

AMENDED AND RESTATED
BY—LAWS
OF
CANTERWOOD HOMEOWNERS ASSOCIATION
Adopted at the December 3, 2013 Annual Meeting

ARTICLE I

Applicability" Definitions" Location

Section 1. Applicability. These By-Laws are adopted for the administration of the Association and property described in the Canterwood Amended and Restated Declaration of Covenants, Conditions and Restrictions (the "Declaration") recorded on March 18, 1988, under Pierce County Auditor's Fee No. 8803180143 and as thereafter amended, together with such other property as may, from time to time, be made subject to said Declaration.

Section 2. Definitions. The terms used in these By-Laws shall have the same meaning as in the Declaration, unless otherwise indicated.

Section 3. Location. The office of the Association shall be located at 4026 Canterwood Dr. N.W., #A, Gig Harbor, WA 98332 or such other address as approved by a majority of the Board.

ARTICLE II

Meeting of Members

Section 1. Annual Meetings. The annual meeting of the members shall be held in December of each year. Written notice of the annual meeting shall be given by mailing a copy of such notice, postage prepaid, not less than fifteen (15) nor more than fifty (50) days before the date of the meeting, to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. The notice shall state the place, day, and hour of the annual meeting.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 3. Notice of Special Meetings. Written notice of each special meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the special meeting and the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members or proxies entitled to cast one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as set forth above shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE III

Board of Directors; Selection; Term of Office

Section 1. Number. The affairs of the Association shall be managed by a Board of between three (3) and seven (7) directors, who shall be members of the Association. Provided, however, that until the authority of the Declarant to appoint directors has expired as provided in Section 3 below, the Board shall consist of six (6) directors.

Section 2. Term of Office. Each director shall serve a term of three (3) years. The term for each director shall be staggered. Directors shall be elected by the members at the annual meeting.

Section 3. Special Appointment of Directors by Declarant. Notwithstanding any provision in these By-Laws to the contrary, Declarant shall have the authority to appoint two (2) directors to the Board. Declarant may appoint one person who will act as two directors. Declarant's authority under this Section shall expire on the date upon which the last lot owned by Declarant is sold. Any director appointed by Declarant under this Section shall take the office and shall hold said office until replaced by the Declarant or until the Declarant's authority hereunder expires. The appointed directors shall not be subject to the removal provisions of Section 4 of this Article.

Section 4. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of the death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed. For his actual expenses incurred in the performance of his duties.

Section 6. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 7. 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 unless the vacancy occurs within ninety (90) days of the next annual meeting, in which case the vacancy shall be filled by election by the membership at the annual meeting. A Director who fills a vacancy shall serve for the unexpired term of his or her predecessor in office.

ARTICLE IV

Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations also may 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 (2) 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. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V

Meeting of Directors

Section 1. Regular Meetings. The Board of Directors shall hold regular meetings as often as the Board deems necessary to fulfill its duties and obligations. Such regular meetings shall be held at such place and hour as may be fixed from time to time by resolution of the Board. The Board shall hold an annual meeting at 8:00 o'clock p.m. on the day following the annual meeting of members. All members shall receive notice of the annual Directors' meeting in the manner set forth in Article II above.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VI

Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Properties and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.

(b) Suspend the voting rights and right to use of the common area recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of incorporation, or the Declaration.

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without excuse from three (3) consecutive regular meetings of the Board of Directors.

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties.

Section 2. Duties. it shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of membership.

(b) Supervise all officers, agents and employees of this Association, and see that their duties are performed properly.

(c) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each lot at least fifteen (15) days in advance of each calendar year.

(2) Send written notice of each assessment to every owner subject thereto at least ten (10) days in advance of each calendar year.

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association.

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

(g) Cause the common area to be maintained.

ARTICLE VII

Officers and Their Duties

Section 1. Enumeration of Offices. The officers of the Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the annual meeting of the Board of Directors.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall 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 shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board, except that the Vice-President shall automatically fill a vacancy in the office of the President for the remainder of the Presidents term. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors, shall see that all orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds, and other written instruments, and shall co-sign all checks and promissory notes.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of all the members, keep the corporate seal of the Association and affix it on all papers requiring said seal, serve notice of meetings of the Board and of the members, keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall sign all checks and promissory notes of the Association, keep proper books of account, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members. The treasurer shall include in the annual report a list of those owners who are delinquent in the payment of assessments.

ARTICLE VIII

Committees

The Declarant and the Board shall, as set forth in the Declaration, appoint an Architectural Control Committee, and the Board shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose. Any committee exercising the authority of the Board shall include at least two (2) Board members. The Architectural Control Committee does not exercise the authority of the Board but rather it derives its authority from the membership.

ARTICLE IX

Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X

Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of Twelve Percent (12%) per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or other/wise escape liability for the assessments provided for herein by nonuse of the common area or abandonment of his lot.

ARTICLE XI

Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: CANTERWOOD HOMEOWNERS ASSOCIATION.

ARTICLE XII

Amendments

Section 1. These By-Laws may be amended at a regular or special meeting of the members by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIII

Miscellaneous

The fiscal year of the Association shall coincide with the calendar year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the Directors of CANTERWOOD HOMEOWNERS ASSOCIATION, hereby certify that a majority of a quorum of the members has approved these By-Laws as amended and restated at a meeting as provided in Article XII.

