The directors have a Duty of Care to make prudent, informed decisions using sound business judgment. The directors have a Duty of Loyalty to act fairly, in the interest of and for the benefit of the corporation as a whole. The directors have a Duty to Act Within the Scope of Authority and only act on matters where authority is granted by the corporation's governing documents or state laws and codes. Directors must maintain high ethical standards and avoid both conflicts of interest and the appearance of a conflict of interest.

E. Vacancies. In case of any vacancy in the board of directors, the vacancy may be filled by a majority vote of the remaining directors, whether constituting a quorum or not, or the majority vote of the members at a special meeting called for the purpose of filling the vacancy.

F. Removal of Directors. Any director elected by members may be removed with or without cause, by 2/3 of the votes cast by members at a meeting at which a quorum is present.

G. Meetings.

1. The annual meeting of the board of directors shall be held immediately after the annual members' meeting at the same place as the annual members' meeting or at such other place and at such time as may be determined by the directors, and new directors shall be seated at that time. No other Association business may be conducted prior to the seating of the new Board.
2. Special meetings may be called at any time and place upon the call of the president, vice-president, secretary-treasurer, or any director. Notice of the time and place of each special meeting shall be given by the secretary-treasurer, or the persons calling the meeting, by mail, telephone, facsimile transmission, personal communication by telephone or otherwise at least fourteen (14) days before said special meeting. Section 6.5(c) CCR's and RCW 64.38.035(2). Notice of any

special meeting may be waived in writing (either before or after such meeting) and is waived by any director by attendance thereat. All meeting notices shall include a written agenda of topics and proposed decisions included with the meeting announcement.

3. When such services are available, directors may attend meetings of the directors by video or teleconferencing. For a teleconference, the president will ensure that the call comes from a number authorized by the remote director.
4. Meetings of the board of directors and corporation meetings are private and not subject to Washington open public meeting laws, but are open to all owners of record and their authorized agents. The board of directors may restrict access to any non-members of the corporation and grant access to non-members on a case by case basis.
5. Meetings of the board of directors may be recorded by the board of directors only for the purpose of ensuring an accurate written record of the meeting. Recordings will be deleted immediately after the minutes of the meeting are approved. At the start of any meeting that is being recorded, the president or other presiding officer shall announce to the attendees that the meeting is being recorded and the purpose for such recording.
6. Should the board of directors meet in closed executive session as authorized by RCW 64.38.035 (4), and should an expert or agent appointed by the directors be necessary to participate with them in said session, said expert or agent shall first sign a binding confidentiality agreement on the subject under discussion. Corporation manager or attorneys for the corporation are exempt from signing a separate confidentiality agreement.
7. All votes taken by the directors shall be in public session at a scheduled meeting and shall be recorded in the meeting minutes, with the exception of email votes when necessary.

H. Quorum and Voting.

1. Directors may assign proxies to other directors and such proxies shall be counted for quorum. A proxy from one director to another shall be valid for no more than thirty (30) days. For the purpose of the quorum and voting, no director shall hold more than one proxy from another director.

2. A majority of the directors currently in office and present in person, by proxy, or joining the meeting by video or teleconferencing, shall constitute a quorum.
3. At each meeting of the board of directors at which a quorum is present, three votes will be needed to approve a motion and confirm an act of the board of directors, while the number of directors is five. If the membership increases, the number of directors above five in the future, then approval by a majority of the number of board members will be needed to approve a motion and confirm an act of the board of directors.

I. Delegation of Assignments to Non-Directors. The directors may delegate authority for specific operational or functional tasks to non-directors or ad hoc committees, but such authority must be specific, limited and time-bound. The directors may unilaterally revoke such delegation at any time without cause. The directors shall remain ultimately responsible for all operations or tasks of the corporation. A specific director shall be appointed as active liaison for each ad hoc committee, and shall be responsible for committee oversights, as well as ensuring relevant issues or acts are reported to the full board of directors. All delegated decisions or actions shall be reported back to the full board of directors within thirty (30) days.

J. Email Between Directors and Email Votes. Directors shall not use email as a substitute for meetings of the board of directors. In general, the use of email between the board of directors shall be informational. If email motions and voting are necessary, it shall be due to time-sensitive, but non-controversial issues that do not require discussion or have been previously discussed at a prior board meeting. If an email vote is taken by the directors, the board of directors shall ratify the vote at the next board meeting and the motion and vote shall be entered into the meeting minutes. Any director may unilaterally oppose the use of an email vote and require the subject to be discussed at the next board meeting. See Board Email & Email Voting Policy.

K. Policies and Rules. The directors are responsible for the creation and implementation of policies and rules as permitted by the corporation's governing documents and state law. New directors are required to support and enforce existing written policies and rules until such time as a rule or policy is changed. All policies and rules shall be written, passed by a majority of the directors and delivered to members. Any change or deletion of a policy or rule shall be delivered to members at least thirty (30) days before the implementation of the policy or rule. Each new or changed policy or rule will include the effective date.

V. OFFICERS

A. Number. There shall be four (4) officers of the corporation: a president, a vice-

president, a secretary, and a treasurer, each of whom shall be elected annually by the directors, from among the directors. Officers may be removed or changed at any time by vote of the board of directors. Per RCW 23.03.125, any two or more offices may be held by the same person, except the offices of president and secretary. Board members not holding office shall be designated Members-at-Large.

B. President. The president shall be the principal executive officer of the corporation and subject to the control of the directors shall in general supervise and control all of the business and affairs of the corporation. The president shall, when present, preside at all meetings of the members and of the directors. The president may sign, with the secretary, any instruments which the directors have authorized to be executed, and in general shall perform all duties incident to the office of the president and such other duties as may be prescribed by the directors from time to time. The president shall act as the public spokesperson for the corporation. All public statements from the president must be directly supported by and not contrary to corporation documents or an approved vote of the board of directors. The president, along with the secretary, shall sign all contracts approved by the board of directors, unless authority to sign on the corporation's behalf has been granted to a management company.

C. Vice-President. The vice-president shall preside at all meetings of the members and of the directors in the absence of the president, and when so acting shall have all the powers of the president. The vice-president shall perform such further duties incident to the office of the vice-president as may be assigned by the president or prescribed by the directors from time to time. The vice-president shall perform the function as public spokesperson for the corporation in the absence of the president.

D. Secretary. The secretary shall keep the minutes of the members' and of the directors' meetings in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these bylaws or as required and be custodian of the corporate records of the corporation. The secretary shall in general perform all of the duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the directors. At the expiration of the secretary's term of office, he or she shall turn over to his or her successor all property of the corporation in the secretary's possession. Along with the president, the secretary will sign all contracts approved by the board of directors, unless authority to sign on the corporation's behalf has been granted to a management company.

E. Treasurer. The treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation, receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with these bylaws. The treasurer shall 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 by the president or by the directors. At the expiration of the treasurer's term of office, he or she shall turn over to his or her successor all property of the corporation in the treasurer's possession. The treasurer shall review monthly financial reports and report to the board of directors all significant issues or expenditures. The treasurer shall not commit, transfer, or expend funds not approved by the board of directors and may not refuse to pay for commitments approved by the board.

F. Removal. Any officer or agent elected or appointed by the directors may be removed by the directors whenever, in their judgment, the best interests of the corporation would be served thereby.

G. Vacancies. The board of directors shall fill any office which becomes vacant with a successor who shall hold office for the unexpired term and until the successor shall have been duly elected and qualified.

VI. BOOKS AND RECORDS

The corporation shall keep at its registered office, its principal office in this state, or at its secretary-treasurer's office, the following financial and other records, to include at a minimum:

1. Articles of incorporation and bylaws;
2. A record of members, including names and addresses;
3. Correct and adequate records of accounts and finances;
4. A record of officers' and directors' names and addresses;
5. All written policies, rules and regulations adopted by the board of directors; and
6. Minutes of the proceedings of the members, if any, the board of directors, and any minutes which may be maintained by committees of the board of directors. Records may be written or electronic if capable of being converted to writing.

The records shall be open to inspection by any members or their authorized agents on reasonable advance notice during normal working hours.

The corporation may impose and collect a reasonable charge for copies and any reasonable costs incurred by the corporation in providing access to records. Use or sale of members' lists by such member if obtained by inspection is prohibited.

The Superior Court of Thurston County may order inspection and may appoint independent inspectors at the request of any member. Such member shall pay inspection costs unless the court orders otherwise.

VII. LIMITATION OF CORPORATE ACTIVITY

This corporation is organized as a non-profit corporation pursuant to Chapter 24.03 RCW. Due to the non-profit status of the corporation, generation of revenue of any sort, other than donations, membership fees, or earned interest is precluded. (Examples of such precluded activities include, but are not limited to, garage sales or charging fees for the use of community facilities, etc.)

VIII. AMENDMENTS

These bylaws may be altered, amended or repealed and new bylaws may be adopted at any annual or special meeting of the membership, by a vote of a majority of a quorum of 34% of owners present in person or by proxy.

IX. CONFLICT

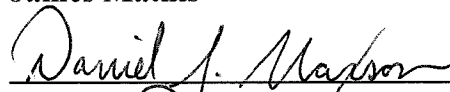
In case of conflict in any terms and conditions whatsoever between the Declaration of Covenants, Conditions, Restrictions and Easements of Sunrise Ridge at Somerset Hill as amended, and these bylaws, the language of the Covenants, Conditions, Restrictions and Easements shall supersede the language of these bylaws.

IN WITNESS WHEREOF, the undersigned have caused these bylaws to be executed and adopted this 22nd day of February, 2018.

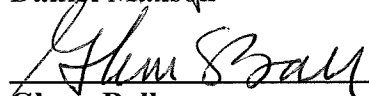
President


_____ **James Mathis**

Vice-President


_____ **Daniel Maxson**

Director at Large


_____ **Glenn Ball**