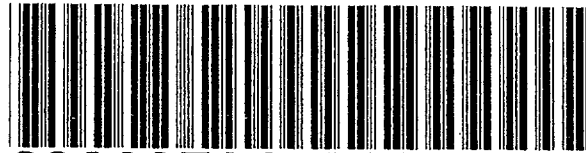


AFTER RECORDING RETURN TO:

JORNADA HOMEOWNERS ASSOCIATION
C/O AROUND THE CLOCK INC.
422 WEST TITUS STREET
KENT WA 98032
253-852-3000



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BYLAWS
OF
JORNADA HOMEOWNERS ASSOCIATION

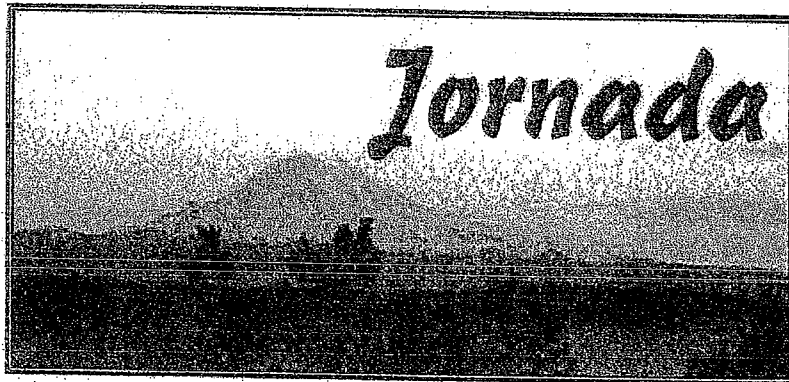


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**BYLAWS
OF
JORNADA HOMEOWNERS ASSOCIATION**

ARTICLE 1.

NAME, MEMBERSHIP, APPLICABILITY, AND DEFINITIONS

1.1 NAME. The name of the Association shall be Jornada Homeowners Association (hereinafter sometimes referred to as the "Association").

1.2 MEMBERSHIP. The Association shall have one (1) class membership, as is more fully set forth in that Declaration of Covenants, Conditions, and Restrictions for Jornada (such Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), the terms of which pertaining to membership are specifically incorporated by reference herein.

1.3 DEFINITIONS. The words used in these Bylaws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit.

ARTICLE 2.

ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES

2.1 PLACE OF MEETINGS. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors, either in the Community or as convenient thereto as possible and practical.

2.2 FIRST MEETING AND ANNUAL MEETINGS. An annual or special meeting shall be held within one (1) year from the date the Declaration is recorded. Annual meetings shall be set by the Board so as to occur no later than sixty (60) days after the close of the Association's fiscal year.

2.3 SPECIAL MEETINGS. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board of Directors or upon a petition signed by at least twenty-five (25%) percent of the Total Association Vote (the consent of the Declarant shall not be required). The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice.

2.4 NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail or to cause to be delivered to the Owner of each Lot (as shown in the records of the Association) a notice of each annual or special meeting of the Association stating the time and place where it is to be held and in the notice of a special meeting, the purpose thereof. If an Owner wishes notice to be given at an address other than the Lot, the Owner shall designate by notice in writing to the Secretary such other address. The mailing or delivery of a notice of meeting in the manner provided in this Section shall be considered service of notice. Notices shall be served not less than ten (10) nor more than fifty (50) days before a meeting.

2.5 WAIVER OF NOTICE. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing, waive a notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of notice of the time, date, and place thereof, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

2.6 ADJOURNMENT OF MEETINGS. If any meetings of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than fourteen (14) nor more than sixty (60) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted without further notice.

2.7 VOTING. The voting rights of the members shall be as set forth in the Articles of Incorporation and the Declaration, and such voting rights are specifically incorporated herein.

2.8 PROXIES. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, dated, and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of such member's Lot, or upon receipt of notice by the Secretary of the death or judicially declared incompetence of a member. Or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy.

2.9 QUORUM. The presence, in person or by proxy, of twenty-five percent (25%) of the total eligible Association vote shall constitute a quorum at all meetings of the Association. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

2.9.1 Adjourned Meeting Quorum

At such time as the original Association meeting was adjourned to another date due to a lack of quorum (per Article 2.6), the follow-on meeting will require the presence, in

person or by proxy, of twelve percent (12%) of the Total Association vote in order to constitute a quorum. If appropriate, the Board of Directors will repeat the requirements of Article 2.6 and Article 2.9.1, until the required business is completed.

ARTICLE 3.

BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

3.1 COMPOSITION AND SELECTION

3.1.1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors. Except as provided in Section 3.1.2 of this Article, the directors must reside in the Community and shall be members; provided, however, no Person and his or her spouse may serve on the Board at the same time.

3.1.2. Directors Appointed by Declarant. Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such times as the first of the following events shall occur: (a) the expiration of five (5) years after the date of the recording of the Declaration; (b) the date on which eighty percent (80%) of the Lots shall have been conveyed to Persons who have not purchased such Lots for the purpose of construction of a residence and resale of such Lot and residence; or (c) the surrender by Declarant in writing of the authority to appoint and remove directors and officers of the Association. Each Owner, by acceptance of a deed to or other conveyance of a Lot, vests in Declarant such authority to appoint and remove directors and officers of the Association. The directors selected by the Declarant need not be Owners or residents in the Community.

3.1.3. Number of Directors. The board shall consist of a minimum of three (3) members to a maximum of five (5) members.

3.1.4. Nomination of Directors. Elected directors shall be nominated from the floor and may also be nominated by a nominating committee, if such a committee is established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

3.1.5. Election and Term of Office. Owner-elected directors shall be elected and hold office as follows.

(a) After the Declarant's right to appoint directors and officers terminates, the Association shall call a special meeting to be held at which Owners shall elect a minimum of three (3) directors to a maximum of five (5) directors.

(b) At annual meetings of the membership thereafter, directors shall be elected. All eligible members of the Association shall vote on all

directors to be elected, and the candidate(s) receiving the most votes shall be elected.

Initially, the term of fifty percent (50%) of the directors shall be fixed at two (2) years. If fifty percent (50%) of the board members produces a partial number, then always round up to a whole person. The term of the remaining directors shall be fixed at one (1) year. At the expiration of the initial term of office of each Owner-elected member of the Board of Directors, a successor shall be elected to serve for a term of two (2) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

3.1.6. Removal of Directors. At any regular or special meeting of the Association duly called, any one (1) or more of the members of the Board of Directors may be removed, with or without cause, by a majority of the Total Association Vote and a successor may then and there be elected to fill the vacancy thus created. A director whose removal has been proposed by the Owners shall be given at least ten (10) day's notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than thirty (30) days may be removed by a majority vote of the remaining directors at a meeting. This Section shall not apply to directors appointed by Declarant.

3.1.7. Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board of Directors. Each Person so selected shall serve the unexpired portion of the term.

3.2. MEETINGS.

3.2.1. Organization Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

3.2.2. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the regular schedule shall constitute sufficient notice of such meetings.

3.2.3. Special Meetings. Special meetings of the Board of Directors shall be held when requested by the President, Vice President or by any two (2) directors. The notice shall be given to each Director by one of the following methods: (a) written notice by first-class mail, postage prepaid; (b) by telegram, charges prepaid; or (c) by

commercial delivery service to such Director's home or office. All such notices shall be given, or sent, to the Director's address, or telephone number, as shown on the records of the Association. Notices sent by first-class mail shall be deposited into a United States mailbox at least four (4) business days before the time set for the meeting.

3.2.4. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice or consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.2.5. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

3.2.6. Compensation. No director shall receive any compensation from the Association for acting as such.

3.2.7. Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

3.2.8. Executive Session. The Board may adjourn a meeting and reconvene in an executive session to discuss personal matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.2.9. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors.

3.2.10. Telephonic Participation. One (1) or more directors may participate in and vote during any regular or special meeting of the Board by telephone conference call, or other communication equipment, such as e-mail or electronic discussion boards, by means of which all persons participating in the meeting can communicate with each other at the same time, and those directors so participating shall be present at such meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

3.3. POWERS AND DUTIES.

3.3.1. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these Bylaws directed to be done and exercised exclusively by the members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the common expenses;

(b) making assessments to defray the common expenses, establishing the means and methods of collecting such assessments;

(c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;

(f) making and amending use restriction and rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it, and bring any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(j) paying the cost of all services rendered to the Association or its members which are not directly chargeable to Owners;

(k) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specifying the maintenance and repair expenses incurred; and

(l) contracting with any Person for the performance of various duties and functions.

3.3.2. Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Declarant or an affiliate of the Declarant may be employed as managing agent or Manager. The term of any management agreement shall not exceed one (1) year and shall be subject to termination by either party, without cause and without penalty, upon thirty (30) days written notice.

3.3.3. Borrowing. The Board of Directors shall have the power to borrow money without approval of the members of the Association; provided, however, the Board shall obtain membership approval in the same manner as for special assessments, in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, or the total amount of such borrowing exceeds or would exceed Ten Thousand Dollars (\$10,000.00) outstanding debt at any one time.

3.3.4. Finishing Procedure. The Board shall not impose a fine (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) *Notice.* Written notice shall be served upon the violator specifying:

(i) the nature of the violation and fine imposed;

(ii) that the violator may, within ten (10) days from the date of the notice, request a hearing regarding the fine imposed;

(iii) the name, address, and telephone numbers of a person to contact to challenge the fine;

(iv) that any statements, evidence, and witnesses may be procured by the violator at the hearing; and

(v) that all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days of the date of notice.

(b) *Hearing.* If a hearing is requested, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to

be heard. The minutes of the meeting shall contain a written statement of the results of the hearing.

ARTICLE 4.

OFFICERS

4.1. OFFICERS. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. Any two (2) or more offices may be held by the same Person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors.

4.2. ELECTION, TERM OF OFFICE, AND VACANCIES. Except during the period in which the Declarant has the right to appoint the officers of the Association under Article 3, Section 3.1.2 of these Bylaws, the officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

4.3. REMOVAL. Any officer may be removed by the Board of Directors whenever, in their judgment, the best interests of the Association will be served thereby.

4.4. PRESIDENT. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Washington Nonprofit Corporation Act.

4.5. VICE PRESIDENT. The Vice President shall act in the President's absence and shall have all the powers, duties, and responsibilities provided for the President when so acting.

4.6. SECRETARY. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors and shall have charge of such books and papers as the Board of Directors may direct and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with Washington law.

4.7. TREASURER. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Association or the managing agent in such depositories as may from time to time be designated by the Board of Directors.

4.8. Member at Large

All other members, of the Board of Directors, who are not selected as an officer, shall be known as a Member at Large. A Member at Large shall actively participate in discussion, debate, and voting on all issues and proposals before the Board of Directors, and shall gather input from Association members on an ongoing basis. It will be the Member's at Large responsibility to assure that various segments of the Association are adequately represented, and considered, by the Board of Directors in its conduct of Jornada business, and to cast their votes accordingly.

4.9. RESIGNATION. Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified herein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE 5.

COMMITTEES

Committees to perform such tasks and to serve for such periods as may be designated by the Board are hereby authorized. Each committee shall be composed and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

ARTICLE 6.

MISCELLANEOUS

6.1. FISCAL YEAR. The fiscal year of the Association shall be the calendar year unless otherwise determined by resolution of the Board.

6.2. PARLIAMENTARY RULES. *Roberts Rules of Order* (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Washington law, the Articles of Incorporation, the Declaration, these Bylaws, or a ruling made by the Person presiding over the proceeding.

6.3. CONFLICTS. If there are conflicts or inconsistencies between the provisions of Washington laws, the Articles of Incorporation, the Declaration, and these Bylaws, the provisions of Washington law, the Declaration, the Articles of Incorporation and the Bylaws (in that order) shall prevail.

6.4. AMENDMENT. These Bylaws may be amended by the Board of Directors (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any title insurance company to issue title insurance coverage with respect to the Lots subject to the

Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser or mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the lots subject to the Declaration; or (d) if such amendment is necessary to enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on the Lots subject to the Declaration. In addition, these Bylaws may be amended upon the affirmative vote or written consent, or any combination thereof, of at least two-thirds (2/3) of the Total Association Vote; provided however, that the U.S. Department of Veterans Affairs (if it is then guaranteeing Mortgages in the Community or has issued a project approval for the guaranteeing of such mortgages) and/or the U.S. Department of Housing and Urban Development (if it is then insuring any Mortgage in the Community or has issued a project approval for the insuring of such mortgages) shall have the right to veto

amendments to these Bylaws for as long as the Declarant has the right to appoint and remove the directors and officers of the Association.

* * * *

CERTIFICATE OF ADOPTION

The undersigned, Albert Cha, being the Secretary of JORNADA HOMEOWNERS ASSOCIATION hereby certifies that the foregoing is a true and correct copy of the Bylaws adopted by resolution of the Board of Directors of the Association on March 5, 2003.

JORNADA HOMEOWNERS ASSOCIATION

By Albert Cha
Albert Cha
JHOA Secretary

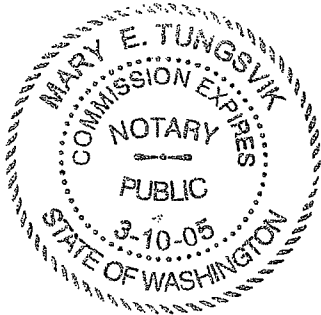
STATE OF WASHINGTON

COUNTY OF KING

)
) ss
)

On this day personally appeared before me Albert Cha to me known to be the Secretary of **Jornada Homeowners Association**, the Washington corporation that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such corporation, for the use and purpose therein mentioned, and on oat stated that he was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 7th day of May, 2003



Mary E. Tungsвик
Printed Name: MARY E. TUNGSVIK
Notary Public in and for the State of Washington,
Residing at Auburn, WA 98092
My Commission Expires 3-10-05

