

BY-LAWS
OF
WILLOWICK LANE HOMEOWNER'S ASSOCIATION

ARTICLE I

Name and Location

The name of the corporation is WILLOWICK LANE HOMEOWNER'S ASSOCIATION, hereinafter referred to as the "Association." The principal office of the Association shall be located at 144 Railroad Avenue, Suite 205, Edmonds, Washington, 98020 but meetings of members and directors may be held at such places within the State of Washington, County of Snohomish, as may be designated by the Board of Directors.

ARTICLE II

Definitions

The following terms when used herein shall have the following meanings unless a different meaning is plainly required by the context.

2.1 "ASSOCIATION" shall mean WILLOWICK LANE HOMEOWNER'S ASSOCIATION, its successors and assigns.

2.2 "COMMON PROPERTY" shall mean any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners.

2.3 "DECLARATION" shall mean the Willowick Lane Declaration of Covenants, Conditions and Restrictions applicable to the Properties.

2.4 "PROPERTIES" shall mean all the property described in the Declaration of Covenants, Conditions and Restrictions of Willowick Lane recorded with the Snohomish County Auditor, Snohomish County, Washington.

2.5 "LOT" shall mean any plot of land within the Community, whether or not improvements are constructed thereon, which constitutes or will constitute, after the construction of improvements, a residential dwelling site as shown on a plat recorded in the records of Snohomish County. The ownership of each Lot shall include, and there shall pass with each Lot as an appurtenance thereto, whether or not separately described, all of the right, title, and interest of an Owner in the Common Property, which shall include, without limitation, membership in the Association.

2.6 "OWNER" shall mean and refer to the record owner, whether one or more Persons, of the fee simple title to any Lot located within the Community, excluding, however, any Person holding such interest merely as security for the performance or satisfaction of any obligation.

2.7 "DECLARANT" shall mean and refer to M.M.M.E., L.L.C., a Washington liability company and their successors and assigns, if such successors or assigns should acquire all or any portion of the remaining undeveloped or unsold portions of the Properties from the Declarant for the purpose of development or sale.

2.8 "MEMBER" shall mean and refer to those persons entitled to membership as provided in the Declaration of Covenants, Conditions and Restrictions for Willowick Lane.

ARTICLE III

Meeting of Members

3.1 Annual Meeting. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month 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.

3.2 Special Meetings. Special meetings of the members may be called at any time by the Board of Directors upon written request of the Class B member or of the Class A members who are entitled to vote one-quarter of the votes of the Class A membership.

3.3 Notice. Notice of all meetings of members shall be mailed by or at the direction of the Secretary to each member, postage prepaid, at the address thereof as shall appear in the records of the Association or supplied by such member to the Association for the purpose of Notice. Such notice shall be so mailed not less than fourteen (14) days nor more than sixty (60) days with respect to any meeting called to consider any of the following matters:

Additions to the Properties;

Dedication, sale or transfer of any part of the Common Properties;

Merger or consolidation;

Mortgage of any part of the Common Properties; Dissolution of the Association; and

Levy of special assessment for capital improvements
or change in maximum annual assessment.

The notice of the meeting shall specify the place, day and hour of the meeting
and in case of a special meeting, the purpose of the meeting.

3.4 Quorum. Except as hereinbefore and as hereinafter provided, the presence at any meeting in person or by proxy of members entitled to cast one-tenth of the votes of each class of membership shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereon shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum as set forth above shall be present or represented. The vote of a majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members unless a greater proportion is required by the Declaration, the Articles of Incorporation or the By-laws.

3.5 Proxies. A member may vote in person or by proxy executed in writing and filed with the secretary. Every proxy shall be revocable and shall automatically terminate upon revocation of membership.

ARTICLE IV

Board of Directors -- Selection -- Term of Office

4.1 Number. The affairs of the Association shall be managed by a Board of Directors of not less than one nor more than seven directors. Directors need not be members of the Association.

4.2 Term. The directors named in the Articles of Incorporation shall serve until the Declarant turns over control as set forth in the Declaration. At the first annual meeting after the turn over of control, the Class A members shall elect one director for a term of one year, one

director for a term of two years, and one director for a term of three years; and at each annual meeting thereafter, the members shall elect directors for a term of three years. Directors shall serve until their successors are elected and assume office.

4.3 Removal. Any director may be removed from the Board, 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 successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4.4 Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.5 Action Taken Without a Meeting. The directors shall have the right to any action in the absence of a meeting which they could take in a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

Nomination and Election of Directors

5.1 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee 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. Such nominations may be made from among members or non-members.

5.2 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 shall be elected. **Cumulative voting is not permitted.**

ARTICLE VI

Meetings of Directors

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

6.2 Special Meetings. Special meeting of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

6.3 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.

ARTICLE VII

Powers and Duties of the Board of Directors

7.1 General Powers. The Board of Directors shall have the power to:

7.1.1 Adopt and publish rules and regulations governing the use of the Common Property and facilities provided by the Association, and the personal conduct of members and their guests thereon, and to establish penalties for the infraction thereof.

7.1.2 Exercise for the Association all powers, duties and authorities vested in or delegated to the Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration.

7.1.3 Lease or otherwise acquire the use of any and all kinds of recreation and athletic facilities for the use and benefit of the members of the Association and to enter into management contracts for the management of such facilities.

7.1.4 Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the Board of Directors.

7.2 Duties of the Board of Directors. It shall be the duty of the Board of Directors to:

7.2.1 Cause to be kept a complete record of all of its acts and proceedings of its meetings and to cause to be presented at the annual meeting of the members a report reviewing the business and affairs of the Association for the year.

7.2.2 As more fully provided in the Declaration, to fix the amount of the annual assessment against each lot as those terms are defined in the Declaration and give the Owner subject thereto written notice of such assessment at least thirty (30) days prior to the due date thereof, and to cause to be prepared a roster of the property subject to the assessment with assessments applicable to each property and to keep such roster in the Association office subject to inspection by any member.

7.2.3 Procure and maintain adequate liability and hazard insurance on property owned, leased or otherwise used by the Association.

7.2.4 Cause all officers or employees having fiscal responsibilities to be bonded with sufficient surety for the faithful performance of their official duties, the premium on such bond to be paid by the Association.

7.2.5 Cause the Common Property and the exterior of the buildings thereon, if any, to be maintained.

ARTICLE VIII

Committees

Other Committees. The Board of Directors may appoint such committees as it, in its discretion, deems necessary to assist in the operation of the affairs of the Association including, without limitations, an architectural control committee, a recreation committee, a maintenance committee, a publicity committee, and an audit committee. Committee members need not be members of the Board of Directors.

ARTICLE IX

Officers

9.1 Officers. The officers of this Association shall be a president and a vice-president who shall be members of the Board of Directors; and a secretary and a treasurer who may but need not be members of the Board of Directors. The Board of Directors may appoint an assistant secretary or an assistant treasurer by resolution entered on its minutes. The officers shall be elected at the organization meeting of the Board of Directors each year and the term of office shall be for a period of one year until their successors are elected and assume office, unless such officer resigns or is removed.

9.2 Removal, Resignation and Vacancies. Any officer may be removed from the office with or without cause by the Board. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

9.3 President. The president shall preside at all meetings of the members of the Association and of the Board of Directors. He shall sign for the Association such contracts and other documents as he may be authorized by the Board of Directors to sign and shall perform all acts and duties usually performed by a president or as prescribed by the Board of Directors.

9.4 Vice-President. In the absence or disability of the president, the vice-president shall preside and perform the duties of the president. He shall also perform such other duties as may be delegated to him by the Board of Directors.

9.5 Secretary. The secretary shall keep or cause to be kept a complete record of all meetings of the Association and of the Board of Directors; serve notice of the meetings of the Board of Directors and of the members; keep appropriate current records showing the members of the Association together with their addresses; perform such duties as he is required to perform in connection with assessments; and shall perform such other duties as may be required by the Board of directors. The assistant secretary may be authorized by the Board of Directors to perform the duties of the secretary.

9.6 Treasurer. The treasurer shall keep such records, make such reports and perform such other duties as may be required from time to time by the Board of Directors.

9.7 Delegation and Change of Duties. In the event of absence or disability of any officer, the Board of Directors may delegate during such absence or disability the powers or duties of such officer to any other officer or director.

9.8 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No persons shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section IX of this Article.

9.9 Special Appointment. The Board of Directors may elect such other offices 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.

ARTICLE X

Books, Records and Seal

10.1 Inspection by Members. The books, records and papers of the Association shall be at all times during reasonable business hours subject to inspection by any member at the office of the Association.

10.2 Corporate Seal. The corporation seal of the Association shall be circular in form and shall have inscribed thereon the name of the Association, the State of incorporation and the year of incorporation.

10.3 Execution of Corporate Documents. When the execution of any instrument has been authorized by the Board of Directors without specifying the executing officer, such instrument may be executed by any two of the following officers: the president, vice-president, secretary, treasurer and assistant secretary. The Board of Directors may, however, authorize any one of the Association and may designate officials or employees of the Association other than those named who may sign such instrument.

ARTICLE XI

Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of his lot.

ARTICLE XII

Amendments


These By-Laws may be amended at a regular or special meeting of the members provided that such amendment shall have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at such meeting, and that notice of the amendment had been included in the notice of the meeting.

ARTICLE XIII

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, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, I, being all of the Board of Directors of the WILLOWICK LANE Homeowner's Association, have hereunto set my hand this 22nd day of January, 2001.



Mark McNaughton, Secretary

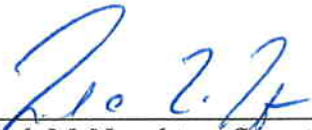
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of the WILLOWICK LANE Homeowner's Association, a Washington non-profit, non-stock corporation; and

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 22nd day of January, 2001.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 22nd day of January, 2001



Mark McNaughton, Secretary

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MINUTES OF ORGANIZATIONAL MEETING

OF

**WILLOWICK LANE
HOMEOWNER'S ASSOCIATION**

January 22nd, 2001

Time and Place. The organizational meeting of the Board of Directors named in the Articles of Incorporation of WILLOWICK LANE HOMEOWNER'S ASSOCIATION was held at 16000 Bothell-Everett Highway, Suite 160, Mill Creek, Washington on January 22nd, 2001.

Attendance. In attendance at the meeting were: MICHAEL D. ECHELBARGER, MARK McNAUGHTON and PATRICK K. McKENZIE, the attorney for the corporation. The directors stated that they had received notice of the meeting and would evidence their receipt by signing the minutes of the organizational meeting. MICHAEL D. ECHELBARGER presided over the meeting and appointed himself to act as Secretary of the meeting.

Recitation of RCW 24.03.155. As the first order of business, the corporation attorney recited to the directors the text of RCW 24.03.155, to-wit:

Organizational meetings. After the issuance of the certificate of incorporation an organizational meeting of the board of directors named in the articles of incorporation shall be held, either within or without this state, at the call of a majority of the incorporators, for the purpose of adopting bylaws, electing officers and the transaction of such other business as may come before the meeting. The incorporators calling the meeting shall give at least three days' notice thereof by mail to each director so named, which notice shall state the time and place of the meeting.

A first meeting of the members may be held at the call of the directors, or a majority of them, upon at least three days' notice, for such purposes as shall be stated in the notice of the meeting.

Articles of Incorporation. The corporation attorney reported that the corporation's Articles of Incorporation had been filed with the Secretary of State and the Secretary of State has issued a certificate of registration on the same date. Copies of the certificate and articles were distributed to each director. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that a counter-part original of the Articles of Incorporation, bearing the approval of the Secretary of State and having attached the certificate of registration issued

by the Secretary of State, be and the same shall be placed in the minutebook of the corporation following the minutes of this meeting.

Bylaws. As the next order of business, the corporation attorney presented for consideration a set of proposed Bylaws for the regulation and government of the affairs of the corporation. After review of the Bylaws by directors and discussion, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Bylaws in the form presented by the corporation attorney, are hereby approved and adopted as the Bylaws of the corporation. The Secretary is directed to file a copy of the Bylaws in the corporation minutebook immediately following the minutes of this meeting.

Election of Officers. The meeting was declared open for the election of officers. The corporation attorney explained the statutory requirements concerning corporate officers as set forth in RCW 24.03.125. Generally, the officers of the corporation shall consist of a president, one or more vice-presidents as may be prescribed by the Bylaws, a secretary and a treasurer, each of whom shall be elected or appointed by the Board of Directors. However, any two or more offices may be held by the same person. The following persons were nominated and seconded to the position of President: MICHAEL D. ECHELBERGER; Vice-President: MARK McNAUGHTON, Secretary/Treasurer: MARK McNAUGHTON. Upon majority vote, each of the above-named was elected to the office to which they were nominated.

The above-named persons elected as officers of the corporation shall serve until their successors are elected and qualified.

Bank Account. As the next order of business, the matter of establishing a banking relationship was discussed. _____ recommended establishing the corporate bank account with _____, Branch. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the _____ Bank be and the same is hereby selected as a depository for the funds of the corporation.

FURTHER RESOLVED, that the Treasurer of the corporation obtain from the bank for insertion in the corporation minutebook a form banking resolution and said form resolution of said bank be and the same is hereby adopted as an official banking resolution of this corporation.

FURTHER RESOLVED, that the President and/or Secretary/Treasurer be and is hereby authorized to execute checks in behalf of the corporation on said account.

Adoption of Roberts Rules of Order. As the next order of business, the corporation attorney recommended that the board adopt the most current version of Roberts Rules of Order