

BYLAWS
OF
TRUTINA HOMEOWNERS ASSOCIATION
A WASHINGTON NONPROFIT CORPORATION

Article 1.
PLAN OF OWNERSHIP

1.1 Name and Location. The name of this association is TRUTINA HOMEOWNERS ASSOCIATION (“Association”). The principal office of the Association is in Spokane County, Washington.

1.2 Application to Property. The provisions of these bylaws (“Bylaws”) are applicable to that certain development project located generally at 22495 East Clairmont Lane, Liberty Lake, Spokane County, Washington, commonly known as Trutina. All present and future Owners, and their tenants, future tenants, and any other Person who might occupy a Parcel or use the facilities of the Property in any manner, are subject to the regulations set forth in these Bylaws, in the Articles of Incorporation for the Association (the “Articles”), and in that certain Master Declaration of Covenants, Conditions and Restrictions (“Master Declaration”) recorded or to be recorded with respect to the Property in the office of the Spokane County Auditor.

1.3 Meaning of Terms. Unless otherwise specifically provided herein, the definitions contained in the Master Declaration are incorporated in these Bylaws by this reference.

Article 2.
MEMBERSHIP, MEETINGS AND VOTING RIGHTS

2.1 Members. Upon becoming an Owner, a Person will automatically be a Member of the Association, and will remain a Member thereof until such time as the Owner’s ownership ceases for any reason, at which time the Owner’s membership in the Association will automatically cease.

2.2 Classes of Membership. The Association will initially have three classes of Members:

(a) Class A Members. Owners of the Parcel or Parcels containing Multifamily Units are Class A Members. Each Class A Member will be entitled to cast 0.5 votes for each Multifamily Unit (per door) owned by such Class A Member on the date of the vote.

(b) Class B Members. Owners of Single Family Parcels are Class B Members. Each Class B Member will be entitled to cast one vote for each Single Family Parcel owned by such Class B Member on the date of the vote.

(c) Class C Members. Declarant is the Class C Member, and will be entitled to 10 votes per Single Family Parcel owned by Declarant, including Single Family Parcels that have been preliminarily platted but have not been finally platted on the date of the vote; provided, however, that Class C membership will cease to exist after the termination of the Period of Declarant Control, and at such time, Declarant, if still an Owner of a Single Family Parcel or Parcels, will become a Class B Member and will be entitled to one vote for each Single Family Parcel owned. Any Class C votes held by Declarant will be in addition to Declarant’s Class A votes arising from Declarant’s ownership of Multifamily Units during any period in which Declarant owns any such Multifamily Units.

2.3 Voting Requirements. Except where otherwise expressly provided in the Master Declaration, the Articles or these Bylaws, any action by the Association that must have the approval of the Association membership before being undertaken will require the vote of a simple majority of the total voting power of the Association.

2.4 Quorum. The presence in person or by proxy of at least 25% of the total voting power in the Association will constitute a quorum. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

2.5 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies must be in writing and filed with the Secretary (as hereinafter defined) before the appointed time of each meeting. All proxies will be valid only for the meeting for which the proxies are given (including any reconvened meeting in the event of an adjournment), unless provided otherwise in the proxy (but in no event for a period exceeding 11 months from date of execution). Every proxy must be revocable and will automatically cease upon receipt of notice by the Secretary of the death or judicially declared incompetence of such Member.

2.6 Annual Meetings. Regular annual meetings of the Members must be held within the month of January or February of each year, with the actual date to be selected in the discretion of the Board of Directors and provided to the Members in the notice of the meeting.

2.7 Special Meetings. A special meeting of the Members may be called by the Declarant (for so long as the Declarant owns any Parcels), the President (as hereinafter defined), or any two Directors. A special meeting of the Members must be called by the Board of Directors upon receipt of a written request therefor signed by Members representing not less than 30% of the total voting power of the Association.

2.8 Notice and Location of Meetings. At the direction of the President, the Secretary, or the officers or Persons calling a meeting, written notice of regular and special meetings must be given to all Members in the manner specified for notices under these Bylaws. Such notice must specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except in the case of an emergency as declared by the Board of Directors, at least 10 but not more than 50 days' notice of any meeting must be provided prior to the meeting. Meetings of the Members will be held within the Property, or at a convenient meeting place close to the Property. Notice will also be delivered to any first Mortgagee filing a written request for notice with the Association, and any such first Mortgagee will be permitted to designate a representative to attend all such meetings.

2.9 Adjournment. In the absence of a quorum at a Members' meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum must be to a date not less than 10 and not more than 30 days from the original meeting date. The quorum requirements for a reconvened meeting will be the same as for the original meeting.

2.10 Action Without Meeting. Any action that may be taken at a meeting of the Members may be taken without a meeting if a consent, in writing, setting forth the action so taken, is signed by all the Members entitled to vote thereon. Such consent will have the same force and effect as a unanimous vote.

2.11 Rules at Meetings. Except as otherwise provided in these Bylaws, the Articles or the Master Declaration, all meetings of the Members will be governed by Roberts Revised Rules of Order.

Article 3.
BOARD OF DIRECTORS

3.1 Number and Term of Directors.

(a) The Board of Directors will consist of three Directors. Each Director must be a Member or an agent of a Member. The initial Directors named in the Articles will serve until the first annual meeting of the Members.

(b) Each Director will be designated as a "Category I" or "Category II" Director. The first and third Director positions will be Category I Director positions. The second Director position will be the Category II Director position. The Category I Directors shall serve from the date of their election until the annual meeting held in the next odd-numbered calendar year, and the Category II Director shall serve from the date of his or her election until the annual meeting held in the next even-numbered calendar year. The intent of designating Directors by category is to preserve the staggering of terms on a two-year basis.

3.2 Election of Directors.

(a) Nomination. Nomination for election to the Board of Directors may be made from the floor at the annual meeting of the Members. Additionally, the Board of Directors may appoint a nominating committee, which will consist of a chairman (who must be a member of the Board of Directors) and two or more Members (the "Nominating Committee"). If the Board of Directors determines to appoint a Nominating Committee, it must be appointed at least 60 days prior to each annual meeting of the Members, to serve until the close of such annual meeting, and the Nominating Committee shall make as many nominations for election to the Board of Directors as it shall determine, in its discretion, but in no event less than the number of vacancies that are to be filled.

(b) Election of Directors; Declarant Control.

(1) Elections of Directors will be by secret written ballot, with the persons receiving the most votes being elected to serve. If Director positions are available in both categories described in Section 3.1(b), the Director or Directors receiving the most votes will be designated for the category providing the longest term. No cumulative voting rights will be available.

(2) Notwithstanding the foregoing, the Declarant will have the right to control the Board by appointing a majority of all Directors, with all remaining Directors being elected by the vote of the Members other than the Declarant. The special right of the Declarant to control the Board of Directors by appointment of Directors will cease on the occurrence of either of the following:

(A) When the Declarant no longer holds at least 15% of the total voting power in the Association; provided that the control privilege, once lost, may be reinstated upon the annexation of additional Phases, if the Declarant thereby holds at least 15% of the total voting power again; or

(B) Twenty-five years from the date of recordation of the Declaration.

3.3 Resignation. Any Director may resign at any time by giving written notice to the President or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation will not be necessary to make it effective.

3.4 Removal. At a meeting of the Members called expressly for that purpose, one or more Directors may be removed, with or without cause, by a majority vote of the Members.

3.5 Vacancies. A vacancy in the position of Director may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director who fills a vacancy shall serve for the remainder of the term of the Director he or she replaces.

3.6 Regular Meetings. Regular meetings of the Board of Directors will be conducted at least semi-annually at a time and place within the Property, or at a convenient meeting place close to the Property, as may be fixed by the Board of Directors. Notice of the time and place of regular meetings must be given to each Director, according to the method of notice approved in these Bylaws, at least 10 days prior to the day named for the meeting. One of the regular meetings will be the annual meeting, which will be held within 10 days following the annual meeting of the Members.

3.7 Special Meetings. A special meeting of the Board of Directors may be called by written notice signed by the President or by any two Directors other than the President. Notice must be provided to all Directors in the manner prescribed for notice of regular meetings, and must include a description of the nature of any special business to be considered by the Board of Directors.

3.8 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver will be deemed equivalent to the giving of such notice to that Director. Attendance by a Director at any meeting of the Board of Directors will be a waiver of notice by such Director, except where such attendance is for the limited and express purpose of objecting to the transaction of any business at the meeting because the meeting is not lawfully called or convened.

3.9 Quorum; Voting Requirements. The presence in person of a majority of the Directors at any meeting of the Board of Directors will constitute a quorum. The vote of a majority of the quorum actually present at any meeting will constitute the vote of the Board of Directors, unless expressly provided to the contrary in these Bylaws, the Master Declaration or the Articles.

3.10 Action by Consent of Directors. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if each Director consents in writing to such action.

3.11 Adjournment; Executive Session. The Board of Directors may, with the approval of a majority of a quorum of the Directors, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar or sensitive nature, as determined by the Board of Directors. The nature of any and all business to be considered in executive session must first be announced in open session.

3.12 Board of Directors Meetings Open to Members. Regular and special meetings of the Board of Directors will be open to all Members; provided, however, that Members who are not on the Board of Directors may not participate in any deliberation or discussion unless expressly authorized by the unanimous vote of the Board of Directors.

3.13 Committees. The Board of Directors may appoint committees as deemed appropriate in carrying out its powers and duties; provided, however, that the power and authority of any such committee will be limited according to the Washington Nonprofit Corporation Act.

Article 4.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors will have the powers and duties necessary for the administration of the affairs of the Association. Without limitation on the generality of the foregoing powers and duties, the Board of Directors will be vested with, and responsible for, the following powers and duties:

4.1 To select, appoint, supervise, and remove all officers, agents and employees of the Association; to prescribe such powers and duties for them as may be consistent with law, and with the Articles, the Master Declaration and these Bylaws;

4.2 To enforce the applicable provisions of the Master Declaration, the Articles, these Bylaws and other instruments relating to the ownership, management, architecture, and control of the Property; and to enact and enforce supplemental Rules and Regulations governing the Property;

4.3 To contract for hazard, liability and other insurance on behalf of the Association as required or permitted in the Master Declaration;

4.4 To keep, or cause to be kept, complete and accurate books and records of the receipts and expenditures of the Association, specifying and itemizing the maintenance and repair expenses incurred, and to prepare budgets and financial statements for the Association as required in these Bylaws in accordance with good accounting procedures;

4.5 To borrow money and incur indebtedness for purposes of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes or other evidences of debt (and security therefor), subject to the approval requirements of the Articles, these Bylaws, or the law;

4.6 To fix and collect Assessments according to the Master Declaration and these Bylaws, and, if deemed appropriate in the Board of Directors' discretion, to record a Notice of Assessment Lien and foreclose the lien against any Parcel for which an Assessment is not paid within 30 days after the due date, or bring an action at law against the Member personally obligated to pay such Assessment;

4.7 To prepare and file annual tax returns with the federal and state governments and to make such elections as may be necessary to reduce or eliminate the tax liability of the Association.

Article 5.

OFFICERS

5.1 Number and Qualifications. The officers of this Association will be a "President," "Vice-President," "Secretary" and "Treasurer," and such other officers as the Board of Directors may, from time to time, by resolution create. Such officers will hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as may be provided by resolution of the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

5.2 Election and Term of Office. The officers will be elected annually by the Board of Directors at the first meeting of the Board of Directors following the annual meeting of the Members.

Unless an officer sooner resigns, is removed, or is otherwise disqualified to serve, each officer will hold office until the next annual meeting of the Board of Directors or until such officer's successor is elected.

5.3 Resignation and Removal. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation will not be necessary to make it effective. Any officer may be removed from office by a majority vote of the Board of Directors at any time with or without cause.

5.4 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

5.5 Duties. The duties of the officers are as follows:

(a) President. The President shall (1) preside at all meetings of the Members and the Board of Directors; (2) see that orders and resolutions of the Board of Directors are carried out; (3) sign all written instruments, agreements, and orders of the Board of Directors; (4) sign all checks in the absence of the Treasurer; and (5) perform such other duties as required by the Board of Directors.

(b) Vice-President. The Vice-President shall (1) act in the place and stead of the President in the event of the President's absence, inability or refusal to act; and (2) perform such other duties as required by the Board of Directors.

(c) Secretary. The Secretary shall (1) record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; (2) serve notice of meetings of the Board of Directors and of the Members; (3) keep appropriate current records showing the Members and their addresses and other contact information; and (4) perform such other duties as required by the Board of Directors.

(d) Treasurer. The Treasurer shall (1) receive and deposit, in appropriate bank accounts, all monies of the Association; (2) disburse such funds as directed by resolution of the Board of Directors pursuant to approval of vouchers, when appropriate; (3) sign all checks of the Association; (4) keep proper books of account and prepare or have prepared financial statements and tax returns as required in these Bylaws; and (5) perform such other duties as required by the Board of Directors.

Article 6.

DISCIPLINE OF MEMBERS; SUSPENSION OF RIGHTS

6.1 The Association has no power to cause a forfeiture or abridgement of a Member's right to the full use and enjoyment of its individually owned Parcel on account of a failure by the Member to comply with provisions of the Master Declaration, the Articles, these Bylaws, or of duly enacted Rules and Regulations relating to the Property, except where the loss or forfeiture is the result of the judgment of a court or a decision arising out of arbitration, or on account of a foreclosure or sale under a power of sale for failure of the Member to pay Assessments levied by the Association.

6.2 Notwithstanding the foregoing, the Board of Directors has the power to impose monetary penalties, temporary suspension of a Member's rights as a Member of the Association, or other appropriate discipline for failure to comply with the Master Declaration, the Articles, these Bylaws or

duly enacted rules and regulations; provided that the accused must be given notice and the opportunity to be heard by the Board of Directors with respect to the alleged violations before a decision to impose discipline is reached. In a case in which monetary penalties are to be imposed, such amounts will include actual attorneys' fees and all costs in connection with the collection of such penalties.

Article 7.

BUDGETS, FINANCIAL STATEMENTS, BOOKS AND RECORDS

7.1 Budgets and Financial Statements. Financial statements and pro forma operating budgets for the Association must be regularly prepared (at least annually) and copies must be distributed to each Member, and to the holder, insurer, or guarantor of any first Mortgage on any Parcel that makes a written request therefor. Pro forma operating budgets must be distributed prior to or at the annual meeting of the Members. A balance sheet as of the last day of the Association's fiscal year and operating statements reflecting the income and expenditures for the prior fiscal year must be prepared and delivered to each Member within 120 days after the close of each fiscal year. In the discretion of the Board of Directors, annual financial statements may be independently audited, in which case the audits must be made available to all parties entitled to the financial statements.

7.2 Fiscal Year. The fiscal year of the Association will be as designated by resolution of the Board of Directors. In the absence of such a resolution, the fiscal year will be the calendar year.

7.3 Inspection of Association's Books and Records. The membership register, books of account, vouchers authorizing payments, minutes of meetings of the Members and of the Board of Directors, and copies of the current Master Declaration, the Articles, these Bylaws, and the Rules and Regulations for the Property will be made available for inspection and copying by any Member, or any holder, insurer, or guarantor of a first Mortgage on any Parcel, or its duly appointed representative, at any reasonable time and for a purpose reasonably related to its interest (and at the cost of the requesting party), at the office of the Association or at such other place within or near the Property as the Board of Directors prescribes.

7.4 Statement of Account. Upon 10 days' notice to the Board of Directors and payment of a reasonable fee, any Member will be furnished a statement of its account setting forth the amount of any unpaid Assessments or other charges due and owing from such Member.

Article 8.

AMENDMENT OF BYLAWS

These Bylaws may be amended at any time and in any manner by resolution approved by a majority of the full Board of Directors; provided that any such amendment must be consistent with the Articles, the Master Declaration, and the law.

Article 9.

MISCELLANEOUS PROVISIONS

9.1 Regulations. All Members, tenants, and their employees, and any other person that might use the facilities of the Property in any manner, are subject to the rules and regulations set forth in these Bylaws and in the Project Documents and to all reasonable Rules and Regulations enacted pursuant to the Master Declaration. Acquisition, rental, or occupancy of any Parcel will constitute acceptance and ratification of the provisions of all such rules and regulations.

9.2 Compensation of Officers and Directors. No Director or officer, and no other Member acting in any official capacity for the Association or the Property, may receive any loan from the Association, or any compensation for services rendered for or on behalf of the Association, except reimbursement for actual sums spent on behalf of the Association, to the extent authorized by the Board of Directors.

9.3 Indemnity of Officers and Directors. To the maximum extent permitted by the Washington Nonprofit Corporation Act and the Articles, each Director and officer will be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her by judgment or settlement in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having been a Director or officer of the Association, except in cases of fraud, gross negligence or bad faith of the Director or officer in the performance of his or her duties.

9.4 Notices. Any notice, demand, or communication required or permitted to be given by any provision of these Bylaws will be deemed to have been sufficiently given or served for all purposes if (a) delivered personally to the Person or to an executive officer of the Person to whom the same is directed; (b) sent by registered or certified mail, postage and charges prepaid, addressed to the last known address of such Person; (c) delivered by facsimile or electronic transmission if verified by written or electronic record of transmission; or (d) delivered by reputable overnight courier. If notice is sent pursuant to clause (b) above, such notice will be deemed effective on the third Business Day after the date on which the same was deposited in the mail. If notice is sent by any other means herein specified, the notice is effective when dispatched.

ADOPTION OF BYLAWS

The undersigned Secretary of Trutina Homeowners Association hereby certifies that the above and foregoing Bylaws of the Association were adopted by the Directors as the Bylaws of Trutina Homeowners Association and that the same do now constitute the Bylaws of the Association.

EXECUTED by the undersigned on August 8, 2016.

Attest: 
Kevin Schneidmiller, Secretary