

BY-LAWS
OF
SUNLAND ESTATES HOMEOWNERS ASSN.

**ARTICLE I
PURPOSES**

SECTION 1. This Corporation shall be conducted as a nonprofit maintenance Corporation for the purpose set forth in the Articles of Incorporation for the real property situated in Grant County, State of Washington, being:

“That portion of Section 2, Township 18, Range 22 East, W.M., Grant County, lying easterly of Wanapum Reservoir Project Boundary Line and that portion of Section 11, Township 18, Range 22 East, W.M., Grant County, Washington, lying easterly and northerly of said boundary line.”

SECTION 2. The Corporation shall have power to levy and collect assessments against its members and against the lots owned or purchased by them for the purpose in its Articles of Incorporation and By-Laws set forth, and to sell or forfeit their interest in the Corporation for default with respect to any lawful provisions of said Articles of Incorporation and By-Laws and upon forfeiture of any such property as by law and in the By-Laws provided may transfer the membership of such defaulting member.

SECTION 3. The purpose for which this Corporation was created may be altered, modified, enlarged or diminished by the vote of two-thirds of the members at a meeting duly called for such purpose, notice of which meeting shall be given in the manner provided by the By-Laws of giving notice for the election of trustees.

**ARTICLE II
MEMBERSHIP (amended 2-11-95)**

SECTION 1. The membership of the Corporation shall consist of and be limited to the incorporators and the purchasers, including their successors, of lots from Sunland Estates Co., situated in the area described in Article II of the Articles of Incorporation, who shall have one membership regardless of the number of lots so owned or purchased, and the interest of each member shall be equal to that of any other member, and no member can acquire any interest which shall entitle him to any greater voice, vote or authority in the Corporation than any other member. A purchaser under a contract of purchase shall be deemed to be an owner for membership purposes. If any lot or lots are held by two or more persons, the several owners of such interest shall be entitled collectively to cast one vote.

A member in good standing is one whose dues and other obligations are paid to the Association within 30 calendar days of the due date of such obligation.

A member not in good standing will not be entitled to vote on any Sunland matter or at any meeting. A member not in good standing and more than 60 days past due:

- a. Will not be entitled to water furnished by the Association and paid for by the annual dues;
- b. Will not be entitled to use the park facilities;
- c. Will not be entitled to use the pool or bathhouse.
- d. Will not be entitled to any other service or facility that Sunland may provide or operate.
- e. The guests of a member not in good standing will be considered trespassers and are not entitled to use any facility or service of Sunland.

Members more than 6 months behind in the payment of dues will be turned over to an attorney for legal action for collection of dues or other obligations. All legal fees will be paid for by the delinquent member.

Any member who is behind in payment and communicates with the Board a payment plan that is satisfactory to the majority of the Board, may extend payment over a period of months, not exceeding 11 or extending into the next fiscal year of Sunland Estates dues, and be considered a member in good standing.

Members not in good standing or their guests who continue to use Sunland facilities after being asked to leave by a member in good standing or an employee of Sunland Estates will be considered a trespasser and the matter turned over to local law enforcement agencies.

Members not in good standing whose water is disconnected will be charged a reconnection fee. This fee will be a minimum of \$35.00. It may be the same as the current fee for connecting a new water service (the fee in 1989 is \$200) depending if digging is required to disconnect and/or reconnect the member's water system.

SECTION 2. Except as herein before otherwise provided and as declaratory of the foregoing, no membership shall be voted unless represented by the owner or purchaser as afore described of any individual lot or lots to which it is and shall be inseparably appurtenant.

SECTION 3. Membership evidencing the same shall be inseparably appurtenant to lots owned by the members, and upon transfer of ownership, or contract of sale, of any such lots, membership or certificates of membership shall ipso facto be deemed to be transferred to the contract purchaser. No membership may be transferred, assigned, or in any manner conveyed, other than in the manner herein before set forth. In the event of the death of a member, the membership of such member shall be and become the property of the personal representative of such deceased member upon the appointment and qualification as such in a judicial proceeding and such personal representative shall have all the rights, privileges and liabilities of the deceased member until title shall be transferred or contracted to the transferred.

SECTION 4. No membership shall be forfeited nor member be expelled except upon foreclosure for non-payment of assessments, and no member may withdraw except upon transfer of title to the real property lot to which his membership is

appurtenant, as elsewhere herein provided. No compensation shall be paid by the Corporation upon any transfer of membership and no member whose membership is transferred shall be entitled to share or participate in any of the property or assets of the corporation.

ARTICLE III DISSOLUTION

In the event of the dissolution of the Corporation, each person who is then a member shall receive his pro rata proportion of the property and assets after all of its debts have been paid.

ARTICLE IV TRUSTEES AND OFFICERS (amended 5-13-95)

SECTION 1. Corporate powers of the Corporation shall be vested in a Board of Trustees. The number of trustees who shall manage the affairs of the Corporation shall be nine (9). At any meeting or special meeting called therefor the members may increase or decrease the number of trustees to any number not more than nine (9) or less than three (3).

SECTION 2. Trustees shall be elected to serve for three (3) years with three (3) directors changing once per year, or until their successors are elected and duly qualified.

SECTION 3. Each trustee shall be an incorporator or a member who shall not have lost his right to vote by reason of having disposed of the lot to which his membership is appurtenant.

SECTION 4. In the event a trustee, other than an incorporator, ceases to be the owner of the lot which his membership is appurtenant or of a contract for the purchase thereof, he shall thereby cease to be a trustee and his office shall become vacant upon written notification without action other than to spread such fact upon the minutes of the Board of Trustees.

SECTION 5. At the first meeting of the Board of Trustees after each annual meeting of the members, the Board of Trustees shall elect a President, Vice-President, Secretary and Treasurer. The Board may also at any time appoint an executive secretary and/or assistant treasurer. Officers of the Corporation so elected shall hold office for the term of one (1) year until their successors are qualified. Any officer may be suspended or removed by a majority vote of all of the Trustees.

SECTION 6. No Trustee or Officer, except the executive secretary and/or the assistant secretary and/or the assistant treasurer, shall receive any salary or compensation from the Corporation.

SECTION 7. Any vacancy occurring in the Board of Trustees shall be filled by appointment by a majority of the remaining Trustees. The person so appointed shall hold office until the next regular meeting of the members of the Corporation, at which annual or adjourned annual meeting the vacancies for the remainder of the original terms, if any, shall be filled by election by the members in the regular manner.

ARTICLE V MEETING AND VOTING PROCEDURES

SECTION 1. (Amended 6-21-07) Annual meetings of the members of the Corporation shall be held at the principal place of business of the Corporation or at such other place as the Board of Trustees may elect. The Annual Meeting shall be held between April 15 and ~~June 15~~ September 15, inclusive, of each year on a date and at a time to be selected by the Board of Trustees, who shall select a date not coinciding with the weekends involving ~~Mother's Day, Memorial Day or Father's Day~~ national holidays. The Board, at its regular monthly February meeting shall select the date for the Annual Meeting for that year and advise the membership thereof.

Notice of the date and time selected by the Board, within the criteria stated above, shall be provided to each member of the Association by the Secretary by mailing said notice not less that fifteen (15) days prior to the date chosen by the Board for said meeting.

SECTION 2. (Amended 5-13-95) Election of the Trustees of the Corporation shall be conducted at such annual meetings only. Voting for said Trustees may be conducted in either of the following methods at the option of the individual members: (a) by voting by mail on the ballot provided by the Corporation and returned prior to the date of the election; or (b) by voting by secret ballot, or otherwise as determined by the Chairman at said Annual Meeting. Voting by proxy for the position of Trustee is prohibited.

SECTION 3. Special meetings of the members may be called at any time by the President or a majority of the Board of Trustees or by members representing ten (10%) percent of the lots within the jurisdiction of the Corporation. Notice of a special meeting, stating the object thereof, shall be given by the Secretary by mailing such notice to each member not less than five (5) days prior to the date on which such meeting is to be held.

SECTION 4. At all annual and special meetings of the members, ten (10%) percent of all of the members of the Corporation shall constitute a quorum for the transaction of business. Each member shall be entitled to one (1) vote.

SECTION 5. Special meetings of the Board of Trustees shall be called at any time by the secretary on order of the President or of a majority of the Board of Trustees. The secretary shall give each Trustee notice, personally, verbally, by mail or by telephone, of all regular and special meetings at least one day previous thereto.

SECTION 6. A member may exercise his right to vote by proxy.

SECTION 7. Upon an affirmative vote of six (6) members of the Board of Trustees or upon a signed petition of 10% of the membership, matters may be brought to a vote of the membership by mail-in balloting as an alternative to the holding of a Special Meeting of the membership. Voting by mail-in balloting shall be limited to single issues of general interest to the membership and shall be conducted under procedures to be adopted by the Board of Trustees, at a regular monthly meeting of the Board and following notice to the membership ten (10) days in advance of such meeting of its intent to adopt such procedures. This change is effective 1-28-95.

SECTION 8. Voting by mail-in balloting shall be presented in a form providing for YES or NO responses and shall not be presented in a manner, which provides for multiple choices. This change is effective 1-28-95.

ARTICLE VI POWERS AND DUTIES OF TRUSTEES

SECTION 1. Subject to limitations in the Articles of Incorporation and the By-Laws and the Laws of the State of Washington, all powers of the Corporation shall be exercised by or under the authority of, and the business affairs of the Corporation shall be controlled by, the Board of Trustees. Without prejudice to such general powers, and subject to the same limitations, it is hereby expressly declared that the Trustees shall have the following powers:

SECTION 2. To select and remove all the other officers, agents and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation or the By-Laws, fix their compensation and require from them security for faithful service.

SECTION 3. To conduct, manage and control the affairs of the Corporation, and to make such rules and regulations therefore not inconsistent with law, with the Articles of Incorporation or the By-Laws, as they may deem best.

SECTION 4. If deemed desirable by the Trustees, to insure certificates of membership only to the owners or purchasers of lots herein before described, subject to such conditions or terms as provided in the Articles of Incorporation and the By-Laws.

SECTION 5. To change and/or assess the several lots and the owners thereof as hereinbefore more particularly set forth.

SECTION 6. To cause to be kept a complete record of all minutes and acts and to present a full statement to the regular annual meeting of members showing in detail the condition of the affairs of the Corporation.

ARTICLE VII DUTIES OF OFFICERS

SECTION 1. President. The President shall preside at all meetings of the Trustees and members; he shall sign as President all certificates of membership and all contracts or other instruments in writing authorized by the Board of Trustees; he shall call special meetings of the Trustees or of the members whenever he deems it necessary; he shall have and exercise under the direction of the Board of Trustees the general supervision of the affairs of the Corporation.

SECTION 2. Vice President. The Vice President shall preside at all meetings in the absence of the President, and in case of the absence or disability of the President shall perform all other duties of the President which are incidental to his office.

SECTION 3. Secretary. The Secretary shall issue all notices and shall attend and keep the minutes of all meetings; he shall have charge of all Corporate books, records and papers; he shall be custodian of the Corporate Seal, shall attest his signature and impress with the Corporate Seal all written contracts of the Corporation, and shall perform all such other duties as are incidental to his office.

SECTION 4. Treasurer. The Treasurer shall keep safely all moneys and securities of the Corporation and disburse the same under the direction of the Board of Trustees. He shall cause to be deposited all funds of the Corporation in a bank selected by the Trustees. At each annual meeting of the members, and at any time directed by the Trustees, he shall issue and present a full statement showing in detail the condition of the affairs of the Corporation.

SECTION 5. The executive secretary and/or assistant secretary and/or assistant treasurer, if appointed by the Board of Trustees, shall perform such duties as may be designated by it.

SECTION 6. Any officer, other than the President, may occupy two (2) offices concurrently if the Board of Trustees so directs.

ARTICLE VIII CERTIFICATES OF MEMBERSHIP AND TRANSFERS

SECTION 1. A certificate of membership in the Corporation may be issued to each member. All such certificates shall be signed by the President or Vice President and the Secretary.

SECTION 2. All Memberships shall be inseparable appurtenant to the lot, lots, or fractional lots owned by the holders thereof and upon sale or contract to sell such memberships shall become the property of the grantee or purchaser as herein before provided. No transfer of membership shall entitle the transferee to vote the same until it

has been established to the satisfaction of the Secretary that such transfer is bona fide and has been made in the manner provided.

SECTION 3. Unless specifically requested by the owner and holder thereof, it shall not be necessary that certificates of membership be actually issued but any owner or purchaser of a lot or lots may exercise all of the rights and privileges, and shall be subject to all of the liabilities of membership without the actual issuance and possession of such certificates of membership.

ARTICLE IX ASSESSMENTS - (Amended 6-13-98)

SECTION 1. The members of the Corporation shall be liable for the payment of such charges or assessments as may from time to time be fixed and levied by the Board of Trustees pursuant to the Articles of Incorporation and these By-Laws and subject to the provisions of said Articles and By-Laws. The amount of such charges and assessments levied upon a member shall be determined in a vote of the membership at the annual meeting. Charges and assessments against all members shall be levied by the Board of Trustees at a uniform rate per lot without distinction or preference of any kind. All charges or assessments, when collected by the Corporation, shall remain the property of the members until such time as such charges or assessments are expended pursuant to the Articles of Incorporation and By-Laws of the Corporation.

SECTION 1A. Special Assessments. From time to time the Board may propose and the membership vote on special assessments. A special assessment must meet the following criteria:

1. Be for a defined and specific project with a minimum cost of \$7,500.
2. Be accounted for and have a separate budget.
3. Be voted on and approved by the membership as provided in Article X.
4. Be called only after a 30-day notice to the membership.

SECTION 2. From time to time, as and when any such assessments in this Article IX are levied, each member with respect to the lot or interest therein to which his membership is appurtenant, shall pay the amount of such assessment against the same to the Corporation, at its office, within thirty days after the mailing of the notice of such assessment to the members; and the amount of such assessment, together with all expenses, attorney's fees and costs reasonably incurred in enforcing the same, shall be paid by the members and shall be a lien upon said lot and the membership appurtenant thereto, superior to any and all other liens (except as in Section 3 of this Article otherwise provided) created or permitted by the owner of such land and enforceable by foreclosure proceedings for the foreclosure of any said liens in this Article IX provided shall be commenced except upon the expiration of four months from and after the date of mailing said notice of assessment in this section described.

SECTION 3. First mortgage liens placed upon any of said lots which are recorded in accordance with the laws of the State of Washington shall be, from the date of the recordation of such, superior to such assessments and the liens resulting therefrom as are levied by the Corporation subsequent to the date of the recordation of the first mortgage; provided, however, that the Corporation is notified in writing of such first mortgage within thirty days after recordation of such.

SECTION 4. (NEW - Established 3-9-96). The Annual Budget of the Association shall contain a line item entitled Sheltered Reserve Account. Funds shall be placed in said account from a Sheltered Reserve Assessment proposed by the Board of Trustees and approved by vote of the membership by majority vote of a quorum present at the Annual Meeting of the Association or at a Special Meeting called for the purpose of considering such proposal as provided for in Article V of these By-Laws.

Funds included in said Sheltered Reserve Account shall be invested in a prudent manner by the Board of Trustees but shall not be committed, obligated or expended for any purpose until and unless said purpose has been considered and the expenditure approved by a majority vote of a quorum present at the Annual Meeting of the Association or at a Special Meeting called for the purpose of considering such purpose and approving such expenditure as provided for in Article V of these By-Laws.

It is the intent of the Membership that Sheltered Reserve Account funds be used only for major emergencies and for major Capital Expenditures approved by the Membership but which are beyond the scope and intent of the previously approved Annual Assessments.

ARTICLE X Amendments (amended 2-11-95)

These By-Laws may be amended at any time by a majority vote of a quorum of members in good standing at the annual or a special meeting, so long as the membership is notified 10 days in advance of the issue (s) to be voted on.

ARTICLE XI Corporate Seal (Amended 6-22-00)

The Seal of the Corporation shall be in circular form and shall contain the words "SUNLAND ESTATES HOMEOWNERS ASSOCIATION" and the words "CORPORATE SEAL WASHINGTON 1965" in the form and style as affixed in these By-Laws by the impression of said Corporate Seal.

ARTICLE XII Date of Adoption

These By-Laws are duly adopted by the Corporation and the Corporate Seal thereof affixed on the 12th day of March 1965.

ARTICLE XIII
Water District Maintenance and Enforcement

The Board of Trustees shall create, maintain, and enforce a Cross Connection Control Program and Water Usage and Conservation Plan in accordance with the laws of the State of Washington (WAC 246-290), Grant County ordinance, Dept. of Health, and best interest of the Sunland community. The Board of Trustees has the authority to enforce the Cross Connection Control Program, and the Water Usage and Conservation Plan. Enforcement measures may include, but are not limited to, suspension of water service, implementing necessary repairs and/or upgrades at the owner's expense, imposing fines, or any other reasonable measures necessary to correct violations.

ROBERT V. SEIDELHUBER
President

ATTEST:
JAY TEMPLEMAN
Secretary

SUBSCRIBED AND SWORN to me this 12th day of March 1965.
EDMUND J. JONES
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, residing in Seattle.

(CORPORATE SEAL)

Underlined text denotes AMENDMENT.