
BYLAWS
OF
NINE-MILE RANCH HOMEOWNERS ASSOCIATION

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OF
NINE-MILE RANCH HOMEOWNERS ASSOCIATION**

**ARTICLE I
Name and Location**

The name of the corporation is NINE-MILE RANCH HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association." The principal office of the Association shall be located at 3020 South Union Ave., Tacoma, WA 98405, but meetings of members and directors may be held at such places within the State of Washington, County of Pierce, as may be designated by the Board of Directors.

**ARTICLE II
Definitions**

The terms used in these Bylaws shall have the same meaning as those used in the Declaration for Nine-Mile Ranch, recorded under Okanogan County Auditor's No. _____, and as amended from time to time (the "Declaration").

**ARTICLE III
Meetings of Members**

Section 1. Annual Meetings. The first annual meeting of the members shall be held at the discretion of the original Directors within one (1) year from the date of incorporation of the Association. Thereafter, annual meetings shall be held on the anniversary of such date in each succeeding year, or on such date as approved by a majority of the membership if they decide the annual meeting should be held on another date for each succeeding year. If the day for the annual meeting of the members is a Saturday, Sunday, or legal holiday, the meeting shall be held at the same hour on the first day following which is not a Saturday, Sunday, or legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President, a majority of the Directors, or on written request of members entitled to vote, in the aggregate, ten percent (10%) of the votes.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by hand delivery or by mailing a copy of such notice, postage prepaid, at least ten (10) days before but not more than sixty (60) days before such meeting to each member entitled to vote at the meeting, addressed to the member's address last appearing on the books of the Association, or supplied in writing by such member to the

Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and the items on the agenda to be voted on by the members, including the general nature of any proposed amendment to the Declaration or Bylaws, changes of a previously approved budget that result in assessment obligations, and any proposal to remove a Director or officer. All meetings shall be held at such place as is convenient for the members as determined by the Board of Directors, but in any event, in Okanogan County, Washington.

Section 4. Quorum. The presence at the beginning of any meeting of members entitled to cast twenty percent (20%) of the votes of the Association shall constitute a quorum throughout that meeting for any action. If a quorum is not present or represented at any meeting, the members entitled to vote may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Manner of Voting. At all meetings of members, each member may vote in person, by mail, by phone, by fax, or by proxy. There should be one voting Owner or agent for each Lot. Such voting Owner or agent shall be designated by the Owner or Owners of a Lot by written notice signed by each party with an ownership interest, which notice shall be filed with the Secretary of the Board of Directors. The voting agent need not be an Owner. Any designation of voting Owner or agent may be revoked at any time by any one of the parties with an ownership interest in the Lot on written notice filed with the Secretary of the Board of Directors. Such designation shall be deemed revoked when the Secretary receives actual notice of the death or judicially declared incompetency of the Owner of the Lot, or of the conveyance of such ownership interest. When no designation is made, or where designation has been made and revoked and no new designation has been made, the voting Owner shall be the person or group composed of all Owners of that Lot who attend any meeting of the Association; however, votes may not be split by multiple Owners of a Lot. Thus, if multiple Owners cannot agree on a vote, their vote will not be counted on a vote of the Association membership, even though those Owners may be counted for purposes of a quorum (as if abstaining). A proxy or fax is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates eleven (11) months after its date of issuance.

ARTICLE IV

Board of Directors; Selection; Term of Office

Section 1. Number of Directors. The affairs of the Association shall be managed by a Board of Directors. The number of Directors which shall constitute the whole Board shall be not less than five (5) and no more than twelve (12). The initial Board shall be composed of five (5) Directors. Directors need not be Owners.

Section 2. Compensation. No Director shall receive compensation for any service rendered to the Association. However, a Director may be reimbursed for actual expenses incurred in the performance of duties or attendance at meetings of the Board of Directors.

Section 3. Term of Office. The members of the first Board of Directors elected entirely by the Owners shall serve terms of office as follows: one (1) Director shall serve for a term of one year; one (1) Director shall serve for a term of two years; and the remaining Director(s) shall serve for a term of three years. At each annual meeting after the initial Board is elected, the members shall elect to a three-year term one new Director for each Director whose term has expired that year.

Section 4. Selection of Board Members. As provided for in Article VI of the Declaration, Declarant shall appoint all members of the Board of Directors until all lots on the Property described on Exhibit A to the Declaration have been sold to third parties and/or retained by Declarant, or Declarant has determined not to add such real property to the Declaration. Thereafter, the number of Directors on the Board of Directors shall be increased to a total of no less than nine (9) Directors; five (5) Directors shall be elected by the Association (with no cumulative voting allowed); and the remaining Directors shall be selected by the Board of Directors, with one member being or having been a licensed forester, one member representing the protection of wildlife interests, one member representing the community of Oroville, and any remaining members selected by the Board of Directors representing any interests which the Board deems appropriate for furtherance of the development as a private wildlife refuge and natural conservancy.

Section 5. Resignation and Removal. Any Director elected by the membership (or selected by those elected Directors) may be removed from office with or without cause at any time if Lot Owners owning a majority of the Lots vote to remove such Director. However, this right of removal applies only to Directors elected by the members, and Directors appointed by Directors elected by the members. This right of removal does not apply to Directors appointed by Declarant. Any Director may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE V

Standard of Care for Directors

The duty of care required of a Director shall be ordinary and reasonable care. However, if the statutory standard of care is, at any time, different than the standard of care set forth in these Bylaws, the Bylaws shall be deemed amended so that the stan-

dard of care shall be that standard set forth statutorily for nonprofit corporations in the State of Washington. This section shall not apply where the consequences of an act, omission, error, or negligence are covered by the insurance obtained by the Board.

ARTICLE VI **Meetings of Directors**

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held no less than one (1) time a year at such place and hour as may be fixed by the Board of Directors. Notice shall be given annually to the members of next year's meeting time.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any Director, after not less than three (3) days notice to each Director. The meeting shall be held at the same place as the regular meetings, unless unavailable, in which event the President shall designate the place of the special meeting.

Section 3. Quorum. A quorum is deemed present throughout any meeting of the Board of Directors if persons entitled to cast fifty percent (50%) of the votes on the Board of Directors are present at the beginning of the meeting. Members present through use of telephone shall be deemed present for purposes of a quorum, and may vote by telephone. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

Section 4. Action Taken Without A Meeting. The Directors may take any action without a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VII **Powers and Duties of Board of Directors**

Section 1. Powers. The Board of Directors shall have the power to do the following:

- (a) exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

- (b) as necessary to pursue the Association responsibilities, employ an independent contractor, or such other employees as the Board deems necessary, and to prescribe their duties;
- (c) enforce all covenants, restrictions, and conditions of the Declaration as amended (this power does not in any way reduce the power of any member to enforce such covenant, nor does it require enforcement unless the Board of Directors deems such enforcement necessary).
- (d) take such actions and create such rules and regulations as the Board deems reasonably necessary to promote the purpose of enhancing, protecting, preserving, and augmenting the natural environment features of the Property, as well as protecting and preserving the wildlife on the Property in a manner that will benefit the public's interest in the wildlife and yet allow for the orderly development of the Property as a private, wildlife, refuge and natural conservancy. However, the Board shall not amend the Declaration in any manner that requires the vote or approval of the Owners.

Section 2. Duties. It shall be the duty of the Board of Directors to do, in their discretion, as follows:

- (a) keep a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by at least 55% of the members who are entitled to vote;
- (b) supervise all officers, agents, and employees of this Association, and see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to do as follows:
 - (i) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (ii) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
 - (iii) may file a lien if the assessment is not paid within sixty (60) days; and,

- (iv) when deemed necessary, may foreclose on the lien after thirty (30) days but prior to ten (10) years from date of assessment;
- (d) issue, or to cause an appropriate officer to issue, on demand by any person, a statement signed by the treasurer setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such statement. If a statement states an assessment has been paid, such statement shall be conclusive evidence of such payment;
- (e) enforce covenants as provided in the Declaration when deemed necessary by a vote of a majority of the Directors (this power of enforcement is in addition to the powers of the enforcement of any individual Owner);
- (f) in the event of Common Areas, procure and maintain adequate liability and hazard insurance on property owned by the Association. If available at a reasonable cost and if desired by the Board, maintain earthquake insurance on all Common Areas, and may procure and maintain adequate liability insurance for the Directors of the Board of Directors;
- (g) maintain any Common Areas or Areas as set forth in the Declaration;
- (h) perform any and all other functions which are necessary for maintenance and continuance of the Association and the purposes for Nine-Mile Ranch as set forth in the Declaration;
- (i) within thirty (30) days after adoption of any proposed budget, the Board of Directors shall provide a summary of the budget to all Owners;
- (j) adopt all rules and regulations deemed reasonably necessary and allowed under the Declaration and these Bylaws for furthering the purposes of the Association and the protective covenants, conditions, and restrictions; and,
- (k) enforce, when approved by a majority of all Directors, all rules, regulations, covenants, conditions, and restrictions of the Association and the Declarations and of the Bylaws for Nine-Mile Ranch and the Association.

ARTICLE VIII
Officers and Their Duties

Section 1. Enumeration of Officers. The officers of this Association shall be a president, vice president, secretary, and treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, or until that officer's successor is elected, unless the officer sooner resigns, or shall be removed, or otherwise is disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer who is replaced.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person.

Section 8. Duties. The duties of the officers are as follows:

- (a) **President.** The president shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out, and shall sign all written instruments and promissory notes.
- (b) **Vice President.** The vice president shall act in the place and stead of the president in the event of absence, inability, or refusal to act, and shall

exercise and discharge such other duties as may be required by the Board.

- (c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; prepare, execute, certify and record Amendments to the Declaration on behalf of the Association; and, perform such other duties as required by the Board.
- (d) Treasurer. Unless the Property is managed by a management firm (outside manager), the treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall: disburse such funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association; keep proper books of accounts; cause an annual audit of the Association books to be made by an accountant whenever requested by the Board or by 10% of the voting members; and, prepare an annual budget and a statement of income and expenditures as set forth above. The desired time for preparation shall be just prior to the regular annual meeting so that the budget and statement can be presented to the membership at its regular annual meeting.

ARTICLE IX **Committees**

The Board of Directors shall appoint such committees as it deems appropriate in carrying out its purpose.

ARTICLE X **Books and Records**

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association, shall be available for inspection by any member at the office of the Secretary of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI **Amendments**

Section 1. Bylaws. These Bylaws may be amended only with the written approval of Owners who represent at least fifty-one percent (51%) of the total allocated

votes in the Association after Declarant has sold or made a decision to retain not for sale all Lots in the Property described on Exhibit A to the Declaration; prior to that time, the Bylaws can be amended only with the written approval of Declarant and the Owners who represent at least fifty-one percent (51%) of the total allocated votes in the Association.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XII

Indemnification of Directors and Officers

Section 1. Right of Indemnification. The Association shall indemnify its Directors and Officers against all liability, damage, or expense resulting from the fact that such person is or was a Director or Officer, to the maximum extent and under all circumstances permitted by law.

Section 2. Effect on Other Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of shareholders, or disinterested Directors or otherwise.

Section 3. Insurance. The Association may maintain insurance, at its expense, to protect itself and any Director, officer, employee, or agent of the Association or another association, partnership, joint venture, trust, or other enterprise against any expense, liability, or loss, whether or not the Association would have the power to indemnify such person against such expense, liability, or loss under the Washington Nonprofit Corporation Act. The Association may enter into contracts with any Director or officer of the Association in furtherance of the provisions of this Article and may create a trust fund, grant a security interest, or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

Section 4. Advance Payment. The Association may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the Association with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of Directors and officers of the Association or pursuant to rights granted pursuant to, or provided by, the Washington Nonprofit Corporation Act or otherwise.

ARTICLE XIII
Attorney Fees

Should any dispute arise regarding the terms of these Bylaws, the Declaration, the Articles of Incorporation, or the Rules and Regulations of the Association, the prevailing party shall recover reasonable attorney fees and costs, including those for appeals.

ARTICLE XIV
Venue

Venue, for purposes of these Bylaws, shall be Okanogan County, Washington.

ARTICLE XV
Fiscal Year

The fiscal year of the Association shall be a calendar year, unless determined otherwise by the Board of Directors.

IN WITNESS WHEREOF, we, being all of the Directors of Nine-Mile Ranch Homeowners Association have hereunto set our hands this _____ day of _____, 19____.



DIRECTOR



DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR