

BYLAWS OF ALASUND MEADOWS HOMEOWNERS ASSOCIATION

ARTICLE I NAME AND LOCATION

The name of the Association is the Alasund Meadows Homeowners Association, hereinafter referred to as the "Association." The principal office of the Association shall be located at 12116 Apple Cove Lane, Kingston, Washington 98346, but meetings of Members and Directors may be held at such places within the State of Washington, County of Kitsap, as may be designated by the Board of Directors.

ARTICLE II DEFINITIONS

Section 1. "Association" shall mean and refer to Alasund Meadows Homeowners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property within the Plat of Alasund Meadows, Kitsap County, Washington, known as Lots 1-40, and Tracts A & B.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Members.

Section 4. "Lot" shall mean and refer to each Lot in the Plat of Alasund Meadows with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the owner of a Lot, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to R. Kent Hood and Silverwood Homes, Inc., their successors and assigns.

Section 7. "Declaration" shall mean and refer to the Protective Covenants, Conditions and Restrictions for the Plat of Alasund Meadows recorded under Kitsap Auditor's No. 200305150004, as may be amended from time-to-time.

Section 8. "Member" shall mean and refer to those persons owning a Lot within Alasund Meadows.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings.

The first annual meeting of the members shall be held on January 12, 2006, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings.

Special meetings of the Members may be called at any time by the President, or by a majority of the Board of Directors, or upon written request of Members comprising at least ten percent (10%) of all of the votes of the Membership.

Section 3. Notice of Meetings.

Written notice stating the place, day and hour of the annual meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than fourteen (14) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting, to each Member entitled to vote at such meeting.

Notice of regular meetings other than annual shall be made by providing each Member with the adopted schedule of regular meetings for the ensuing year at any time after the annual meeting and fourteen (14) days prior to the next succeeding regular meeting and at any time when requested by a member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association, with postage thereon prepaid.

Section 4. Quorum.

The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, fifty-one percent (51%) of the votes of the Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time-to-time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be presented or be represented.

Section 5. Proxies.

At all meetings of members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1. Number.

The affairs of the Association shall be managed by a Board of one (1) or more Directors, who need not be members of the Association. The Board of Directors by majority vote at any annual or special meeting shall have the right to determine the number of Directors. Initially the Association shall have one (1) Director as set forth in the Articles of Incorporation. At the time of the first annual meeting three (3) Directors shall be elected by the Membership.

Section 2. Term of Office.

Directors of the Corporation shall serve terms of one (1) year or until their successors are duly elected and qualify.

Section 3. Removal.

Any Director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining Members of the Board of Directors and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation.

No Director shall receive compensation for any service she or he may render to the Association. However, any Director may be reimbursed for her or his actual expenses incurred in the performance of her or his duties.

Section 5. Action Taken Without a Meeting.

The Directors shall have the right to take any action in the absence of 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 Board of Directors.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination.

Nomination for election to the Board of Directors shall be made by the Board of Directors. The Board of Directors shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election.

Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes in the combined classes of Membership shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETING OF DIRECTORS

Section 1. Regular Meetings.

Regular meetings of the Board of Directors shall be held periodically, but at least once annually, at such place and hour as may be fixed from time-to-time by resolution of the Board of Directors.

Section 2. Special Meetings.

After the first annual meeting, special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum.

A majority of the number of Directors shall constitute a quorum for the transaction of business. 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 the act of the Board.

Section 4. Attendance by Communications Equipment.

The Directors may participate in a meeting by means of any communications equipment which enables all persons participating in the meeting to hear each other simultaneously during the meeting. A Director who participates by means of communications equipment is deemed to be present in person at the meeting.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers.

The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Areas, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction of said rules and regulations;

(b) exercise for the Association all powers, duties and authority vested in or delegated to the Association by Washington State law, including RCW 24.03 and 64.38; and

(c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

Section 2. Duties.

It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and Association 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 a majority or more of each class of Membership of the Association;

(b) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot;

(2) send written notice of each assessment to every Owner subject thereto; and

(3) foreclose the lien against any property for which assessments are not paid in a timely manner or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on the Common Areas of the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Areas of the Association to be maintained.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices.

The officers of the Association shall be a President and Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors 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 and at the first meeting following each annual meeting of the Members.

Section 3. Term.

The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year or until her or his successor is duly elected and qualified, unless she or he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments.

The Board of Directors 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 of Directors 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 of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, 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 of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer she or he replaces.

Section 7. Multiple Offices.

The offices of Secretary and President may not be held by the same person.

Section 8. Duties.

The duties of the Officers are as follows:

President

The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all checks and promissory notes.

Vice President

The Vice President shall set in the place and stead of the President in the event of her or his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of her or him by the Board of Directors.

Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal, serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.

Treasurer

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; keep proper books of account; and, if directed by the Board of Directors, shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting.

ARTICLE IX COMMITTEES

The Board of Directors may appoint committees as deemed 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 principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association assessments which are secured by a continuing lien upon the property against which the assessment is made. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of her or his Lot.

ARTICLE XII AMENDMENTS

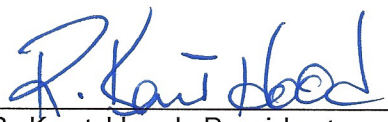
Section 1. These Bylaws may be amended at a regular or special meeting of the Members, by a vote of a seventy percent (70%) majority of Membership, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments.

Section 2. 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.

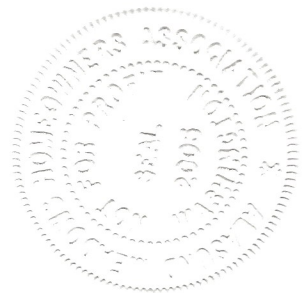
ARTICLE XIV MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

IN WITNESS WHEREOF, I, being the only Director of Alasund Meadows Homeowners Association, has hereto set my hand this 18th day of November, 2005.



R. Kent Hood, President



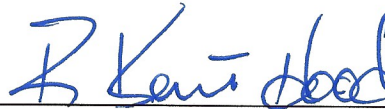
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Alasund Meadows Homeowners Association, a Washington non-profit corporation, and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted as a meeting of the Association thereof, held on the 18th day of November, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 18th day of November, 2005.



R. Kent Hood, Secretary

