

**AMENDED AND RESTATED
BYLAWS
PARKWOOD SOUTH HOMEOWNERS' ASSOCIATION OF SPOKANE**

(Effective June 1, 2017)

**ARTICLE I
NAME OF ORGANIZATION**

The name of the corporation is Parkwood South Homeowners' Association of Spokane ("Association"). The principal office of the Association shall be located at: Parkwood South Community Building, 2091 South Parkwood Circle, Spokane, WA 99223.

**ARTICLE II
PURPOSE OF ORGANIZATION**

The general purposes for which it is formed are to provide for protection, maintenance and improvement of common areas; architectural control of the dwelling units, landscape and structural maintenance areas; and to uniformly enhance and protect the value, attractiveness and desirability of the properties within the planned unit development known as Parkwood South located in the City of Spokane, Washington.

**ARTICLE III
APPLICATION**

3.01 Provisions The provisions of these Bylaws are applicable to Parkwood South, a Planned Unit Development, located in the City of Spokane, County of Spokane, and State of Washington. All owners of Lots in Parkwood South and their families, guests, licensees, lessees or invitees are subject to the provisions set forth in these Bylaws, the Articles of Incorporation of the Association ("Articles"), and the Fourth Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservations of Easements ("Declaration"), as recorded in the office of the Auditor, Spokane County, Washington. The acquisition of any Lot in Parkwood South, or the act of occupancy of any dwelling on any Lot, will signify that these Bylaws are accepted, ratified, and will be complied with by all individuals.

3.02 Meaning of Terms All terms used herein shall have the same meaning as the same terms used in the Declaration which are applicable to the Association.

**ARTICLE IV
MEMBERSHIP**

Every Owner of a Lot shall be a Member of the Association. Membership in the Association shall not be assignable, except to the Person to which title to the Lot has been transferred. Every membership in the Association shall be appurtenant to and may not be separated from the fee ownership of such Lot. Ownership of a Lot shall be the sole qualification for membership in the Association.

ARTICLE V VOTING RIGHTS

5.01 Voting Rights Members shall be entitled to one (1) vote for each Lot owned. When more than one person has an interest in any Lot ("co-owner"), separately or as a community, all such co-owners shall be Members and may attend any meetings of the Association, but only one such co-owner shall be entitled to exercise the vote to which the Lot is entitled.

5.02 Quorum Except as otherwise provided herein, the presence in person or by proxy of at least fifty-one (51) percent of the voting power of the membership at any meeting duly called shall constitute a quorum. Once a quorum is present, the Members may conduct business until adjournment.

5.03 Majority of Quorum Unless otherwise expressly provided herein or in the Articles or Declaration, the vote of the majority of Members is all that is necessary for the adoption of any matter voted upon by the Members.

5.04 Proxies Votes may be cast in person or by written proxy. Votes by proxy must be in writing and presented at the meeting duly called for. The President of the Association shall not act as proxy for any Member. Board members shall not vote by proxy. Every proxy is revocable.

ARTICLE VI MEETINGS OF THE MEMBERS

6.01 Meeting Location Meetings of the Members shall be held in the Community Center Building, 2091 South Parkwood Circle, Spokane, WA 99223, or such other suitable place in the State of Washington as may be designated from time to time by the Board of Directors ("Board").

6.02 Annual Meeting The annual meeting of Members shall be held on the third Monday of every June. At such meetings, in addition to all matters which may properly come before the meeting, the membership shall, by show of hands or written ballot, elect a Board of Directors. All meetings of the Members shall be conducted by the officers of the Association

6.03 Special Meetings of Members Special meetings of Members may be called by the President of the Board, or upon written request of at least twenty-five (25) percent of the total voting Members. Special meeting notices shall state the time and location of the meeting and the purpose(s) thereof.

6.04 Notice of Meeting of Members It shall be the Secretary's duty to provide each Member with a notice of each annual or special meeting stating the purpose(s) thereof, as well as the day, hour, and location at least fourteen (14) but not more than thirty (30) days prior to such meeting. Any such notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally, by mail, or other method permitted by law.

6.05 Adjourned Meetings In the event a quorum is not present at the time and location a meeting is called, it can be adjourned to a time not less than five (5) nor more than thirty (30) days from the original meeting date. It shall be the Secretary's duty to provide each Member with a notice of the adjournment and rescheduled date of each annual or special meeting stating the reason for adjournment, purpose(s) thereof, as well as the day, hour, and location prior to three (3) days after the adjourned meeting. No further notice needs to be given. Any such notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally, by mail, or other method permitted by law.

6.06 Order of Business The order of business at the Annual Meeting of the Members shall be as follows:

- a) determination of quorum
- b) presentation and approval of the minutes of the preceding Annual Meeting of the Members
- c) presentation of current financial status and proposed Operating and Reserve budgets
- d) reports of officers
- e) reports of committees
- f) election of directors (at annual meetings or special meetings held for such purpose)
- g) unfinished business
- h) new business

6.07 Action Without a Meeting Any action which, under the provisions of the Washington Nonprofit Corporation Act, may be taken at a meeting of the Members, may be taken without a meeting if authorized in writing, through such means as are permitted by law, and signed by all Members who would be entitled to vote at a meeting held for such purpose and filed with the Secretary.

6.08 Minutes, Presumption of Notice Minutes, or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein.

ARTICLE VII BOARD OF DIRECTORS

7.01 General Powers The affairs of the Association shall be managed by a Board of Directors, which shall exercise all the powers and duties necessary in accordance with Article V of the Declaration. Each person elected for the Board of Directors shall hereinafter be referred to as a "Director."

7.02 Number and Qualification The Board of Directors shall be composed of not less than five (5), nor more than seven (7) Members of the Association. To qualify as a Director, an individual must be a Member of the Association.

7.03 Election and Term of Office Directors are elected by a majority vote at the annual meeting of the Members. Directors shall hold office for a term of three years and may serve consecutive terms, provided no Director shall serve more than three consecutive terms without resigning for

at least a one-year period following each three-term period. Each Director shall hold office until his successor has been elected or until his death, resignation, removal, or judicial adjudication of mental incompetency. There is no limitation on the number of terms a Director may serve. In the event the Board is not elected at the annual meeting; the Board may be elected at any special meeting held for that purpose.

7.04 Vacancies Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Members of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. The Board shall have the authority to declare the position of a member of the Board to be vacant in the event that a member of the Board is absent without being excused from three consecutive regular meetings.

7.05 Removal of Board Members At any regular or special meeting of the Members duly called, any one or more of the Directors may be removed with or without cause by a majority vote of the Members of the Association and a successor may then and there be elected to fill the vacancy thus created. If any Director is absent from three consecutive meetings of the Board, without excuse approved by the Board, in its sole discretion, the Board may remove such Director from the Board of Directors.

7.06 Compensation Directors shall receive no compensation for serving as directors; however, they may be reimbursed for actual expenses incurred in performance of their duties.

7.07 Powers and Duties The Board has the power and duties necessary for the administration of the affairs of the Association in accordance with the powers and duties described in Article V; Jurisdiction of the Association of the Declaration, and may do all such acts and things that are not prohibited by law, the Declaration, Articles, or these Bylaws.

7.08 Policies, Rules and Regulations The Board has the power to determine the policies of the Association and to make such rules and regulations as may be deemed necessary for the governance and guidance of directors, officers, employees, service providers and Members of the Association, not inconsistent with the laws of the State of Washington, the Articles, the Declaration or these Bylaws. The Board may adopt a schedule of monetary penalties to ensure fairness and consistency in enforcement. A schedule of monetary penalties should establish a list of minor violations and assign a Special Assessment to each violation. This will efficiently address minor violations and avoid the time consuming process of a hearing or costly remedies.

7.09 Notifications to Members Any changes to Policies, Rules and Regulations must be delivered to Members a minimum of thirty days prior to the enforcement of the changes.

7.10 Books and Records The Board shall cause to be maintained a full set of books and records showing the financial condition of the Association. A balance sheet, operating (income and expense) and reserve statement for the Association shall be distributed to each Member annually or upon request.

ARTICLE VIII OFFICERS

8.01 Designation The principal officers of the Association shall be a President, Vice President, Secretary, and a Treasurer, all of whom shall be elected by the Board. The Board may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be held by the same person, but the offices of President and Secretary may not be held by the same person.

8.02 Governing Documents The President, Vice President and Secretary may prepare, execute, certify, and record Member approved amendments to the governing documents on behalf of the Association.

8.03 Election of Officers The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and each officer shall hold office at the pleasure of the Board until he resigns or is removed or otherwise disqualified to serve or until his successor is elected.

8.04 Removal and Resignation of Officers Upon an affirmative vote of a majority of the entire Board, any officer may be removed, either with or without cause, and his successor elected at any regular or special meeting of the Board. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified in said notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

8.05 Compensation No officer shall receive any compensation for services performed in the conduct of the Association's business, unless such compensation is approved by the vote or written consent of a majority of the Members; and provided further, that: (1) nothing herein contained shall be construed to preclude any officer from serving the Association in some other capacity and receiving compensation therefore, and (2) any officer may be reimbursed for his actual expenses incurred in the performance of his duties.

8.06 President The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board. The President shall have all of the general powers and duties which are usually vested in the office of the President of a corporation, including but not limited to the power, subject to the provisions of Section 9.08, to appoint committees from among the Members from time to time as may be appropriate to assist in conducting the affairs of the Association. The President shall be a non-voting, ex officio member of all standing committees, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

8.07 Vice President The Vice President shall take the place of the President and perform the duties of the office whenever the President shall be absent, disabled, refuses, or is unable to act. If neither the President nor the Vice President is able to act, business of the Association and meetings shall be conducted by the Treasurer of the Association. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board, Declaration or these Bylaws.

8.08 Secretary The Secretary shall keep the minutes of all meetings of the Association at the principal office of the Association or at such other place as the Board may order. The Secretary shall keep the records of the Association in safe custody and shall have charge of such books and papers as the Board may direct. The Secretary shall, in general, perform all of the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notices of meetings of the Members of the Association and of the Board required by these Bylaws or by law to be given. The Secretary shall maintain or cause to be maintained, a record of Members, listing names, addresses, phone numbers, emails and mortgagees of all properties of the Members as furnished to the Association. Such books shall be maintained to reflect current changes of Members' information. The Secretary shall perform such other duties as may be prescribed by the Board.

8.09 Treasurer The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records, and business transactions of the Association, including accounts of all assets, liabilities, receipts, and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board. The Treasurer shall disburse the funds of the Association as may be directed by the Board, in accordance with the Declaration, and shall render to the President and Directors upon request an account of all transactions and of the financial conditions of the Association. The Treasurer shall file or cause to be filed, all reporting documents required such as the IRS 990 and Annual filing with the Washington State Secretary of State. The Treasurer shall preside over all meetings when neither the President or Vice President are able to act. Should the Treasurer not be able to act, then the Secretary shall preside; however, if the Secretary presides, the duty of taking the minutes of the meeting must be delegated to another officer or Member of the Association in attendance at the meeting. The Treasurer shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

ARTICLE VIII MEETINGS OF THE BOARD OF DIRECTORS

9.01 Organization Meeting of the Board The organizational meeting of the newly elected Board shall be held within thirty (30) days of their election at which time the Board elects the officers. The time and location of the meeting shall be determined within ten (10) days of the election. Prior officers shall hold office until new officers are elected.

9.02 Regular Meetings of the Board The Board shall meet regularly and at least quarterly. Association Members may attend Board meetings, but have no vote in the proceedings unless authorized by a majority of a quorum of the Board. A written notice of the time and place of regular meetings of the Board shall be given to each Board member and may be delivered either personally, by mail, or other method permitted by law at least three (3) days prior to the date specified for the meeting.

9.03 Special Meetings of the Board Special meetings may be called by the President, by the Vice-President, or by any two Directors.

9.04 Notice Notice of the time and place of meetings of the Board shall be given to each Board member personally, by mail, by telephone or other method permitted by law at least three (3) days prior to the date specified for the meeting.

9.05 Waiver of Notice Before, after, or at any meeting of the Board, any Director may in writing waive personal notice of such meeting and such waiver shall be deemed equivalent to giving notice. Attendance by a Director at any meeting of the Board shall be a waiver of the personal notice requirement.

9.06 Action Without Meeting As permitted by and consistent with Section 24.03.465 of the Revised Code of Washington, any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in the form of a record, as defined in Section 24.03.005 of the Revised Code of Washington, setting forth the action so taken, shall be executed by all of the Directors entitled to vote thereon.

9.07 Quorum Except as otherwise expressly provided, a majority of the Directors shall constitute a quorum at all Board meetings for the transaction of business.

9.08 Committees The Directors may from time to time create committees as it desires, appoint a chair and assign a Board member to oversee the activities of each committee. The Board shall establish the purpose and powers of such committees and provide for reports to be received from the committees.

ARTICLE X OBLIGATIONS OF MEMBERS

10.01 Assessments

- a. All Members are obligated to pay, in accordance with the provisions of the Declaration and these Bylaws, all assessments imposed by the Association as a penalty, fine, or to meet all expenses of the Association.
- b. All delinquent assessments shall be enforced, collected, or foreclosed in the manner provided in the Declaration and these Bylaws.
- c. Any assessment not paid by the tenth (10th) day of the month in which it is due shall be deemed delinquent and a fine as determined by the Board shall be assessed per month as a delinquency penalty and shall immediately become due and payable for each month, or portion thereof, that such delinquency remains unpaid.

10.02 Maintenance and Repair Every Member must perform promptly, at his sole cost and expense, such maintenance and repair work on his Lot and dwelling unit as is required under the provisions of the Declaration and these Bylaws. As further provided in the Declaration, plans for alterations and repair or improvements on the Lots within the Properties must receive the prior written consent of the ARC. The ARC shall establish reasonable procedures for the granting of

such approval, in accordance with the Declaration and these Bylaws. As further provided in the Declaration and these Bylaws, each Member shall reimburse the Association for any expenditures incurred in repairing or replacing any portion of the Common Areas owned by the Association, the Structural Maintenance Areas, and the Landscape Maintenance Areas which are damaged through the fault of such Member or Member's family, guests, tenants or invitees. Such expenditures shall include all court costs, reasonable attorneys' fees and other costs incurred in enforcing any provision of these Bylaws or the Declaration.

ARTICLE XI AMENDMENTS TO BYLAWS

These Bylaws may be amended only by the affirmative vote or written consent of not less than seventy-five percent (75%) of the Members. Any amendment of these Bylaws must be signed by at least two (2) officers of the Association indicating that the requisite approvals have been obtained.

ARTICLE XII MORTGAGEES

12.01 Notice to Association A Member who mortgages his Lot shall notify the Association through the Secretary of the name and address of his mortgagee; and the Association shall maintain such information in a document entitled, "Mortgagees of Lots." Any such Member shall likewise notify the Association as to the release, change or discharge of any such Mortgage.

12.02 Notice of Unpaid Assessments The Board, shall, at the request of a Mortgagee of a Lot, report any unpaid assessments due from the owner of such Lot, in accordance with the provisions of the Declaration.

12.03 Written Notice All First Mortgagees shall be given thirty (30) days' written notice prior to the effective date of any proposed material amendment to these Bylaws, the Declaration or the Articles of Incorporation of the Association according to Article XIII (e) of the Declaration.

ARTICLE XIII CONFLICTING PROVISIONS

In case any of these Bylaws conflict with any provisions of the laws of the State of Washington, such conflicting Bylaws shall be null and void upon final court determination to such effect, but all other Bylaws shall remain in full force and effect. In case of any conflict between the Articles 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 XIII INDEMNIFICATION OF DIRECTORS AND OFFICERS

Except to the extent that such liability, damage, or injury is covered by insurance proceeds, the Board may authorize the Association to pay expenses incurred by, or to satisfy a judgment or

fine rendered or levied against, a present or former Director, officer, committee Member, or employee of the Association in an action brought by a third party against such defendant to impose a liability or penalty on such person for an act alleged to have been committed by such person while a director, officer, committee member or employee; provided, the Board determines that such Director, officer, committee member, or employee was acting in good faith within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interests of the Association or its Members. And provided further, that the payment of such expenses is otherwise permitted or required pursuant to the applicable provisions of the Washington Non-Profit Corporation Act. Payments authorized hereunder include amounts paid and expenses incurred in settling any such action or threatened action. The provisions of this section shall apply to the estate, executor, administrator, heirs, legatees, or devisees of a Director, officer, committee member, or employee, and the term "person" where used in this Article XIII shall include the estate, executor, administrator, heirs, legatees, or devisees of such person.

ARTICLE XV MISCELLANEOUS

15.01 Execution of Documents The Board, except as in these Bylaws otherwise provided, may authorize by resolution any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent, committee member or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose in any amount.

15.02 Inspection of Bylaws The Association shall keep in its office for the transaction of business, the original or a copy of these Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members.

15.03 Fiscal Year. The fiscal year of the Association shall run from June 1 through May 31.

ARTICLE XVI NOTICE AND HEARING PROCEDURE

16.01 Notice of Violation. In the event of an alleged violation of the Declaration, these Bylaws, the Articles or the Rules and Regulations of the Association that the Board believes has merit pursuant to Section 16.03, written notice of such alleged violation ("Notice of Violation") will be delivered by mail or other method as allowed by law to the Member or any agent of the Member (Respondent) alleged to be in default. The written notice shall outline the violation and give the Respondent the opportunity to correct the alleged violation, pay the Special Assessment or request a hearing within fourteen (14) days of receipt of the notice, unless it falls into the category of Routine Violations as outlined in Section 16.02. Should the Member or Respondent fail to correct the violation or respond to the notice, a second notice will be sent with the corrective action decided by the Board as outlined below in Section 16.04.

16.02 Routine Violations For violations of routine nature that fall within the fine schedule as established by the Board, the fine previously established by the Board and specifically associated with that violation will be enforced upon delivery of Notice of Violation. If the Member or Respondent contests the charge or Special Assessment, they may, by written request to the Board within fourteen (14) days of receipt of notice, proceed with the request for a hearing.

16.03 Complaints The Board has the discretion to reject complaints of any nature, including, but not limited to, those that are frivolous or meritless in nature and issues involving disputes between Lot owners not associated with Common Area. In the event that a majority of the Directors of the Board find that the complaint has merit, the Board shall initiate the procedure set forth herein by issuing the Notice of Violation described in Section 16.01.

16.04 Corrective Action of the Board After written notice of the alleged violation is delivered by mail or other method as allowed by law to the Member or Respondent alleged to be in default pursuant to Section 16.01, the Board shall have the right, after affording the Member or Respondent an opportunity for corrective action or an appropriate hearing as hereinafter provided, and upon an affirmative vote by a majority of all Directors of the Board, to take any one or more of the following actions:

- (1) levy a Special Assessment as provided in the Declaration;
- (2) suspend or condition the right of said Member to use the recreational facilities owned, operated, or maintained by the Association;
- (3) suspend said Member's voting privileges as a Member, as further provided in the Declaration; or
- (4) record a notice of noncompliance encumbering the Lot of the Member.

Any such suspension shall be for a period of not more than thirty (30) days for any non-continuing infraction. In the case of a continuing infraction (including nonpayment of any assessment after the same becomes delinquent) any such suspension may be imposed for so long as the violation continues. The failure of the Board or the ARC to enforce the Rules and Regulations of the Association, these Bylaws, or the Declaration, shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above, and otherwise provided by these Bylaws, shall be cumulative and none shall be exclusive.

16.05 Exhaustion of Remedies; Additional Remedies Any individual Member must exhaust all available internal administrative remedies of the Association prescribed by the Declaration, these Bylaws, or by the Rules and Regulations of the Association, before that Member may resort to a court of law for relief with respect to any alleged violation of the Declaration, these Bylaws, or the Rules and Regulations of the Association, provided that the foregoing limitation pertaining to exhausting administrative remedies shall not apply to the Board or to any Member where the complaint alleges nonpayment of monthly Common Assessments, Special Assessments, Capital Improvement Assessments, or Reconstruction Assessments.

16.06 Request for Hearing A Member choosing to appeal a Special Assessment imposed by the Board of Directors, shall be entitled to a hearing on the merits of the matter only if the Member's written request for a hearing is filed with the Board and within the time frame stated in the

Notice of Violation, or if no such time frame is stated in the Notice of Violation, within thirty (30) days of the Notice of Violation.

16.07 Notice of Hearing Upon receipt of a written request for a hearing, the President shall place the matter on the agenda of a Board meeting. The hearing notice must be sent to the requesting Member, the Board and all parties involved in the matter at least fourteen (14) days prior to the meeting at which the matter will be addressed.

16.08 Hearing Committee The Hearing Committee shall consist of the Board of Directors, excluding any Directors directly involved the matter before the Hearing Committee, or any Director who is a Respondent. The President shall:

- (1) appoint one person to chair the hearing;
- (2) provide a clear statement of the alleged violation;
- (3) conduct the hearing before the Hearing Committee;
- (4) give all parties the opportunity to state their case, and provide evidence;
- (5) conclude the hearing and dismiss all parties except the Hearing Committee;
- (6) allow for discussion and consensus of the Hearing Committee;
- (7) entertain a motion before the Hearing Committee. Vote will be by a show of hands with the majority vote controlling the decision, which shall be reflected in the minutes of the meeting;
- (8) if the Hearing Committee decides to hold a closed executive session to consider the alleged violation, and a motion is entertained and carried in such executive session, the executive session shall adjourn and an open hearing before the Hearing Committee shall be reconvened, where such motion shall be entertained and voted upon. No action by the Hearing Committee made in closed executive session shall become effective unless the Hearing Committee reconvenes in an open meeting to vote on such action taken in the closed executive session.

16.09 Decision If the Member requesting a hearing fails to appear at a hearing, the Hearing Committee may take action based upon the evidence presented to it without further notice to the Member. The Hearing Committee shall make its determinations only in accordance with these Bylaws, the Rules and Regulations, and the Declaration. After all testimony and documentary evidence has been presented to the Hearing Committee pursuant to the procedure set forth in Section 16.08, the Hearing Committee shall vote. The decision by the Hearing Committee shall be final. No further appeal to the Board shall be available.

16.10 Notice of Hearing Results The Board shall send written notice of the decision to the Member within ten (10) days of the Hearing.

CERTIFICATE

The undersigned President and Secretary of Parkwood South Homeowners' Association hereby certify that the foregoing is a full, true, and correct copy of the Bylaws adopted by the Members at a meeting held on the 1st day of May, 2017, and that such Bylaws shall become effective June 1, 2017.

DIANA L. BACCELLIERI CARLSON, President

JoANN BARBER, Secretary