

**Bylaws
of
Highlands at Woodbrook Community Organization
a Washington nonprofit corporation**

ARTICLE I. MEMBERS AND MEMBERSHIP

Section 1. Annual Meeting. The annual meeting of the membership of this corporation shall be held on the first Wednesday in the month of June in each year beginning in 2006, at a time designated by the directors, for the purpose of electing directors if any are to be elected and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Washington, the meeting shall be held on the following business day. If the annual meeting is not held on the day designated herein, the board of directors shall cause a special meeting of members to be held as soon thereafter as may be convenient to elect directors.

Section 2. Special Meetings. Unless otherwise prescribed by statute, special meetings of the membership may be called for any purpose or purposes by the president or by the board of directors and shall be called by the secretary at the written request of any director or members holding not less than one-tenth of all the memberships.

Section 3. Place of Meeting. The annual meeting or special meetings of the members shall be held at such place within ---- County, Washington, as the board of directors may from time to time designate.

Section 4. Notice of Meetings. Written notice shall be delivered to each membership not less than fourteen (14) days and not more than sixty (60) days before the meeting, either personally or by mail, by the secretary or by the person or persons authorized to call meetings of members. If written notice is placed in the United States mail, postage prepaid, addressed to a membership at the address of the owners of the Lot to which the membership is appurtenant as it appears in the records of the corporation or to any other mailing address designated in writing by such owners, notice shall be deemed to have been delivered to the member. The notice shall state the time and place of the meeting and the business to be placed on the agenda by the directors for a vote by the membership, including any proposed amendment to the Articles of Incorporation or Bylaws, any budget or changes in the previously approved budget that result in a change in assessments and any proposal to remove a director.

Section 5. Quorum. The presence in person or by proxy of holders of one-tenth of the memberships shall constitute a quorum at a meeting of membership. If a quorum is present, a majority affirmative vote of the membership present and entitled to vote shall be the act of the membership, unless the act of a greater number is required by the Articles of Incorporation, these Bylaws or by law.

Section 6. Method of Voting. The members who hold a membership shall be entitled to vote the vote of the membership in person or by mail or by proxy. No right to cumulate votes at the election of directors shall exist. Each membership shall have one vote on each matter submitted to a vote at a meeting of membership as is provided for in the Articles of Incorporation. If a membership is held by more than one member, then the holders of the membership shall designate the person or proxy who shall exercise the vote of the membership. If more than one person or proxy shall attempt to exercise the vote of the membership on the same issue, then the vote of the membership shall be disregarded, and the membership shall be recorded as having abstained from the vote.

Section 7. Voting by Certain Members. The votes of memberships held by a corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaws of such corporation may prescribe, or in the absence of such provision, as the board of directors of such corporation may determine. A certified copy of a resolution adopted by such directors shall be conclusive as to their action. The votes of memberships held by a partnership may be voted by any partner. The votes of memberships held by a limited liability company may be voted by any member of the limited liability company. The votes of memberships which are held by administrators, executors, guardians or conservators may be voted by them, either in person or by proxy, without a transfer of such memberships into their names. The votes of memberships which are held by trustees may be voted by them either in person or by proxy, but no trustee shall be entitled to vote memberships held by him without a transfer of such memberships into his name.

The votes of memberships which are held by receivers may be voted by such receivers, and memberships under the control of a receiver may be voted by the receiver without the transfer thereof into his name if authority to do so is contained in an appropriate order of the court by which such receiver was appointed.

ARTICLE II. BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by its board of directors, which shall act in all instances on behalf of the corporation.

Section 2. Election of Directors. The members of the board of directors shall be elected in accordance with the provisions of the Articles of Incorporation.

Section 3. Change In Number, Tenure and Qualifications. After the expiration of the initial term of directors, the number of directors may be increased or decreased as provided in the Articles of Incorporation. After the initial term of directors ends, no person shall thereafter be qualified to be elected as director of this corporation or to continue to hold office as director of this corporation unless such person is qualified as provided in the Articles of Incorporation. Except as provided in the Articles of Incorporation and unless removed in accordance with the provisions of these Bylaws, each elected director shall hold office until the second annual meeting of the members after the meeting at which he was elected and until his successor shall have been elected and qualified.

Section 4. Election. A person receiving the most votes at an election of directors shall be elected regardless of whether such person receives a majority. If more than one director is to be elected at a meeting, then each director shall be elected separately so that, for example, the first vacancy shall be filled by election before the nominations are closed and the election is held for the second vacancy. Nominations shall be made separately for each vacancy, may be made by a committee appointed by the president and may be made from the floor.

Section 5. Regular Meetings. Without other notice than this bylaw, a regular meeting of the board of directors shall be held immediately after and at the same place as the annual meeting of members. The board of directors may provide by resolution the time and place within the State of Washington as the place for holding any other regular meetings of the board of directors or committees called by them. In addition, the president or any director may call a special meeting of the board of directors.

Section 6. Notice. Written notice of special meetings of the board of directors stating the time and place thereof shall be given at least two (2) days prior to the date set for such meeting by the person authorized to call such meeting or by the secretary of the corporation either by personal delivery to each director, or by mail addressed to the business address of each director, or by telegram. If mailed, the notice shall be deemed to be given when deposited in the United States mail, postage prepaid, so addressed to the director. If notice is given by telegram, the notice shall be deemed given when the telegram is delivered to the telegraph company for transmission. If no place for such meeting is designated in the notice thereof, the meeting shall be held at the registered office of the corporation. Any director may waive notice of any meeting at any time. The attendance of a director at a meeting shall constitute a waiver of notice of the 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. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

Section 7. Quorum. A majority of the number of directors fixed by the Articles of Incorporation and by these Bylaws shall constitute a quorum for the transaction of any business at any meeting of directors.

Section 8. Manner of Acting. The act of the majority of the directors present at a meeting or adjourned meeting at which a quorum is present shall be the act of the board of directors unless the act of a greater number is required by the Articles of Incorporation or these Bylaws or by law.

Section 9. Open Meetings. Except as hereafter provided, all meetings of the board of directors shall be open for observation by all members and their authorized agents. The board of directors shall keep minutes of all actions taken by the board which shall be available to all members. Upon 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 governing documents of the corporation, and matters involving the possible liability of a member to the corporation. 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 section shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

Section 10. Removal. After the initial term of the initial directors has expires, at a special meeting of the membership called for that purpose, any one or more of the board of directors may be removed from office with or without cause by a majority vote of the membership. Except until the initial term of the initial directors has expired, if any one or more directors is so removed, new directors may be elected at this same meeting.

Section 11. Vacancies. Any vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by the board of directors for a term of office continuing only until the next election of directors by membership.

Section 12. Architectural Control. The directors of this corporation shall act as the architectural control committee described in the Declaration of Protective Covenants for Highlands at Woodbrook referred to in the Articles of Incorporation.

ARTICLE III. OFFICERS

Section 1. Number. The officers of the corporation shall be a president, one or more vice presidents, a secretary and a treasurer, each of whom shall be elected by the board of directors. Such other officers and assistant officers as may be deemed necessary or appropriate may be elected or appointed by the board of directors. Any two or more offices may be held by the same person except the offices of president and secretary.

Section 2. Election and Term of Office. The officers of the corporation to be elected by the board of directors may be elected for such term as the board may deem advisable not to exceed three years. Officers of the corporation shall be elected at the first meeting of directors following the expiration of the term of office. Each officer shall hold office until his successor shall have been duly elected and qualified regardless of his term of office, except in the event of his prior death or resignation or his removal in the manner hereinafter provided.

Section 3. Duties. The officers of the corporation shall have such powers and authority as may be conferred by the directors from time to time. In addition thereto, the president shall be the principal executive officer of the corporation and shall preside as chair at all meetings of the membership and board of directors, and shall execute on behalf of the corporation all contracts and other documents as may be authorized from time to time by the directors. The secretary shall be the custodian of the records of the corporation, shall cause minutes of the meetings of the membership and board of directors to be prepared, and shall give notices of meetings in accordance with the requirements of these Bylaws. The treasurer shall manage the custody of the funds of this corporation as directed by the board of directors and supervise keeping of the books of account of such funds. The officers shall perform such duties and have such powers as are customarily associated with their respective offices and as may be provided for elsewhere in these Bylaws and by law.

Section 4. Removal. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights or rights to compensation.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term.

ARTICLE IV. RECORDS AND FINANCIAL MATTERS

Section 1. Contracts. The board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instruments in the name of and on behalf of the corporation, and that authority may be general or confined to specific instances. A director or officer of the corporation shall not be disqualified by his office from dealing or contracting with the corporation either as a vendor, purchaser, creditor, debtor or otherwise. The fact that any director or officer, or any firm of which any director of the corporation is a member,

officer or director, is in any way interested in any transaction or contract shall not make the transaction or contract void or voidable, or require the director or officer of the corporation to account to the corporation for any profits therefrom if the transaction or contract is or shall be authorized, ratified or approved by vote of a majority of a quorum of the board of directors excluding the interested director.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. That authority may be general or confined to specific instances. No loans shall be made by the corporation to its members, officers or directors.

Section 3. Checks, Drafts, Deposits, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by the officer or officers, agent or agents of the corporation and in the manner as shall from time to time be determined by resolution of the board of directors. All funds of the corporation not otherwise employed shall be deposited from time to time to accounts in the name of the corporation in the banks, trust companies or other depositories as the board of directors may select. Corporation funds shall not be commingled with the funds of any other community organization, nor with the funds of any manager of the corporation or any other person responsible for the custody of such funds.

Section 4. Officer and Director Compensation. No officer or director shall receive any compensation for acting or serving as a director or officer of this corporation, provided that nothing herein shall prevent the corporation from reimbursing an officer or director for reasonable and necessary expenses incurred in the business and affairs of the corporation.

Section 5. Financial and Other Records. Sufficiently detailed financial and other records shall be kept by the corporation to enable the corporation to fully declare to each member the true statement of the corporation's financial status. All records of the corporation, including the names and addresses of the members and occupants of the Lots, shall be available for examination by all members, holders of mortgages on the Lots, and their respective authorized agents on reasonable advance notice during normal working hours at the offices of the corporation or its managing agent, if any. The corporation shall not release the unlisted telephone number of any member. The corporation may impose and collect a reasonable charge for copies of records and any reasonable costs incurred by the corporation in providing access to records. At least annually, the corporation shall prepare, or cause to be prepared, a financial statement of the corporation. If the corporation has annual assessments of fifty thousand dollars or more, the financial statement of the corporation for such years shall be audited by an independent certified public accountant unless waived by sixty-seven percent of the votes cast by the membership at a meeting of the membership at which a quorum is present. The vote shall be taken each year to waive the audit for the year.

Section 6. Budget. The directors shall prepare an annual budget which contains the estimated cost of providing the corporation's services required or permitted by the Declaration of Protective Covenants for Highlands at Woodbrook, together with reasonable reserves. The total amount of the budget amount shall be an assessment levied among and against the memberships in monthly or less frequent installments. The budget may be revised from time to time as the directors deem advisable. Within thirty (30) days after the board of directors adopts any proposed regular or special budget, it shall mail a summary of the budget to each membership with a notice of a meeting of membership for the purpose of considering ratification of the proposed budget, which meeting shall be not less than fourteen (14) nor more than sixty (60) days after mailing of the summary of the budget to the membership. Unless at that meeting a majority of the memberships vote to reject the proposed budget, the proposed budget is ratified whether or not a quorum was present at the meeting. If the proposed budget is rejected by a majority vote of the membership at the meeting, or if the required notice is not given, the periodic budget last ratified by the membership shall be continued until such time as the membership ratify a subsequent budget proposed by the board of directors.

ARTICLE V. WAIVER AND INFORMAL ACTION

Section 1. Waiver of Notice. Whenever any notice is required to be given to any member or director of the corporation under the provisions of these Bylaws, the Articles of Incorporation or law, a waiver thereof in writing, signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of notice.

Section 2. Informal Action by Members or Directors. Any action which is required or permitted to be taken at a meeting of the membership may be taken without a meeting on consent of all memberships entitled to vote on the matter, which consent shall be evidenced by a written consent which sets forth the action so taken and which

consent shall be signed on behalf of each membership by a party entitled to exercise the vote of the membership, and any action which is required or permitted to be taken at a meeting of directors may be taken without a meeting by written consent setting forth the action so taken signed by all the directors entitled to vote with respect to the subject matter thereof.

ARTICLE VI. OWNER'S ADVISORY COMMITTEE

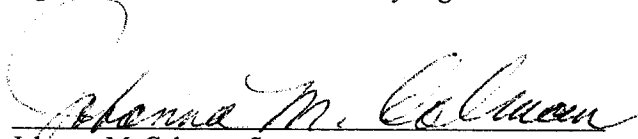
Section 1. Appointment. In the discretion of the Owner named in the Covenants referred to in the Articles of Incorporation, it may appoint an Owner's Advisory Committee the members of which shall be selected from the members of the corporation. The Owner's Advisory Committee shall continue only until the expiration of the initial term of the directors and the election of their successors.

Section 2. Duties and Status. During the existence of the Owner's Advisory Committee, it shall act as an advisor to the directors of the corporation to assist the directors in determining policies for the management of the affairs and property of the corporation and to assist in assembling a slate of nominees for election of directors of the corporation upon the expiration of the initial term of the directors.

ARTICLE VII. AMENDMENTS

These Bylaws may be altered, amended, or repealed and new bylaws may be adopted by the affirmative vote of a majority of the board of directors at a meeting called for that purpose.

The foregoing was adopted as the Bylaws of Highlands at Woodbrook Community Organization at the first meeting of directors held on June 6, 2005.



Johanna M. Colman, Secretary