

PANORAMIC HEIGHTS HOMEOWNERS ASSOCIATION, hereinafter referred to as PHHA, includes the corporation of PANORAMIC HEIGHTS RECREATION ASSOCIATION. Each is governed by the Articles of Incorporation, and their own separate Bylaws with separate funding and accounting.

BYLAWS  
OF  
PANORAMIC HEIGHTS HOMEOWNERS ASSOCIATION

ARTICLE I: MEMBERSHIP

A. QUALIFICATIONS

Resident Member: Membership in the PHHA shall be mandatory and shall consist of every homeowner and/or lot owner on title within Panoramic Heights No. 1, No. II, and No. III, situated in City of Kennewick, Benton County, Washington.

Associate Members: Membership in PHHA is voluntary for any lot owner outside of Panoramic Heights No. 1, No. II, and No. III, but whose access to property is via Panoramic Heights.

B. TERMINATION OF MEMBERSHIP

Membership for resident members shall be terminated only upon sale of property and transfer of title. New owner(s) on title shall automatically become members.

C. MEMBERSHIP LIABILITY

Membership shall be subject to attachment and garnishment, but shall not be an asset of the debtor in the event of bankruptcy or assignment of creditors. Upon any of the foregoing conditions, membership shall automatically revert to PHHA; further, the former members, his/her heirs, trustees, executor, administrator, or assignee, shall have no right, title or interest therein.

D. MEMBERS VOTING RIGHTS

Although each person on title holds membership in PHHA, there shall be one (1) vote per residence, or lot, if a residence has not been constructed. Voting may be in person or by absentee ballot. Such ballots must be in writing and filed with the Secretary at any meeting where they are voted. The Secretary shall retain absentee ballots for one month after the vote tally.

#### E. MEMBERSHIP MEETINGS

Meetings of the membership shall be conducted in accordance with Roberts Rules of Order unless otherwise specified in these Bylaws. Fifteen (15%) of the membership, attending in person or by proxy, shall be necessary to constitute a quorum. Notice of meetings of the membership shall be given in writing at least ten days before such meeting, addressed to each member at his address in the records of the Secretary, with such notice giving the time, date, place and purpose of the meeting.

#### F. ANNUAL MEETING

There shall be an annual meeting of the membership, normally on the second Tuesday of March of each year, at a time and place as specified in the notice of such meeting given to the membership.

#### G. SPECIAL MEETINGS OF MEMBERSHIP

Special meetings of the membership may be called at the direction of the President, a majority of the Board Directors, or on written petition of ten percent (10%) of the membership.

### ARTICLE II: MANAGEMENT

#### A. OPERATING YEAR

The operation of PHHA shall be from April 1 through March 31 of each year.

#### B. BOARD OF DIRECTORS

A Board of Directors, normally consisting of five (5) members, shall be the governing body of this Corporation; the number of Directors of PHHA shall be never less than three (3) nor more than ten (10), with a maximum of three (3) members each from PH I, II and III. One member must be a representative of Panoramic Heights Recreation Association and one member must be the Water Master, which are both excluded from the three member maximum.

#### C. DUTIES

The Board of Directors shall be responsible for establishing operating rules and regulations for PHHA, the operation of the delivery of the KID water for irrigation to the PHHA residential lots in Panoramic Heights No. I and No. II, and maintenance and improvements of the common grounds.

#### D. TERM OF OFFICE

The term of office for the first Board of Directors shall be as follows: half for one-and-one-half years and half for two years.

The one-and-a-half year terms of office of the first Board shall end March 31, 1997. Directors on the first Board shall determine their terms of

office by drawing lots. All Directors elected after the first Board has been elected shall have two (2) year terms.

#### E. TIME, PLACE, AND MANNER OF ELECTION

Members of the Board of Directors shall be elected at the regular annual meeting of the membership. The President shall appoint a nominating committee who shall identify two (2) prospective Directors for each vacancy for the general membership to vote on at their annual meeting; nominations from the floor of the annual meeting shall also be recognized. No member may be nominated for election to the Board unless he/she is present at the meeting or his/her written consent has been obtained prior to said meeting.

#### F. MEETINGS

A regular annual meeting of the Board of Directors shall be held within one month following the annual meeting of the membership. At this meeting the President and other officers of the Board of Directors are to be elected by the Board of Directors. Special meetings of the Board of Directors may be called at any time by the President or any three members of the Board, whereupon the Secretary shall give notice as specified by the Board to each Board member.

#### G. CONDUCT OF BOARD MEETINGS

Meetings of the Board of Directors shall be conducted in accordance with Roberts Rules of Order, unless otherwise specified in the Bylaws or by the Board. Each Board member shall have one (1) vote. Three-fifths (3/5) of the Directors shall constitute a quorum.

#### H. REMOVAL FROM OFFICE

Any member of the Board of Directors may be removed by three-fifths vote of the Board of Directors, or a Director may be removed by a vote of twenty-five percent (25%) of the membership, such vote being held at a special meeting of PHHA.

#### I. COMPENSATION

The Directors shall receive no compensation for services for and on behalf of this Corporation unless the full Board of Directors designates a fee given to a Board member for services rendered relating to designated projects. The exception is that the Water Master shall not be assessed the annual PHHA assessment.

#### J. VACANCIES ON THE BOARD OF DIRECTORS

Vacancies occurring on the Board of Directors shall be filled by appointment from the general membership by those remaining on the Board of Directors and with the consent of the appointee. Such appointee shall serve until the next annual meeting.

## K. OPERATING ASSESSMENT AND DAMAGES

The Board of Directors shall have power to fix the amount of operating assessment and indemnifications to be paid by members, and determine when the same should become due and payable.

## ARTICLE III: DUTIES OF OFFICERS

### A. PRESIDENT

The President of the Board of Directors shall supervise the activities of PHHA, execute all instruments in its behalf, preside at meetings of the Board of Directors and of the membership of PHHA, and perform such other duties usually inherent in such office.

### B. VICE-PRESIDENT

The Vice-President of the Board of Directors shall act for the President in his/her absence, and perform such other duties as the President or Board of Directors may direct.

### C. SECRETARY

It shall be the duty of the Secretary of the Board of Directors to keep all membership records of the Board of Directors and of the Corporation to give notice of meetings, and to perform such other duties as the President or the Board of Directors may direct.

### D. TREASURER

The Treasurer shall receive, disburse and be accountable for all funds belonging to the Corporation in accounts designated by the Board of Directors, and render an annual financial report at the annual meeting. Additionally, the Treasurer shall distribute to the membership the annual budget as approved by the Board not later than April 30th of each year. All checks from bank accounts and withdrawals from the savings accounts shall require the signatures of the Treasurer, with Secretary as an alternate, and one other Board Officer.

### E. BUDGETS AND FUNDS

**Annual Budget.** The annual budget shall be prepared by the Board of Directors and approved by the General Membership at the annual meeting.

**Assessment.** The Covenants of PH 1, II and III shall be the basis of assessment of funds.

**General Funds.** This fund is to be initiated and maintained by the deposit of all assessments and any other source of corporate income. This fund shall

be utilized for the payment' of general operating expenses. Any unbudgeted expense shall be approved by three-fifths of the Board of Directors up to \$500.00 except in the event of an emergency.

Emergency fund. A minimum of five hundred dollars (\$500.00) to a maximum of fifteen hundred (\$1,500) shall be retained in a separate savings account and draw interest, which shall become a part of said fund. Said annual accumulation is to be considered as a part of the year's operating costs and not a special assessment. Initial transfer of said funds to the emergency fund shall occur as soon as monies are available after obligations for the annual budget are met. Funds expended for any emergency expense shall require three-fifths (3/5) approval by the Board of Directors. After the fund has reached the stated maximum amount, money used from the fund shall be replaced as soon as possible, commencing with the year following expenditure.

#### F. RECORDS

The records of PHHA shall consist of the Articles of Incorporation, these Bylaws, complete minutes on all meetings of the members and Board of Directors, a roll of the members, statements completely reflecting the financial affairs of the PHHA, and such other records as may be designated from time to time by the Board of Directors.

All of said records shall be opened to the inspection of any member of the PHHA. Said request for inspection shall be in writing and the Board of Directors shall make said records available within two weeks of request.

### ARTICLE IV: COMMITTEES

The Board of Directors shall establish standing committees as may be deemed necessary or as directed by vote of the membership. The term of such committees shall be at the pleasure of the Board. The Board may delegate to the committee such authority as may be required for the performance of their assigned function(s). At the minimum there shall be three (3) standing committee with the following duties:

A. IRRIGATION SYSTEM OPERATIONS COMMITTEE: Members of the Board of Directors shall arrange for the maintenance and operation of the irrigation system by appointing a Water Master who shall select his own committee. The Water Master shall make recommendations to the Board.

B. GROUNDS OPERATIONS COMMITTEE: Members of the Board of Directors shall appoint a Grounds Master to be responsible for the maintenance and operations of the park and common grounds which are presently, or in the future, developed. The Grounds Master shall submit an annual operating budget recommendations to the Board of Directors by February 15th of each year.

C. AUDIT COMMITTEE: A three-person Audit Committee appointed by the President shall conduct an annual audit of the financial transactions and records prior to the annual meeting. In addition, an independent party audit shall be conducted at the discretion of the Board. The Audit Committee shall report their findings to the Board of Directors.

ARTICLE V: AMENDMENTS

These Bylaws may be amended by vote of the eligible membership at either a regular or special meeting with notice given as specified in Article 1, Section E, where a quorum is present by majority vote.

This is to certify that the above and foregoing Bylaws of Panoramic Heights Homeowners Association were duly adopted at a special meeting of the membership held on the 1<sup>st</sup> day of August, 1995.

DATED: This 8<sup>th</sup> day of NOVEMBER, 1995

President, Lawrence E. Miller

Secretary, William R. Anderson