

AMENDED AND RESTATED BYLAWS OF WESTBROOKE II HOMEOWNERS ASSOCIATION

The following are Amended and Restated Bylaws of Westbrooke II Homeowners Association (the "Association"), a corporation organized under the Washington Nonprofit Corporation Act (RCW 24.03A, the "Nonprofit Act"). These Amended and Restated Bylaws replace and supersede any and all previous Bylaws and amendments thereto for the Association. These Bylaws provide for operation of the Plat of Westbrooke Division II, Phases I and II, (the "Plat Community"), recorded in Pierce County, Washington, and governed by the Washington Uniform Common Interest Ownership Act (RCW 64.90, the "Act") and the Declaration of Covenants, Conditions and Restrictions for the Plat Community, recorded in Pierce County, Washington, as it may from time to time be amended (the "Declaration"). These Bylaws apply to the entire Plat, each Lot, and all Common Areas therein and are intended to comply with and supplement the requirements of the Act, the Nonprofit Act, and the Declaration. Unless otherwise specified, terms used herein and not otherwise defined have the meaning given to them in the Declaration, the Act, or the Nonprofit Act as applicable.

ARTICLE 1 MEMBERSHIP; VOTING

Section 1.1 **Membership.** The qualifications for membership in the Association are as set forth in the Declaration.

Section 1.2 **Number of Votes.** Each Owner is entitled to the total votes for each Lot owned as provided in the Declaration.

Section 1.3 **Persons Under Disability.** Minors and persons declared legally incompetent shall be eligible for membership in the Association, if otherwise qualified, but shall not be permitted to vote except through a legally appointed, qualified, and acting guardian of their estate voting on their behalf, or, in the case of a minor with no legal guardian of their estate, through a parent having custody of the minor.

Section 1.4 **Voting Representative.** An Owner may, by written notice to the Board, designate a voting representative for the Lot. The voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board from a person having an ownership interest in a Lot, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the Lot, except in cases in which the person designated is a holder of a Security Interest in and to the Lot (each, a "Mortgagee"). This power of designation and revocation may be exercised by the guardian of an Owner, the attorney in fact of the Owner under a durable power of attorney, or the administrators or executors of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each Lot shall be the group composed of all of its Owners.

Section 1.5 **Votes Pledged to a Mortgagee.** An Owner may, but shall not be obligated to, pledge his or her vote on all issues or on specific issues to a Mortgagee. If the Board has been notified by the Mortgagee that it is enforcing its right to vote pursuant to such pledge, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge; provided, however, that if the Board has received such notices from more than one Mortgagee, the Mortgagee holding the Security Interest with the highest level of priority among the Security Interests held by those Mortgagees shall be entitled to vote.

Section 1.6 Register of Members. The Board shall cause a register to be kept containing the names and addresses of all members of the Association. Persons who purchase an interest in a Lot shall promptly inform the Board of their interest. Persons who claim to be members of the Association shall, upon request, furnish the Board with copies of any documents under which they assert ownership of a Lot or any interest therein and any Security Interests thereon.

Section 1.7 Manner of Voting. When a vote is conducted at a meeting, Owners may vote pursuant to Sections 1.8 and/or 1.10, or by proxy pursuant to Section 1.11. When a vote is conducted without a meeting, Lot Owners may vote by ballot pursuant to Section 1.12 of these Bylaws. Notwithstanding any other provision of the Governing Documents, the following votes of the Owners shall be conducted by secret ballot: (i) election of Directors; (ii) removal of Directors; or (iii) amendments to the Governing Documents.

1.7.1 Counting of Secret Ballots. At a meeting of the Owners, the secret ballots physically received by the Association must be opened and counted and the results of the secret ballots received by the Association by electronic means must be reviewed, announced, and recorded in the meeting minutes. A quorum is not required to be present when the secret ballots physically received by the Association are opened and counted or the results of the secret ballots received by the Association by electronic means are reviewed, announced, and recorded in the meeting minutes.

1.7.2 Directors and Secret Ballots. The incumbent members of the Board and each person whose name is placed on the ballot as a candidate for membership on the Board may not possess, be given access to, or participate in the opening or counting of the secret ballots that the Association physically receives, or the collection of data regarding the secret ballots that the Association receives by electronic means, before those secret ballots have been opened and counted or reviewed, announced, and recorded in the meeting minutes, as applicable, at a meeting of the Association.

Section 1.8 Voting at a Meeting. Lot Owners may vote by voice vote, show of hands, standing, written ballot, or any other method authorized by the Board at the meeting. If Lot Owners attend the meeting by means of communication pursuant to Section 2.10 herein, the Board shall implement reasonable measures to verify the identity of each Lot Owner attending remotely.

Section 1.9 Voting by Multiple Owners at a Meeting. If more than one of the Lot Owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Owners. There is a majority agreement if any one of the Owners casts the votes allocated to the Lot without protest being made promptly to the person presiding over the meeting by any of the other Lot Owners of the Lot. If there is no majority agreement, the vote of those Owners shall not be counted.

Section 1.10 Voting by Absentee Ballot at a Meeting. Whenever proposals or Directors are to be voted upon at a meeting of the members, an Owner may vote by duly executed absentee ballot if: (i) the name of each candidate and the text of each proposal to be voted upon are set forth in a writing accompanying or contained in the notice of meeting; and (ii) a ballot is provided by the Association for such purpose. Any ballot provided by the Association for election of Directors by the Owners must designate a blank space for Owners to cast a vote for one or more candidates. When an Owner votes by absentee ballot, the Association must be able to verify that the ballot is cast by the Owner having the right to do so. Any absentee ballots shall be sent to all Owners in the same manner as notice of meetings, with a specified deadline for the return of the ballots, which shall be no later than the date of the meeting.

Section 1.11 Voting by Proxy. Votes allocated to a Lot may be cast pursuant to a directed or undirected proxy duly executed by an Owner in the same manner as provided in RCW 24.06.110. When an Owner votes by proxy, the Association shall implement reasonable measures to verify the identity of the Lot Owner and the proxy holder. An Owner may revoke a proxy given pursuant to this Section only by actual notice of revocation to the secretary or other person presiding over a meeting of the members or by delivery of a subsequent proxy. The death or disability of a Lot Owner does not revoke a proxy given by the Lot Owner unless the person presiding over the meeting has actual notice of the death or disability. A proxy is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates eleven (11) months after its date of issuance.

Section 1.12 Voting Without a Meeting. The Association may conduct a vote without a meeting pursuant to the following procedure:

- (a) The Association must notify the Lot Owners that the vote will be taken by ballot without a meeting;
- (b) The notice required by paragraph (a) must state: (i) the time and date by which a ballot must be delivered to the Association to be counted, which may not be fewer than fourteen (14) days after the date of the notice, and which deadline may be extended in accordance with (g) of this Section; (ii) the percent of votes necessary to approve each matter other than election of Directors; and (iii) the time, date, and manner by which Lot Owners wishing to deliver information to all Lot Owners regarding the subject of the vote may do so;
- (c) The Association must deliver the following with the notice required by paragraph (a): (i) instructions for casting a ballot; (ii) a ballot in a tangible medium to every Lot Owner except a Lot Owner that has consented in a record to electronic voting; and (iii) if the Association allows electronic voting, instructions for electronic voting;
- (d) The ballot must set forth each proposed action and provide an opportunity to vote for or against the action. Any ballot provided by the Association for election of Directors by the Owners must designate a blank space for Owners to cast a vote for one or more candidates;
- (e) A Lot Owner may revoke a ballot cast pursuant to this Section before the date and time in paragraph (b) by which the ballot must be delivered to the Association only by actual notice to the Association of revocation. The death or disability of a Lot Owner does not revoke a ballot unless the Association has actual notice of the death or disability prior to the date set forth in (b)(i) of this Section;
- (f) Approval by ballot pursuant to this Section is valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action;
- (g) If the Association does not receive a sufficient number of votes to constitute a quorum or to approve the proposal by the date and time established for return of ballots, the Board may extend the deadline for a reasonable period not to exceed eleven (11) months upon further notice to all members in accordance with (b) of this Section. In that event, all votes previously cast on the proposal must be counted unless subsequently revoked as provided in this Section;
- (h) A ballot or revocation is not effective until received by the Association;
- (i) The Association must give notice to Lot Owners of any action taken pursuant to this Section within a reasonable time after the action is taken;
- (j) When an action is taken pursuant to this Section, a record of the action, including without limitation the ballots or a report of the persons appointed to tabulate such ballots, must be kept with the minutes of meetings of the Association;

- (k) The Association shall implement reasonable measures to verify that each ballot in a tangible medium and electronic ballot is cast by the Lot Owner having a right to do so;
- (l) A Lot Owner consents to electronic voting by delivering to the Association a record indicating such consent or by casting an electronic ballot;
- (m) If electronic ballots are accepted, the Board shall create a record of electronic votes capable of retention, retrieval and review.

Section 1.13 Manner of Acting. Except as otherwise provided by the Act, the Declaration, or these Bylaws, a majority of the votes cast determines the outcome of a vote taken at a meeting or without a meeting.

ARTICLE 2

MEETINGS OF MEMBERS

Section 2.1 Place. Meetings of the members of the Association shall be held within University Place, Washington at such suitable place, and in such manner, as may be convenient to the membership and designated from time to time by the Board.

Section 2.2 Annual Meeting. A meeting of the members must be held at least once each year. The annual meeting of the Association shall be held in March on a date fixed by the Board. At such annual meeting there shall be presented an accounting of the Common Expenses, itemizing receipts and disbursements for the preceding fiscal year, and the allocation thereof to each Owner, and the estimated Common Expenses for the coming fiscal year.

Section 2.3 Budget Meeting. Within thirty (30) days after adoption of any proposed budget for the Association, the Board shall provide the budget to all of the members and set a date for a meeting of the members to consider ratification of the budget as further set forth in the Declaration.

Section 2.4 Special Meetings. A special meeting of the members may be called by the president, upon the written request of a majority of the Board, or upon the written request of Owners holding at least ten percent (10%) of the votes in the Association. If the Association does not provide notice to Lot Owners of a special meeting within thirty (30) days after the requisite number or percentage of Lot Owners request the secretary to do so, the requesting members may directly provide notice to all the Lot Owners of the meeting. The Lot Owners may discuss at a special meeting a matter not described in the notice issued pursuant to Section 2.5 herein, but may not take action on the matter without the consent of all Lot Owners.

Section 2.5 Notice of Meetings. The Board shall provide notice to Lot Owners of the time, date, and place of each annual, budget and special meeting of members not less than fourteen (14) days and not more than fifty (50) days before the meeting date. The notice of any meeting shall state the time and place of the meeting and the items on the agenda, including without limitation, the text of any proposed amendment to the Declaration or organizational documents of the Association, and any proposal to remove a Director. Said notice shall be in writing and shall be provided to the recipient by personal delivery, public or private mail or delivery service addressed to the Lot address unless the Lot Owner has requested, in writing delivered to the Association, that notice be sent to an alternate address, or by electronic transmission as follows:

- (a) Notice to Owners or Directors by electronic transmission is effective only upon those Owners and/or Directors who have consented, in the form of a record, to receive electronically transmitted notices under this chapter and have designated in the consent the

address, location, or system to which such notices may be electronically transmitted, provided that such notice otherwise complies with any other requirements of this chapter and applicable law. An Owner's consent under this paragraph, and any other notice in the form of a record delivered to the Association from time to time, may indicate whether the Owner elects to keep the Owner's electronic address confidential and exempt from disclosure by the Association pursuant to RCW 64.90.495(2). Failure to deliver such notice permits disclosure by the Association;

- (b) An Owner or Director who has consented to receipt of electronically transmitted notices may revoke this consent by delivering a revocation to the Association in the form of a record;
- (c) The consent of any Owner or Director is revoked if the Association is unable to electronically transmit two (2) consecutive notices given by the Association in accordance with the consent, and this inability becomes known to the secretary of the Association or any other person responsible for giving the notice. The inadvertent failure by the Association to treat this inability as a revocation does not invalidate any meeting or other action.
- (d) Notice to Owners or Directors who have consented to receipt of electronically transmitted notices may be provided by posting the notice on an electronic network and delivering to the Owner or Director a separate record of the posting, together with comprehensible instructions regarding how to obtain access to the posting on the electronic network.

Before, during, or after any meeting of the members, any member may, in writing, waive notice of such meeting. Attendance by a member at a meeting of the members shall constitute a waiver of timely and adequate notice unless the member expressly challenges the notice when the meeting begins. In the notice for a meeting held at a physical location, the Board may notify all Owners that they may participate remotely in the meeting by a means of communication described in Section 2.10.

2.5.1 Notice of Elections. In addition to the foregoing, prior to an election of Directors the Association shall provide notice to all Lot Owners which includes: (i) the number of Board positions that may be filled; (ii) the qualifications to be a Board candidate, if any; and (iii) the process, manner, and deadline for submitting nominations. In the event the Board determines a nominee is not a qualified candidate, the Board shall notify the nominee of the basis for the disqualification, and the procedure for appealing the disqualification.

Section 2.6 Quorum. A quorum is present throughout any meeting of the members if at the beginning of the meeting persons entitled to cast twenty percent (20%) of the votes in the Association attend in person, by proxy, by means of communication under Sections 2.10 herein, or have voted by absentee ballot. If a quorum is present at a meeting, a majority of the members present may adjourn the meeting from day to day or to such time and place as may be decided by the Directors and no notice of such adjournment need be given. No business shall be transacted at an adjourned meeting that could not have been transacted at the meeting from which the adjournment was taken.

Section 2.7 Adjournment of Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members present, in person or by proxy, may by majority vote adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 2.8 Order of Business. The order of business at meetings of the members shall be as follows unless dispensed with on motion:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of Directors (annual meeting or special meeting called for such purpose);
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

Owners must be given a reasonable opportunity at any meeting to comment regarding any matter affecting the Plat Community or the Association.

Section 2.9 Parliamentary Authority. In the event of dispute as to parliamentary procedure at a meeting of the members, the parliamentary authority for the meetings shall be the most current available edition of Robert's Rules of Order or such other published code of parliamentary procedure as shall be approved by a majority of the members at the meeting.

Section 2.10 Member Meetings by Conferencing Process. A meeting of Lot Owners is not required to be held at a physical location and may, instead, be held by telephonic, video or other conferencing process if: (i) the meeting notice states the conferencing process to be used and provides the information explaining how to participate in the conference; (ii) the process provides all participants the opportunity to hear or perceive the discussion and to comment as provided in Section 3.16 herein; (iii) any votes of the Board are conducted by roll call or other verbal vote; and (iv) any person entitled to participate in the meeting is given the option of participating by telephone.

Section 2.11 Minutes. Minutes of all membership meetings shall be maintained in a record by the secretary of the Association or by another person designated by the Directors. The decision of each matter voted upon at a membership meeting must be recorded in the minutes. Minutes for every meeting shall be approved by the Association before or at the next Association meeting.

ARTICLE 3

BOARD OF DIRECTORS

Section 3.1 Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors consisting of three (3) Lot Owners. No more than one Member from each Lot may serve concurrently as a Director. In determining the qualifications of a director or officer, the term "Lot Owner" shall include, without limitation, any director, officer, member, partner, or trustee of any corporation, limited liability company, partnership, trust, or other person who is, either alone or in conjunction with another person, a Lot Owner. Any such person shall be disqualified from continuing in office if the person ceases to have such affiliation with the Lot Owner or is otherwise disqualified from continuing in such office as a natural person.

Section 3.2 Term. The normal term of office for Directors is three (3) years. To ensure staggered terms, at least one Director shall stand for election at each annual meeting. Directors may continue in office as long as they continue to be elected and accept the position.

Section 3.3 Election of Directors.

3.3.1 Nomination. Nomination for election to the Board of Directors shall be made by

the 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.

3.3.2 Election. Election to the Board of Directors shall be by secret written ballot. Elections for Directors shall be held in October of the year prior to the Board vacancy. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Directors shall take office on January 1st following such election.

Section 3.4 Vacancies. Vacancies on the Board caused by reasons other than removal of a Director by a vote of the Association may be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so selected shall be a Director for the unexpired portion of the term or, if earlier, until the next regularly scheduled election of Directors, and until his or her successor takes office. Appointed Directors may not comprise more than one-third of the Board and may not have greater authority than any other Director.

Section 3.5 Removal of Directors by Owners. Owners present in person, by proxy, by means of communication under Section 2.10 herein, or by absentee ballot at any meeting of the Owners at which a quorum is present may remove any Director elected by the Lot Owners, with or without cause, if the number of votes in favor of removal cast by Lot Owners entitled to vote for election of the Director proposed to be removed is at least the lesser of: (i) a majority of the votes in the Association held by such Lot Owners, or (ii) two-thirds of the votes cast by such Lot Owners at the meeting. The Owners may not consider whether to remove a Board member or officer at a meeting of the Owners unless that subject was listed in the notice of the meeting. At any meeting at which a vote to remove a Director is to be taken, the Director being considered for removal must have a reasonable opportunity to speak before the vote. At any meeting at which a Director is removed, the Owners entitled to vote for the Board member or officer may immediately elect a successor Director consistent with these Bylaws.

Section 3.6 Removal of Directors and Officers by the Board. The Board may, without an Owner vote, remove from the Board a Director elected by the Owners if: (i) the Board member or officer is delinquent in the payment of Assessments more than sixty (60) days; and (ii) the Director has not cured the delinquency within thirty (30) days after receiving notice of the Board's intent to remove the Director. The Board may remove an officer elected by the Board at any time, with or without cause. The removal must be recorded in the minutes of the next Board meeting.

Section 3.7 Compensation. A Director shall not be entitled to compensation for service as a Director. However, with approval of the Board, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties. Notwithstanding the provisions of this Section, by a majority vote of the members in December 2001, it was approved that the annual Assessment is waived for any serving Director of the Association during their term(s) of office. Directors shall, however, be subject to all other Assessments or charges that may be levied from time to time by the Association.

Section 3.8 Organizational Meeting. Each Board shall hold an organizational meeting within thirty (30) days after newly-elected or newly-appointed Directors take office.

Section 3.9 Board Meetings. Except as provided in this Article, all Board meetings must be within the Plat Community or at a place convenient to the Plat Community. Regular meetings of the Board 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 two (2) such meetings shall be held during each fiscal year. A special meeting of the Board may be called by the President and, upon the written request of any two (2) or more Directors, must be called by the President.

Section 3.10 Notice of Board Meetings. Unless the meeting is included in a schedule given to the Lot Owners, the secretary must provide notice of each Board meeting to each Board member and to the Lot Owners. The notice must be given at least fourteen (14) days before the meeting and must state the time, date, place, and agenda of the meeting. Notwithstanding the foregoing, notice of a meeting to address an event or condition that could not have been reasonably foreseen and for which it is impracticable to provide notice as otherwise required herein must be given at least seven (7) days before the meeting and by means of electronic communication to Lot Owners whose electronic address or phone number is known to the Association.

Section 3.11 Waiver of Notice. Before any meeting of the Board, any Director may, in writing, waive notice of such meeting. Attendance by a director at any meeting of the Board shall be a waiver by the director of timely and adequate notice unless the director expressly challenges the notice when the meeting begins. If all Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at the meeting.

Section 3.12 Quorum. A quorum of the Board is present for purposes of determining the validity of any action taken at a meeting of the Board only if individuals entitled to cast a majority of the votes on that action are present at the time a vote regarding that action is taken. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board, unless a greater vote is required by the Governing Documents.

Section 3.13 Voting by Proxy or Ballot. A Board member may not vote by proxy or absentee ballot.

Section 3.14 Presumption of Assent. A Board member who is present at a Board meeting at which any action is taken is presumed to have assented to the action taken unless the Board member's dissent or abstention to such action is lodged with the person acting as the secretary of the meeting before adjournment of the meeting or provided in a record to the secretary of the Association immediately after adjournment of the meeting. The right to dissent or abstain does not apply to a Board member who voted in favor of such action at the meeting.

Section 3.15 Board Packets. If any materials are distributed to the Board before the meeting, the Board must make copies of those materials reasonably available to the Owners, except that the Board need not make available copies of unapproved minutes or materials that are to be considered in executive session.

Section 3.16 Open Meetings. Meetings must be open to the Lot Owners and their voting representatives except during executive sessions, but the Board may expel or prohibit attendance by any person who, after warning by the chair of the meeting, disrupts the meeting. At each Board meeting, the Board must provide a reasonable opportunity for Owners to comment regarding matters affecting the Plat Community and the Association. The Board must provide at least fifteen (15) minutes at the beginning of each meeting for Lot Owners to comment about agenda items before the Board votes. The Board may place reasonable time restrictions of not less than ninety (90) seconds per Owner per Lot, except that the time per

Owner per Lot may be reduced and allocated equally if more than ten (10) Owners wish to comment. A gathering of members of the Board or committees at which the Board or committee members do not conduct Association business is not a meeting of the Board or committee. Directors and committee members may not use incidental or social gatherings to evade the open meeting requirements of this Section.

Section 3.17 Executive Sessions. The Board and Board-appointed committees may hold an executive session only during a regular or special meeting of the Board or of the committee. A final vote or action may not be taken during an executive session. An executive session may be held only to: (i) consult with the Association's attorney concerning legal matters; (ii) discuss existing or potential litigation or mediation, arbitration, or administrative proceedings; (iii) discuss labor or personnel matters; (iv) discuss contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated, including without limitation the review of bids or proposals, if premature general knowledge of those matters would place the Association at a disadvantage; or (e) prevent public knowledge of the matter to be discussed if the Board or committee determines that public knowledge would violate the privacy of any person.

Section 3.18 Participation by Communications Equipment. Fewer than all Directors may participate in a regular or special meeting of the Board by, or conduct a meeting through, the use of any means of communication by which all Directors participating can hear each other during the meeting. A Board member participating in a meeting by these means is deemed to be present in person at the meeting.

Section 3.19 Board Meetings by Conferencing Process. A meeting of the Board may, be held by telephonic, video or other conferencing process if: (i) the meeting notice states the conferencing process to be used and provides the information explaining how to participate in the conference; (ii) the process provides all participants the opportunity to hear or perceive the discussion and to comment as provided in Section 3.16 herein; (iii) any votes of the Board are conducted by roll call or other verbal vote; and (iv) any person entitled to participate in the meeting is given the option of participating by telephone.

Section 3.20 Board Action by Written Consent. The Board may act by unanimous consent only to undertake ministerial actions, actions subject to ratification by the Lot Owners, or to implement actions previously taken at a meeting of the Board. Such written consent may be signed in two (2) or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same document. Actions taken by unanimous consent must be kept as a record of the Association with the meeting minutes.

Section 3.21 Minutes. Minutes of all Board meetings, excluding executive sessions, shall be maintained in a record by the secretary of the Association or by another person designated by the Directors. The decision of each matter voted upon at a membership meeting must be recorded in the minutes. Minutes for every meeting shall be approved by the Association before or at the next Association meeting.

Section 3.22 Standard of Care for Directors. In the performance of their duties, the officers and Directors are: (a) required to exercise the degree of care and loyalty to the Association required of an officer or director of a corporation organized under chapter 24.06 RCW, and (b) subject to the conflict-of-interest rules governing Directors and officers under chapter 24.06 RCW. In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including without limitation financial statements and other financial data, in each case prepared or presented by:

- (a) One (1) or more officers or employees of the Association whom the director believes

- to be reliable and competent in the matter presented;
- (b) Counsel, public accountants, or other persons as to matters that the director believes to be within such person's professional or expert competence; or
- (c) A committee of the Board upon which the director does not serve, duly designated in accordance with a provision in the Articles or Bylaws as to matters within its designated authority, which committee the director believes to merit confidence, as long as, in any such case, the director acts in good faith, after reasonable inquiry when the need thereof is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

Section 3.23 Duty of Loyalty – Conflict of Interest. The Directors shall exercise their powers and duties in good faith, in a manner the Director reasonably believes to be in the best interests of the Association. No contract or other transaction between the Association and any Director, or between the Association and any corporation, firm entity or association in which the Director is an officer or director or is monetarily or otherwise interested, shall be either void or voidable because such director is present at the meeting of the Board that authorizes or approves the contract or transaction, if the fact of the common directorate or other interest is disclosed or known to the Board or a majority thereof and noted in the minutes, and the Board authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for such purpose with the conflict director abstaining. Directors who have a financial interest or other personal interest in the transaction may be counted in determining the presence of a quorum at any meeting of the Board or committee thereof that authorizes, approves or ratifies any contract or transaction, but such directors must abstain from voting. If disclosure and decisions are not made as required by this subsection, the contract or transaction may be voidable at the insistence of the Association, and the affected director may not be insulated from liability for any harm suffered by the Association as a result of entering into the contract or transaction.

Section 3.24 Effects of Procedural Irregularity on Validity of Action. Even if an action by the Board is not in compliance with the provisions hereof, it is valid unless set aside by a court. A challenge to the validity of an action of the Board for failure to comply with the provisions herein may not be brought more than ninety days after the minutes of the Board of the meeting at which the action was taken are approved or the Record of that action is distributed to Members, whichever is later.

ARTICLE 4

OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be a president, a vice president, a secretary, and a treasurer, all of whom shall be elected by and from the Board. The Directors may appoint from the Board such other officers as in their judgment may be necessary or desirable. If there are more than three (3) Directors, the Directors may also elect a vice president. Two (2) or more offices may be held by the same person, except that a person may not hold the offices of president and secretary simultaneously.

Section 4.2 Election of Officers. The officers of the Association shall be appointed annually by the Board at the organizational meeting of the Board taking place pursuant to Section 3.8. Officers shall hold office for one (1) year unless they shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4.3 Removal of Officers. At any regular meeting of the Board or at any special meeting of the Board called for such purpose, upon an affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause. A successor to the removed officer may be elected at any such meeting.

Section 4.4 President. The president shall preside at all meetings of the Board and of the members; shall see that orders and resolutions of the Board are carried out; shall sign all agreements, contracts or other written instruments.

Section 4.5 Vice President. The vice president shall act in the place and stead of the president in the event of their absence, or inability or refusal to act, and shall exercise and discharge such duties as may be required of them by the Board.

Section 4.6 Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records including a copy of the Governing Documents of the Association, and a record of all members, officers and Directors of the Association, together with their addresses; and shall perform such other duties as required by the Board.

Section 4.7 Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall distribute such funds as directed by the Board; shall send written notice of each Assessment to every member subject thereto at least 30 days in advance of each Assessment period; shall sign all checks of the Association; shall keep proper books of account; shall file all state, local and federal tax returns of the Association as appropriate; shall prepare a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy to the members; shall cause an annual audit of the Association's books to be made by the Association's Budget and Finance Committee at the completion of each fiscal year; and shall file all appropriate corporate documents with the State of Washington.

Section 4.8 Other Officers and Employees. Other officers of the Association, and any persons employed to assist the officers, shall have such authority and shall perform such duties as the Board may prescribe within the provisions of the applicable statutes, the Declaration, and these Bylaws.

Section 4.9 Compensation. No officer shall receive any compensation from the Association for acting as such; provided, however, an officer may be reimbursed for reasonable out-of-pocket expenses incurred in the performance of duties on behalf of the Association upon approval of a majority of the Board. Notwithstanding the provisions of this Section, by a majority vote of the members present at the 2014 annual membership meeting, it was approved that effective January 1, 2014 (retroactively) the annual Assessment is waived for any appointed treasurer, not concurrently serving on the Board, during their appointment. The treasurer shall, however, be subject to all other Assessments or charges that may be levied from time to time by the Association.

Section 4.10 Vacancies. Vacancies in any office arising from any cause may be filled by the Board at any regular or special meeting of the Board.

ARTICLE 5

COMMITTEES

Section 5.1 Committees of Directors. All committees of the Association must be appointed by the Board. Any committee authorized to exercise any power reserved to the Board must include at least two (2) Directors who have exclusive voting power for that committee. Committees that are not so composed may not exercise the authority of the Board and shall be advisory only. The appointment of any such committee shall not relieve the Board of its ultimate responsibility for the administration and management

of the Association and the Plat Community.

5.1.1 Architectural Control Committee. The Board shall appoint an Architectural Control Committee (“ACC”) as required by the Declaration. No less than two (2) directors shall serve on the ACC and shall have exclusive voting power for the committee.

5.1.2 Nominating Committee. The Board shall appoint a Nominating Committee in accordance with Section 3.3.1.

5.1.3 Other Committees. Pursuant to the terms of this Article, the Board shall have authority to appoint other committees including, but not limited to, a Budget & Finance Committee, a Capital Improvements Committee, and a Gate Committee, as deemed appropriate for carrying out its duties. No committee or committee member shall be authorized to perform or interfere with the day-to-day operations of the Association.

Section 5.2 Limitation on Committees. No committee shall have the authority to: amend the organizational documents of the Association; recommend the sale, lease, or transfer of substantially all the assets of the Association; recommend a voluntary dissolution of the Association; declare distributions; make Assessments; approve a plan of merger, consolidation, or exchange; or take any action prohibited under the Nonprofit Act, the Act, the Declaration, or the Articles, or otherwise reserved to the full Board of Directors or to the members of the Association.

Section 5.3 Committee Meetings. Meetings of committees authorized to act for the Board must be open to the Owners except during executive sessions. Executive sessions may only be held during a regular or special meeting of the committee. A final vote or action may not be taken during an executive session.

ARTICLE 6

HANDLING OF FUNDS

Section 6.1 Accounts. The Association shall establish such accounts as the Directors deem necessary to properly administer the Association and operate and maintain the Plat Community. The treasurer shall be responsible for supervising the funds of the Association. There shall be at least two (2) separate accounts as described in this Article 6. Any checks or bank withdrawals of \$2,500 or more from any Association account shall be co-signed by the Treasurer and at least one additional Director as authorized by the Board.

Section 6.2 Working Capital Account. The Association shall establish and keep a separate checking account to be known as the “Working Capital Account.” This account will be used for the normal administration of the Association and operation and maintenance of the Plat Community and will receive all monthly Assessments and other monies received by the Association. Checks shall be issued from this account for all management and operation expenditures necessary for the Plat Community and maintenance expenses that do not require resort to the Reserve Account for Common Areas. Funds for the Reserve Account for Common Areas and any other reserve account that may be established will normally be deposited in the Working Capital Account and checks immediately issued, or transfers made, to the other account so an overall account of the funds received and disbursed by the Association is centralized in the ledger of the Working Capital Account.

Section 6.3 Reserve Account for Common Areas. The Association shall maintain a separate account, solely in the name of the Association and maintained and administered by the Board, that shall be known as the “Reserve Account for Common Areas.” The treasurer shall deposit to this account all funds

received for the future periodic maintenance, repair, and replacement of the Common Areas identified as reserve components in the Association's Reserve Study. The monies in this account may not be commingled with any other funds of the Association and may only be used for the purposes and in the manner set forth in the Declaration. Authorized signatories on the reserve account shall be added or removed only at the discretion of the Board. Except for investments and transfers between separate reserve accounts held by the Association, every disbursement of reserve funds requires: (i) the signature of at least two persons who are officers or Directors of the Association; and (ii) documentation of the expenses with supporting invoices, including assigned components of the reserve study relating to the disbursement and their classification, a statement the disbursement is related to one or more reserve components not currently included in the reserve study and the classification or a statement indicating a disbursement to borrow from the reserve that includes the repayment plan required by RCW 64.90.540(1).

6.3.1 Except as provided in this Section, reserve funds must be held in an interest-bearing account at a financial institution domiciled in the United States that is regulated by FINRA or by the office of the comptroller of currency.

6.3.2 Reserve funds may be held in cash or invested in money market funds, certificates of deposit, or US Treasury bills, notes or bonds. Any decision by the Board to hold funds in certificates of deposit or United States Treasury bills, notes or bonds must consider all factors enumerated by RCW 11.100.020(3). All such decisions must be made by the Board unless, pursuant to a duly adopted Board policy or resolution which (i) incorporates the factors enumerated by RCW 11.100.020(3); (ii) complies with RCW 64.90; and (iii) complies with any greater requirements imposed by the Governing Documents, the Board may delegate such decisions for maintaining funds in time deposit durations less than or equal to 100 days.

6.3.3 Unless otherwise provided by the Governing Documents, reserve funds may be invested in securities pursuant to the provisions of RCW 64.90.535(2)(c)

Section 6.4 Deposit or Investment of Funds. All funds of the Association shall be kept in accounts or deposits that are insured by agencies of the United States. The funds of the Association may not be commingled with the funds of any other association or with the funds of any managing agent of the Association or any other person, or be kept in any trust account or custodial account in the name of any trustee or custodian.

ARTICLE 7

ADMINISTRATIVE AND FINANCIAL PROVISIONS

Section 7.1 Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 7.2 Contracts. The Board, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have power or authority to bind the Association in any contract or engagement or to pledge its credit or to render it liable for any purpose in any amount.

Section 7.3 Checks, Drafts, Etc. Except as otherwise specifically determined by resolution of the Board, or as otherwise required by the laws of the State of Washington, checks, drafts, promissory notes, orders for the payment of money, or other evidence of indebtedness of the Association shall be signed by such officer or officers, or agent or agents, of the Association and in such manner as is from

time to time determined by resolution of the Board.

Section 7.4 Books and Records. The Association shall keep at the offices of the Association or its managing agent, all records required by the Governing Documents and the Act, as each may be amended from time to time, and shall make such records available to the Lot Owners, Mortgagees and their respective authorized agents as required. The Association is not obligated to compile or synthesize information in response to a request for Association records and the Association may charge a reasonable fee for production and provision of copies, and for supervising an inspection of such records.

Section 7.5 Copies of Resolutions. Any person dealing with the Association may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board when certified by the president or secretary.

Section 7.6 Director's Inspection Rights. Every Director shall have the right at any reasonable time to inspect and copy all books, records, and documents of any kind and inspect the physical properties of the Association and shall have such other rights to inspect the books, records, and properties of the Association as may be required under any of the Governing Documents or by the provisions of the laws of the State of Washington.

ARTICLE 8 **AMENDMENTS**

Section 8.1 These Bylaws may be amended, in whole or in part, upon a majority vote of the members pursuant to a vote without a meeting as set forth herein or at any annual meeting or any special meeting properly called for that purpose at which quorum is present. The text of any proposed amendment must be provided to the members along with notice of the meeting at which a vote will be held or, alternatively, with the ballot for a vote without a meeting. Any amendment will be signed by the approving Directors and copies delivered to all Lot Owners within thirty (30) days of adoption.

Section 8.2 In the case of any conflict between the Articles and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the case of any conflict between the Articles and the Declaration, the Declaration shall control.

IN WITNESS WHEREOF, the Board of Directors of WESTBROOKE II HOMEOWNERS ASSOCIATION hereby certify that, pursuant to Section 6.7 of the Bylaws of Westbrooke II Homeowners Association, these Amended and Restated Bylaws have been approved by no less than a majority of a quorum of Lot Owners. As such, as of this 26 day of May, 2020 these Amended and Restated Bylaws shall be effective to govern the Westbrooke II Homeowners Association.

Signed [Signature]
President

Date 5/26/2020

Attest [Signature]
Secretary

Date 5/26/2020