

BY-LAWS
OF
ON THE GREEN CONDOMINIUM ASSOCIATION

ARTICLE I

Applicability; Definition; Location

SECTION 1. Applicability: These By-Laws are adopted for the administration of the Association and Property described in that certain Condominium Declaration (the "Declaration") recorded October 2, 1986, Benton County Auditor's File No. 86-15063.

SECTION 2. Definitions: The terms used in the By-Laws shall have the same meaning as in the Declarations, unless otherwise indicated.

SECTION 3. Location: The office of the Association shall be located at 303 Gage Boulevard, Richland, Washington 99352.

ARTICLE II

Board of Directors

SECTION 1. Number and Term: The affairs of the Association shall be managed by a Board of Directors comprised of apartment owners. The number of Directors which shall constitute the whole Board shall be five (5). The terms of the members of the Board of Directors shall expire annually.

Should fewer than five eligible candidates seek election to the Board of Directors for the Association, a minimum of three (3) candidates may be elected to constitute the Board. In such a situation, the elected Board may then appoint eligible individuals to the vacant position(s) until the next election of the Board, but such appointment shall only be by unanimous decision of the elected Board.

SECTION 2. Powers and Duties: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. Such powers and duties of the Board of Directors shall include, but shall not be limited to the following:

(a) Operation, care, upkeep and maintenance of the Common Areas.

(b) Determination of the common expenses required for the affairs of the Association, including, without limitation, the operation and maintenance of the Property.

(c) Collection of assessments from the apartment owners.

(d) Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Areas. The Directors shall have the authority to enter into a contract for

professional management of the condominium. If they enter into such a contract, the maximum term shall not exceed one (1) year, and the contract shall be terminable without cause or payment of termination fee on thirty (30) days written notice.

(e) Adoption and amendment of the rules and regulations covering the details of the operation and use of the Property, subject to a right of the apartment owners to overrule the Board.

(f) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.

(g) Obtaining of insurance for the Property.

(h) Making repairs, additions and improvements to, or alterations of, the Property.

(i) Grant or relocate easements.

SECTION 3. Removal: Directors may be removed with or without cause by a majority vote of the apartment owners present, in person or by proxy, and entitled to vote at any meeting of the owners at which a quorum is present. No director shall continue to serve on the Board if, during his term of office, he shall cease to be an apartment owner.

SECTION 4. Vacancies: Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the apartment owners shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member and until a successor shall be elected at the next annual meeting of the apartment owners.

SECTION 5. 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 members of the Board of Directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors at least three (3) days previously thereto by written notice delivered or mailed to each director at his home address, or by telephone. If mailed, such notice shall be deemed delivered when deposited in the United States mail so addressed, with postage thereon prepaid.

SECTION 6. Special Meetings: Special meetings of the Board of Directors may be called by the President on three (3) day's notice to each member of the Board of Directors, given in the manner provided for regular meetings, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Directors.

SECTION 7. Waiver of Notice: Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all of the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

SECTION 8. 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 Directors.

SECTION 9. Quorum of Board of Directors: At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute a decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

SECTION 10. Fidelity Bond: The Board of Directors shall attempt to obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for Associated funds. The premium on such bonds shall constitute a common expense.

SECTION 11. Compensation: No member of the Board of Directors shall receive any compensation from the Association for acting as such.

ARTICLE III

Apartment Owners

SECTION 1. Annual Meeting: Annual meetings of the apartment owners shall be held. At such meetings there shall be elected by ballot of the apartment owners, a Board of Directors in accordance with the requirements of Article II of these By-Laws. The apartment owners may also transact such other business of the Association as may properly come before them.

SECTION 2. Place of Meetings: Meetings of the apartment owners shall be held at the principal office of the Association, or at such other suitable place convenient to the apartment owners as may be designated by the Board of Directors.

SECTION 3. Special Meetings: Special meetings of the Association may be called by the President, a majority of the Board of Directors, or upon petition presented to the Secretary signed by owners having ten

percent of the votes in the Association.

SECTION 4. Notice of Meetings: It shall be the duty of the Secretary to give notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each apartment owner of record, not less than fourteen (14) nor more than sixty (60) days in advance of such meeting.

SECTION 5. Adjournment of Meetings: If any meeting of apartment owners cannot be held because a quorum has not attended, a majority in common interest of the apartment owners who are present at such meeting, either in person or by proxy, shall adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

SECTION 6. Voting: The owner or owners of each apartment, or person designated by such owner or owners to act as proxy on his or their behalf and who need not be an apartment owner, shall be entitled to cast the votes appurtenant to such apartment at all meetings of apartment owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating.

No apartment owner shall be authorized to vote at any regular or special meeting of the apartment owners unless all assessments are deemed to be current as determined by the Treasurer, whose office is described in Article IV of these By-Laws.

SECTION 7. Majority of Apartment Owners: As used in these By-Laws the term "majority of apartment owners" shall mean those apartment owners having more than 50% of the total authorized votes of all apartment owners present in person or by proxy and voting at any meeting of the apartment owners.

SECTION 8. Quorum: Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of apartment owners shall constitute a quorum at all meetings of the apartment owners.

SECTION 9. Majority Vote: The vote of a majority of apartment owners present at a meeting at which a quorum shall be present shall be binding upon all apartment owners for all purposes except where in the Declaration or these By-Laws a higher percentage vote is provided for.

ARTICLE IV

Officers

SECTION 1. Designation: The principal officers of the Association shall be the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and the Vice-President, but no other officers, need be members of the Board of Directors.

SECTION 2. Election of Officers: The officers of the Association shall be elected annually by the Board of Directors and shall hold office at the pleasure of the Board of Directors and until their successors are elected.

SECTION 3. Removal of Officers: Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

SECTION 4. President: The President shall be the chief executive officer of the Association. He shall preside at all meetings of the apartment owners and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the Non-Profit Corporation Law of the State of Washington, including but not limited to the power to appoint committees from among the apartment owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Association.

SECTION 5. Vice-President: The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

SECTION 6. Secretary: The Secretary shall keep the minutes of all meetings of the apartment owners and of the Board of Directors; 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 Secretary of a corporation organized under the Non-Profit Corporation Law of the State of Washington.

SECTION 7. Treasurer: The Treasurer shall have the responsibility for Association funds and securities, and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Directors in such depositories as may from time to time be designated by the Board of Directors, and shall, in general, perform all duties incident to the office of Treasurer of a corporation organized under the Non-Profit Corporation Law of the State of Washington. No payment vouchers shall be paid unless and until approved by the Treasurer.

SECTION 8. Agreements, Contracts, Deeds, Checks, etc.: All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by such other person or persons as may be designated by the Board of Directors.

SECTION 9. Compensation of Officers: No officer shall receive any compensation from the Association for acting as such.

ARTICLE V

Management Agreement

The Board of Directors of the Association shall have the authority to enter into a contract for professional management of the condominium. If they enter into such a contract, the maximum term shall not exceed one (1) year, renewable by agreement of the parties for successive one-year periods. The contract shall be terminable without cause or payment of a termination fee on thirty (30) days written notice.

ARTICLE VI

Amendment to By-Laws

These By-Laws may be amended only by a majority vote of apartment owners.

AMENDED 10/23/96
Date

SCHEDULE "A" TO BY-LAWS
RULES AND REGULATIONS FOR
ON THE GREEN, A CONDOMINIUM

1. Each of the condominium apartments are intended and shall be used only for residential purposes and their use is so restricted.

2. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism or otherwise, shall be conducted, maintained or permitted on any part of the Property, nor shall any "For Sale", "For Rent", or "For Lease" signs or other window displays or advertising be maintained or permitted on any part of the Property or in any apartment therein nor shall any apartment be used or rented for transient, hotel or motel purposes. The right is reserved by the Sponsor and the Board of Directors, or its agent, to place "For Sale", "For Rent", or "For Lease" signs on any unsold or unoccupied apartments, and the right is hereby given to any mortgagee, who may become the owner of any apartment, to place such signs on any apartment owned by such mortgagee, but in no event will any sign be larger than one foot (1') by two feet (2').

3. There shall be no obstruction of the Common Areas.

4. No animals or reptiles of any kind shall be raised, bred, or kept in any apartment or the Common Areas, except that dogs, cats or other household pets, not to exceed one per apartment without the approval of the Board of Directors, may be kept in apartments, subject to rules and regulations adopted by the Board of Directors, provided that they are not kept, bred or maintained for any commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise be permanently removed from the Property upon three (3) days' written notice from the Board of Directors. In no event shall any dog be permitted in any portion of the Common Areas, unless on a leash.

5. No noxious or offensive activity shall be carried on in any apartment, or in the Common Areas, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other apartment owners or occupants. No apartment owner shall make or permit any disturbing noises in the buildings by himself, his family, servants, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of other apartment owners.

6. The Homeowners' Association will give the Federal Home Loan Mortgage Corporation (FHLMC) notice (if such Corporation has, through its servicing agent asked for such notice) in writing of any loss to or taking of the common elements of the condominium project if such loss or taking exceeds \$10,000.00 or damage to a condominium unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00.