

BYLAWS
OF
JESSE'S BLUFF HOMEOWNERS ASSOCIATION

ARTICLE I
NAME, PURPOSE

Section 1. Name. The name of the corporation shall be Jesse's Bluff Homeowners Association.

Section 2. Purpose. This corporation shall engage in the enhancement and promotion of the following purposes:

A. To provide for the management, operation, administration, maintenance, repair, improvement, preservation, and architectural control of Association property within that certain development situated in the County of Spokane, known as Jesse's Bluff and all additions thereto.

B. To promote the health, safety, and welfare of all residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for such purpose, all according to those certain Declarations Establishing Covenants, Conditions, and Restrictions (the "Declarations") recorded with respect to said property in the office of the Auditor of Spokane County.

C. Fix, levy, collect, and enforce assessments and fines as set forth in the Declarations.

D. Pay all expenses and obligations incurred by the Association in the conduct of its business, including, without limitations, licenses, taxes, or governmental charges levied or imposed against the Association property.

E. Acquire (by gift, purchase, or otherwise) own, hold, improve, build upon, operate, maintain, convey, sell, lease, exchange, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

F. Make contracts and incur liabilities, borrow money and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

G. Dedicate, sell, transfer, or grant easements over all or any part of any Association Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members.

H. Participate in mergers and consolidations with other non-profit corporations organized for the same purposes, or annex additional property to the property managed by the Association.

I. Have and exercise any and all powers, rights and privileges which a corporation organized under the Miscellaneous and Mutual Corporations Act of the State of Washington by law may now or hereafter have or exercise.

ARTICLE II **MEMBERSHIP**

Section 1. Corporate Members. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is covered by covenants of record for Jesse's Bluff shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot governed by the Association. Membership shall be in accordance with the Articles of Incorporation and these Bylaws of the Association and shall be subject to all covenants and restrictions of record which have been duly recorded with the County Auditor in Spokane County.

Section 2. Membership Meetings. Unless an alternative date is selected as provided in Article III, Section 4, the annual meeting of the membership of this corporation shall be held immediately prior to the annual meeting of the Board of Directors. Special meetings of the membership of the corporation may be called from time to time at the discretion of the Board of Directors of the corporation or by written consent of members holding at least 10% of the voting power of the Association.

Section 3. Membership Votes. At any meeting of the membership of the corporation, a quorum is present throughout any meeting of the Association if the owners to which twenty-five percent of the votes of the Association are allocated are present in person or by proxy at the beginning of the meeting. Each member so represented shall be entitled to voting rights as provided in the Declaration of Covenants, Conditions and Restrictions for Jesse's Bluff and all its additions.

ARTICLE III **DIRECTORS**

Section 1. Board of Directors. The activities and affairs of the corporation shall be managed by a Board of Directors consisting of seven Directors, plus the incorporator Robert L. Heitman, Jr. as an additional Director until all lots in the entire project have been transferred by the incorporator, after which time the incorporator shall no longer be a Director. All Directors must be members of the Association, except for the incorporator. This section is not inconsistent with Article VI of the Articles of Incorporation, insofar as Article VI permits the Bylaws to change the number of Directors.

Section 2. Election of Directors. The Directors of the corporation shall be elected by a vote of the membership at the annual meeting of the membership, whether voting in person or by proxy. The seven candidates receiving the most votes will be elected.

Section 3. Term of Office. The term of office of each Director of the corporation shall be a period of two (2) years or until their successor is elected and qualified, except that the initial term of the original Board of Directors elected at the meeting of the corporation first held after

the incorporator has relinquished control of the Association shall be staggered so that as nearly as possible an equal number shall be elected each year.

Section 4. Meetings. The Board of Directors of the corporation shall hold an annual meeting on the second Monday of each January, or unless another day is fixed by notice by the Board of Directors, in which case the annual meeting shall be held on such other date as the Board of Directors shall determine and for which they shall provide notice of not less than 14 days to the membership. There shall also be quarterly meetings on the second Monday of each succeeding April, July and October, unless any of such quarterly meetings are dispensed with pursuant to the written consent signed by all members of the Board of Directors prior to the date of any such quarterly meeting. The Board shall, additionally, be entitled to hold special meetings at such times and at such places as it shall deem necessary for the competent management of the activities of the corporation and all such special meetings shall be by written notice to all members of the Board of Directors.

Section 5. Voting. Each member of the Board of Directors shall possess one (1) vote in matters coming before the Board. All voting at meetings of the Board of Directors shall be by each Director in person and voting by proxy shall not be allowed.

Section 6. Removal of Board Member. Any Director may be removed from office by a majority vote of the membership at any regular or special meeting of the membership of the Corporation. Notice of the proposed removal of the Director must be given to such Director prior to the date of the meeting at which such removal is to be voted upon. Such notice to the Director must state the alleged cause, if any, for the proposed removal.

Section 7. Board Member Vacancies. Any vacancy occurring on the Board of Directors by reason of death, resignation, or removal of a Director shall be filled by a person chosen by a majority vote of the remaining Directors. Such appointee shall serve during the unexpired term of the Director whose position has become vacant, or at the option of the remaining Directors, such vacancy shall remain vacant.

ARTICLE IV

POWERS AND DUTIES OF BOARD OF DIRECTORS

Section 1. General Powers. The Board of Directors shall have the power to conduct, manage, and control the affairs and the business of the Corporation; to make rules and regulations not inconsistent with the laws of the State of Washington, the Articles of Incorporation, and Bylaws of the Corporation for the guidance of its officers and the management of the affairs of the Corporation. The Board shall further have the power to retain whatever professional assistance as from time to time the Board feels necessary to assist it in carrying out these powers and duties, including, but not limited to, retaining legal counsel and tax/accounting professionals.

Section 2. Officers. The Board of Directors shall have the power to elect a President and other officers of the Corporation; to appoint and remove at pleasure all officers, agents, and employees of the Corporation, prescribe their duties and fix their compensation and require them, if advisable, to provide security for faithful service.

Section 3. Contracts. The Board of Directors shall have the power to make and enter into any and all contracts and agreements with any person, firm, or corporation that may be reasonable or necessary or to enforce and carry out any and all such contracts. Such contracts may include, without limitation, hiring of a third party manager to administer Association functions and duties for a fee. The Board shall carry out and faithfully perform on behalf of the Corporation the terms and conditions of any and all agreements made and entered into by the Corporation. A contract entered into by the Board shall not be void or voidable solely because it is entered with a member of the Board of Directors or any entity in which any member of the Board of Directors shall have any interest, provided the Board is informed of the relationship prior to voting on the contract.

Section 4. Depository. The Board of Directors shall have the power to select any one or more banks to act as depository or depositories of the funds of the Corporation; and to determine the manner of receiving, depositing, and disbursing the funds of the Corporation, the form of checks and the person or person signing checks of the Corporation.

Section 5. Finances. The Board of Directors shall have the control over the funds of the Corporation and shall have the power to borrow and loan money.

Section 6. Property. The Board of Directors shall have the power to buy, sell, lease, and acquire in any lawful manner and mortgage or otherwise encumber any and all real or personal property which in its judgment may be beneficial or convenient to the purposes of the corporation. It shall be the duty of the Board of Directors to properly protect, care for, and maintain any and all property, real, personal, and mixed belonging to the corporation.

Section 7. Indebtedness. The Board of Directors shall have the power to issue notes or other obligations or evidences of indebtedness of the Corporation and to secure the same if it is deemed advisable by mortgaging, pledging or hypothecating any or all of the real, personal, or mixed property of the Corporation.

Section 8. Records. It shall be the duty of the Board of Directors to keep a complete record of all of its acts and of all the proceedings of its meetings and to present a full statement at the regular meeting of the members, showing in detail the condition of the affairs of the Corporation.

Section 9. Employees. It shall be the duty of the Board of Directors to supervise all officers, agents, and employees and see that their duties are properly performed.

Section 10. Bonds. It shall be the duty of the Board of Directors, at any time it shall deem it necessary, to require of every officer or employee of the Corporation handling funds that he furnish a good and sufficient surety bond in such amount and in such terms and containing such conditions as the Board of Directors may require, in favor of the Corporation; the premiums of such bond to be paid by the Corporation.

Section 11. Bookkeeping. It shall be the duty of the Board of Directors to install such a system of bookkeeping and auditing as well as at all times disclose fully the receipts and disbursements of the Corporation and also disclose the financial situation of the Corporation.

Section 12. Funds. It shall be the duty of the Board of Directors to cause the monies of the Corporation to be safely kept, directing from time to time, where and how they shall be kept and deposited.

ARTICLE V **OFFICERS**

Section 1. Enumeration. The officers of this Corporation shall consist of a President, a Vice-President, Secretary and Treasurer, provided that any two (2) such offices can be combined into one (1) except for President and Secretary (unless one person has been designated to hold all offices). The Board of Directors may, additionally, when it deems it advisable and for the best interests of the Corporation, appoint a Manager, who may be compensated for management services, together with any administrative officers and assistants whom the Board of Directors may see fit to provide for, by resolution entered into the minutes of a corporate meeting.

Section 2. Qualifications. The President and Vice-President, shall be Directors of the Corporation. The Secretary, Treasurer, Manager, and any other administrative officers need not be Directors of the Corporation.

ARTICLE VI **DUTIES OF OFFICERS**

Section 1. President. The President shall act as chairman of the Board of Directors and shall preside at all meetings of the Directors or meetings of the membership of the Corporation. He or she shall sign as President all notes, deeds, bonds and contracts, and all other obligations on behalf of the Corporation together with the Secretary in the name of the Corporation which have been fully approved by the Board of Directors. The President shall call the Board of Directors together whenever the President deems it necessary, and shall sign the minutes of the meetings of the Board of Directors and of the meetings of the membership. The President shall perform such other duties usually inherent in such office, except that such duties may be delegated as said President of the Corporation sees fit to so delegate.

Section 2. Vice-President. The Vice-President of the Board of Directors shall act for the President in the President's absence and perform such other acts and duties as the President from time to time may direct.

Section 3. Secretary. It shall be the duty of the Secretary of the Board of Directors to keep all records of the Board of Directors of the Corporation, and to perform such other acts as the President may direct. The Secretary shall sign in the name of the Corporation with the President (or the President's absence, with the Vice-President) all deeds, bonds, contracts, and other obligations on behalf of the Corporation which the Board of Directors has duly approved. The Secretary shall serve all notices required by the Board of Directors or by the Bylaws of the Corporation.

Section 4. Treasurer. The Treasurer shall receive and be accountable for all funds belonging to the Corporation; pay all obligations incurred by the Corporation when payment is authorized by the Board of Directors; maintain bank accounts and depositories designated by the

Board of Directors; and render periodic financial reports. Provided, the Board of Directors may elect to delegate to administration of any or all of these functions to a third party manager.

ARTICLE VII
ACTIONS BY WRITTEN CONSENT

Any corporate action required or permitted by the Articles of Incorporation, Bylaws, or the laws under which this Corporation is formed, to be voted upon or approved at a duly called meeting of the Directors may be accomplished without a meeting if unanimous written consent of the respective Directors, setting forth the action so taken, shall be signed before taking such action by all the Directors.

ARTICLE VIII
AMENDMENTS

These Bylaws shall be amended only by a vote of a majority of the members of the Association.

The foregoing Bylaws were adopted by the Board of Directors at a duly called meeting held at Spokane, Washington on the 17th day of December, 2009.

LeLola Scales, Secretary