

BY-LAWS OF:
RIDGEVIEW ESTATES COMMUNITY ASSOCIATION

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ARTICLE I

Meeting of Members

Section 1. Annual Meeting

The annual meeting of the members of the association shall be held in the fourth quarter of each year at a date determined by the Board of Trustees. Such annual meeting shall be held at the office of the association or at another place as may be designated by the Board of Trustees.

Section 2. Special Meetings

Special meetings of the members may be called by the President, or a majority of the Board of Trustees, or by members having ten percent of the votes in the association.

Section 3. Notice of Meetings

Notice of time, place and the business to be placed on the agenda by the Board of Trustees for a vote by the members, 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, for each meeting of members, whether annual or special, shall be given, not less than fourteen nor more than sixty days before the day on which the meeting is to be held, to each member of record entitled to vote at such a meeting, by delivering a written or printed notice thereof to them personally, by mailing such notice to them at their address or email address as it appears in the records of the association, or by notice given on appropriate billing documents. Notice of any meeting of members may be waived in writing by any member at any time, either before or after the meeting; and attendance at the meeting in person or by proxy shall constitute a waiver of notice of the meeting by the member or members so attending.

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Section 4. Quorum

At any regular annual meeting of members, the members present in person or by proxy shall constitute a quorum for any and all purposes. At any special meeting of members, a majority of the members present, in person or by proxy, shall constitute a quorum for any and all purposes.

ARTICLE II

Trustees

Section 1. General Powers

The affairs of the association shall be managed by a Board of Trustees which shall be composed of seven (7) members of the association.

Section 2. Tenure, Qualification & Methods of Election

The Board of Trustees shall be elected from those individuals who are members of the association. The election of positions 1, 3, 5 and 7 shall be held every odd year at the annual meeting of the members of the association, the election of positions 2, 4 and 6 shall be held every even year at the annual meeting of the members of the association. Membership on the Board shall be limited to no more than one position per household, regardless of the number of lots owned. In the event of failure to hold an election as required herein by the By-Laws, election of the trustees may be held at a special meeting of the members called for that purpose.

Section 3. Vacancies

Except as otherwise provided by law, vacancies in the Board of Trustees, whether caused by resignation, death or otherwise, shall be filled by a vote of a majority of the members of the association at a special meeting to be called for this purpose, provided that notice shall be given to all members that such vacancy will be filled at such special meeting. A trustee thus elected to

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fill any vacancy shall hold office for the un-expired term of his predecessor, and until his successor is elected and qualified.

Section 4. Regular Meetings

The Board of Trustees shall meet as often as necessary for the conduct of such business as may regularly come before it. All meetings of the board of trustees shall be open for observation by all members of record and their authorized agents. The board of trustees shall keep minutes of all actions taken by the board, which shall be available to all members. Upon the affirmative vote in open meeting to assemble in closed session, the board of trustees 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 member 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 trustees 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 trustees, 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.

A regular annual meeting of the Board of Trustees shall be held without other notice than this By-Law, immediately after and at the same place as the annual meeting of the members.

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Section 5. Special Meetings

Special meetings of the Board of Trustees may be called by or at the request of the President or by three (3) of the trustees. Notice of any special meeting of the Board of Trustees shall be given at least fourteen (14) days prior to the meeting by written notice delivered personally or sent by mail or e-mail to each trustee at their address as shown by the records of the association. If mailed, such notice shall be mailed in a sealed envelope. If notice be given by e-mail, such notice shall be deemed to be delivered when delivered to the recipients e-mail server . Any trustee may waive notice of any meeting, either before or after the holding of said meeting. The attendance of a trustee at any meeting shall constitute a waiver of notice of such meeting.

Section 6. Quorum

A majority of the Board of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 7. Removal of Trustees

The entire Board of Trustees or any individual trustee, at a special meeting of the members called for that purpose, may be removed from office by a vote of a majority of the members entitled to vote at any election of trustees. If the Board or any one or more of the trustees are so removed, new trustees may be elected at the same meeting.

Section 8. Power and Authority of the Board of Trustees

The Board of Trustees shall have full power and authority to:

- (a) Appoint and remove, at its discretion, all officers, agents, and employees of the association, and to prescribe their duties and fix their compensation;
- (b) Make such expenditures as the Board deems expedient; provided, however, that the members of the association, by resolution, adopted by a two- thirds vote at any meeting of the

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members, may restrict the amount of expenditures which can be made by the Board without prior approval of the members;

(c) Collect dues and assessments to be paid by the members of the association;

(d) Manage and conduct the affairs and business of the association and generally do and perform or cause to be done and performed any and every act which the association may lawfully do and perform.

ARTICLE III

Officers

Section 1. Officers

The officers of the association shall be a President, Vice President, Secretary and Treasurer who shall be members of the association. The officers shall be elected annually by members of the association at its regular annual meeting. If there are no candidates for any Officer position, the position will be filled by vote of the Board of Trustees. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. New offices may be created and filled at any meeting of the Board of Trustees. Each officer shall hold office until their successor shall have been duly elected and shall have qualified.

Section 2. Removal

Any officer elected or appointed by the association or Board of Trustees may be removed by the Board when, in its judgment, the best interests of the association will be served thereby.

Section 3. Vacancies

A vacancy in any office due to death, resignation, removal, disqualification or otherwise, may be filled by the Board of Trustees for the un-expired portion of the term.

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Section 4. President

The President, who shall be a trustee, shall be the principal executive officer of the association and shall in general supervise and control all of the business and affairs of the association. They shall preside at all meetings of the members and meetings of the Board of Trustees, and in general shall perform all duties of the office of President and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 5. Vice President

In the absence of the President or in the event of the President's inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers and be subject to all the restrictions upon the President.

Section 6. Treasurer

The Treasurer shall keep, or cause to be kept, full and accurate accounts of the receipts and disbursements of the association. They shall receive and deposit all monies and other valuables of the association in the name and to the credit of the association, in such depository as may be designated by the Board of Trustees. In the event the Board fails to designate a depository, the funds of the association may be placed in a depository selected by the Treasurer. They shall disburse, or cause to be disbursed, the funds of the association as directed by the Board, taking paper vouchers for such disbursements at all scheduled meetings and whenever required. They shall render to the association, whenever required, accounts of all their transactions as Treasurer and of the financial condition of the association. They shall submit and cause to be transmitted to the Board of Trustees financial statements as required by it. They may cause an annual of the financial affairs of the association to be made by an independent accountant, and such annual audit shall be presented to the members at the annual meeting.

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Section 7. Secretary

The Secretary shall keep the minutes of the meetings of members and of the Board of Trustees in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws as required by law; and be custodian of the corporate records; and in general perform all of the duties incident to the office of Secretary including but not limited to preparation, execution, certification and recording of amendments to the governing documents on behalf of the Association.

Section 8. General Board Member

The General Members of the Board shall be present at all meetings of the Board of Trustees and serve as active participants with respect to debate, decision making and voting on business before and duties of the Board.

Section 9. Indemnification

To the full extent permitted by the Washington Nonprofit 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 or otherwise) by reason of the fact that he is or was a Director or Officer of the Association, against expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding; 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 Washington Nonprofit Corporation Act. The indemnification provided by this paragraph shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract.

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ARTICLE IV

Books and Records

Section 1. Maintenance of Financial and Other Records

The association or its managing agent shall keep financial and other records sufficiently detailed to enable the association to fully declare to each member the true statement of its financial status. All financial and other records of the association, including but not limited to checks, bank records, and invoices, in whatever form they are kept, are the property of the association. Each association managing agent shall turn over all original books and records to the association immediately upon termination of the management relationship with the association, or upon such other demand as is made by the board of directors. An association managing agent is entitled to keep copies of association records. All records which the managing agent has turned over to the association shall be made reasonably available for the examination and copying by the managing agent.

Section 2. Availability of Records

All records of the association, including the names and addresses of members and other 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 association or its managing agent. The association shall not release the unlisted telephone number of any member. The association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the association in providing access to records.

Section 3. Preparation of Financial Reports

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At least annually, the association shall prepare, or cause to be prepared, a financial statement of the association.

Section 4. Association Funds

The funds of the association shall be kept in accounts in the name of the association and shall not be commingled with the funds of any other association, nor with the funds of any manager of the association or any other person responsible for the custody of such funds.

ARTICLE V

Architectural Control Committee

The Architectural Control Committee shall be a standing committee of the association, which shall be established by the By-Laws and known as the "Architectural and Planning Control Committee of Ridgeview Estates Community Association". It shall consist of seven (7) members of the Board of Trustees for the purpose of enforcing the land-use and building guidelines as set out on the "Covenants of Ridgeview Estates".

ARTICLE VI

Fiscal Year

The fiscal year of the association shall be the calendar year.

ARTICLE VII

Membership Dues

Section 1. Initiation Fee

There shall be no initiation fee for membership in this association.

Section 2. Road Maintenance Dues

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The Board of Trustees shall determine the amount of road maintenance dues to cover the actual cost of road maintenance and repair. The trustees may estimate the cost of maintenance and repair for the purpose of determining such dues and, from time to time, adjust such dues to conform to the actual cost of road maintenance and repair.

Section 3. Water User Fees

The Board of Trustees shall determine the amount of water user fees to cover the actual cost of operating the system. The trustees may estimate the cost of operation for the purpose of determining such fees and, from time to time, adjust such fees to conform to the actual cost of operation. "Actual cost" means the cost of maintaining and operating the system, and excludes capital expenditures.

Section 4. Assessments

The Trustees may assess each member, pro-rata for each lot included in the association membership, for their share of general taxes, insurance and capital expenditures, such as but not limited to, road maintenance and repair, water system maintenance and repair. Specific requirements as to rates, connection fees and collections are defined in the Billing Rate & Collection Policy.

Section 5. Time For Payment

Road maintenance dues, water user fees and assessments shall be paid by each member upon receiving a statement from the association or its agent showing the amount due, and shall be due and payable on or before the thirtieth (30th) day following the date of such statement, unless the Board of Trustees shall, by resolution provide a different time or method of payment.

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Section 6. Default

When any member of this association shall be in default in the payment of road maintenance dues, water use fees and assessments for a period of thirty (90) days, such member shall be subject to such action as may be determined appropriate by the Board of Trustees which includes, but is not limited to assignment of the account to a collection service, filing a lien against the property with the Island County Auditors Office, disconnection/shutoff of water service until payment of assessments is complete and civil litigation for judgment and/or foreclosure. In the event an attorney is required to represent the Association in the collection of past due accounts, reasonable court and attorney fees will be added to the amount in default.

Specific requirements as collection of past due amounts are defined in the Billing Schedule of Rates and Charges Policy.

ARTICLE VIII

Amendment of By-Laws

These By-Laws may be amended, altered, or repealed by a majority vote of the members present at any regular meeting of the members, or at any special meeting of members, if notice of the proposed alteration or amendment is contained in the notice of the meeting.

ARTICLE IX

Covenants

Representation of votes to amend the Covenants at any Annual Membership Meeting or any special meeting specifically call for that purpose shall be by ballot. Ballots shall be mailed to all members as defined by paragraph 14 of the Specific Conditions of the Covenants of Ridgeview Estates. Ballots shall be mailed to members at their billing address for their property number on file with Ridgeview Estates a minimum of 60 days prior to the meeting specified to

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amend the Covenants. Members may submit their ballot by mail to the mailing address of Ridgeview Estates to arrive one day prior to the meeting specified to amend the Covenants. Members may submit their ballot in person at the meeting.

The “two-thirds majority of the voting power of the Association” required to amend the Covenants is defined as the affirmative vote by ballot of two-thirds of the Membership casting ballots at the meeting called for that purpose.

ARTICLE X

Membership in the Association

Membership in the association is limited to the actual members of property in the Ridgeview Estates development.

ARTICLE XI

Voting Members

Each lot in Ridgeview Estates shall count as one (1) vote for all purposes described in these By-Laws and the Covenants of Ridgeview Estates regardless of the number of members of the individual lot or members of a household living on the individual lot.

ARTICLE XII

Rules of Order

The rules contained in the most recent edition of Robert's Rules of Order, Revised, shall govern all meetings of members and Trustees where those rules are not inconsistent with the Articles of Incorporation, By-Laws, Covenants, or special rules on the association.

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ARTICLE XIII

Limitations on Trustees

Specific actions requiring membership approval are not limited to, but do include the following actions. Approval to exceed these limitations shall be by majority vote of membership by ballot:

1. Expenditures exceeding \$20,000.00 for any single service or item;
2. Sale or lease of association assets;
3. Compensation to any officer or Trustee of the association;
4. Changes in the amount of annual dues or assessments exceeding \$200.00 except as stated elsewhere in these By-Laws;
5. Assessments exceeding \$500.00.