

**BYLAWS OF
WILDERNESS RIM ASSOCIATION**
a Washington Nonprofit Corporation

The following are the Bylaws of the Wilderness Rim Association, a Washington nonprofit corporation. These Bylaws provide for the operation of Wilderness Rim pursuant to the Washington Homeowners' Association Act (RCW 64.38) (the "Act") and the Washington Non-Profit Act (RCW 24.03) and other laws of the State of Washington and apply to the entire development, and each Lot therein.

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS.....	1
ARTICLE 2 REGISTERED OFFICE AND REGISTERED AGENT	2
ARTICLE 3 MEMBERSHIP AND REGISTRATION	2
ARTICLE 4 VOTING	3
ARTICLE 5 ASSOCIATION MEETINGS	4
ARTICLE 6 BOARD OF TRUSTEES AND COMMITTEES	5
ARTICLE 7 OFFICERS	12
ARTICLE 8 BUDGET AND ASSESSMENTS	14
ARTICLE 9 NOTICE	15
ARTICLE 10 AMENDMENT OF BYLAWS	15
ARTICLE 11 CONFLICT WITH DECLARATION OR LAW	16
ARTICLE 12 NON-PROFIT ASSOCIATION	16
ARTICLE 13 INDEMNIFICATION	17
ARTICLE 14 FISCAL YEAR	19

ARTICLE 1
DEFINITIONS

The following definitions apply to the terms used in these Bylaws, unless the context clearly provides otherwise.

1.1 "Assessment" means all sums chargeable to an Owner by the Association in accordance with RCW 64.38.020, any other applicable statute, or the Governing Documents.

1.2 "Association" means the Wilderness Rim Association, a Washington nonprofit corporation, ("WRA") each member of which is an Owner of a Lot located within the Association's jurisdiction, as described in the Governing Documents, and by virtue of that ownership is obligated to pay real property taxes, insurance premiums, maintenance costs, or for improvement of real property other than that which is owned by the Owner.

1.3 "Board of Trustees" or "Board" means the Board of the Association which has the primary authority to manage the affairs of the Association.

1.4 "Declaration" means the instruments, including the Declaration of Covenants Running with the Land and Declaration of Restrictions, recorded on August 20th, 1969 in King County under recording numbers 6560309, 6560310, and 6560311, and any amendments to those documents.

1.5 "Electronic Transmission" means any manner of electronic communication provided for in RCW 24.03 and its subsequent revisions, or any successor statute.

1.6 "Governing Documents" means the Articles of Incorporation, Bylaws, Plat, Declaration, Rules and Regulations of the Association, or other written instrument by which the Association has the authority to exercise any of the powers provided for in the Washington Homeowners' Association Act (RCW 64.38, et seq.) or to manage, maintain, or otherwise affect the property under its jurisdiction.

1.7 "Lot" means a physical portion of the real property located within the Association's jurisdiction designated for separate ownership.

1.8 "Owner" means the owner of a Lot but does not include a person who has an interest in a Lot solely as security for an obligation. "Owner" also means the vendee, not the vendor, of a lot under a real estate contract.

ARTICLE 2

REGISTERED OFFICE AND REGISTERED AGENT

The registered office of the Association shall be located in the State of Washington at such place as may be fixed from time to time by the Board of Trustees upon filing such notices as may be required by law. Any change in the registered agent or registered office shall be effective on the date specified, or if none, upon filing such change with the office of the Secretary of State.

ARTICLE 3

MEMBERSHIP AND REGISTRATION

3.1 Membership. Corporations, partnerships, associations, and other legal entities, trustees under an express trust, and other fiduciaries, as well as natural persons may be members the Association. All Owners of Lots shall have one membership regardless of the number of Lots owned and the interest of each member shall be equal to that of any other member. No member may acquire any interest that shall entitle the member to any greater voice, vote, or authority in the Association than any other member. If any Lot is owned by two or more persons or entities, the several Owners of such interest shall be entitled collectively to cast one vote. Persons who claim to be members of the Association shall, upon request, furnish the Board with certified copies of documents evidencing ownership of a Lot or any interest therein and any mortgages thereon. No membership shall be suspended, nor member be expelled, except upon foreclosure for nonpayment of Assessments.

3.2 Transfer of Membership. Membership shall be inseparably tied to Lots owned by the members, and upon transfer of ownership or contract of sale of any such Lots, membership shall be transferred to the new Owner or contract purchaser. No membership may be transferred, assigned, or in any manner conveyed, other than in the manner herein set forth. No transfer of membership shall entitle the transferee to vote until it has been established to the satisfaction of the Association secretary that such transfer is bona fide and has been made in the manner provided.

3.3 Persons Under Disability. Minors or 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.

3.4 Register of Members. The Board shall cause a register to be kept containing the names and addresses of all members of the Association and other information the Board deems necessary. Persons who acquire ownership interest in a Lot shall promptly inform the Board in accordance with Section 3.5 below.

3.5 Registration of Mailing Address. Each Owner shall notify the Association of a mailing address, electronic address, location, system, or number to be used by the Association for purpose of notice ("Registered Address"). Multiple Owners of a Lot shall designate a single Registered Address to be used by the Association. The Registered Address shall be used for sending statements, notices, demands and all other communications. Use of the Registered Address by the Association shall be sufficient to constitute notice to any person, firm, corporation, partnership, association, or other legal entity or any combination thereof, that owns the Lot or an interest in the Lot. The Registered Address shall be provided by the Owner to the Association within five (5) days after receipt of title or interest in the Lot. The registration shall be in written form and signed by all Owners of the Lot, or by the person(s) authorized by law to represent the interests of all the Owners. If no Registered Address is provided, or if all the Owners cannot agree, the address of the Lot shall be the Registered Address until the Registered Address is furnished as required under this paragraph. The Registered Address may be changed in the manner prescribed by this paragraph.

ARTICLE 4 **VOTING**

4.1 Voting at Meetings; Proxies. Votes may be cast at a meeting of the Association in person or by proxy. Proxies shall be in writing and the signatures must be witnessed or acknowledged. Proxies must be filed with the Association before the appointed time of each meeting. Proxies and ballots not presented in person at any meeting of the membership must be received by the Board or management company no later than 5:00 p.m. local time the day prior to the scheduled meeting. A Lot Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association. 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.

4.2 Pledged Votes. An Owner may, but shall not be obligated to, pledge his vote on all issues or on specific issues to a mortgagee. If the Owner has pledged his or her vote to a mortgagee and if a copy of the instrument creating this pledge has been filed with the Board, only the vote of the mortgagee will be recognized for the matters upon which the vote is pledged.

4.3 Voting by Mail or Electronic Transmission. With regard to any matter for which Lot Owner approval is required, the Board may decide that voting of the Lot Owners shall be conducted by mail, email, or other Electronic Transmission as may be provided for by RCW 24.03 or other applicable statute. Procedures for such voting may be adopted by the Board provided they are consistent with the Washington Homeowners' Association Act (RCW 64.38) and meet the intent of the Declaration and Bylaws to provide the members with adequate notice and opportunity to vote. Notice and quorum requirements for such voting shall be the same as for a meeting of the Association.

4.4 Approval Requirement. Unless a different percentage is required by RCW 64.38 or other applicable statute, the Declaration, or these Bylaws, an affirmative vote of Owners holding a majority of the voting power present in person or by proxy at a meeting or otherwise participating in the vote shall be required to transact business.

ARTICLE 5 **ASSOCIATION MEETINGS**

5.1 Meeting Place. All Association meetings shall be held at Cascade Park or at any reasonable place selected by the Board.

5.2 Annual Meetings. The annual meetings shall be held at a time and place designated by the Board. The annual meeting purpose shall be the Owners' election of the Board, receiving reports from the Board as to the status of the Association's business affairs, and voting on matters required by the Declaration and these Bylaws. The Owners may also transact such other business of the Association as may properly come before them.

5.3 Agenda. The annual meeting agenda shall consist of, but not limited to:

- Presentation of a full statement of business affairs;
- Presentation of the new fiscal year budget;
- Nominations and election of Board trustees; and
- Nominations and election of the Architectural Review Committee.

5.4 Special Meetings. A special meeting of the Association may be called by the president, by a majority of the Board of Trustees, or upon the written request of Owners having not less than ten percent (10%) of the voting power in the Association.

5.5 Notice of Meetings. Notice of Association meetings shall not be sent no less than fourteen (14) days and no more than fifty (50) days prior to the date of the meeting.

Notice of any meeting shall state the date, time, and place of the meeting and the items on the agenda to be voted on by Owners, including the text of any proposed amendment to the Declaration or Bylaws, changes in the previously approved budget that result in a change in Assessment obligations, and any proposal to remove a trustee. No business shall be conducted at a special meeting unless it is included in the meeting notice.

5.6 Waiver of Notice. Before, during or after any meeting, any member may, in writing, waive notice of such meeting. Such waiver shall be deemed equivalent to the giving of notice. Attendance by a member at any meeting shall be a waiver of notice unless that member specifically challenges the adequacy of notice at that meeting.

5.7 Quorum. Except as otherwise provided in these Bylaws, at all Association meetings, the presence at a meeting in person or by proxy of Owners holding ten percent (10%) of the total voting power in the Association shall constitute a quorum.

5.8 Order of Business. The Board shall determine the order of business at all meetings.

5.9 Rules of Order. The Board of Trustees, at its discretion, may adopt rules of order or protocols for meetings of the Board and Association. If no rules of order or protocols are adopted by the Board, in the event of a dispute, all matters shall be governed by the most recent edition of Robert's Rules of Order or other published code of parliamentary procedure as shall be approved by Owners holding a majority of the voting power present at the meeting.

5.10 Meeting Minutes. Upon request from an Owner of record, the Association must make available for examination and copying minutes from the previous Association meeting not more than sixty (60) days after the meeting. Minutes of the previous Association meeting must be approved at the next Association meeting in accordance with the Governing Documents.

ARTICLE 6

BOARD OF TRUSTEES AND COMMITTEES

6.1 Number and Qualifications. The affairs of the Association shall be governed by a Board of Trustees which shall be composed of seven (7) Board trustees, elected by ballot. The number of trustees to be elected each year shall be determined by the Owners during the election process, but no decrease in the number of trustees shall have the effect of shortening the term of any incumbent member.

Any candidate for election or appointment to and each standing member of the Board of Trustees must: be a Lot Owner; qualify for fidelity coverage under the Association's insurance policy; disclose to the Association, prior to their Board service, any felony convictions; and must not have been removed from the Board in accordance with Section 6.6 within the five (5) years preceding their election or appointment.

If during their Board service, any trustee fails to meet any of these qualifications, they shall automatically be removed from the Board and their position shall be declared vacant without action other than to note that fact in the minutes of the next Board meeting.

6.2 Election and Term of Office. The term of office for the Board trustees shall be two (2) years, and elections shall be held in such a manner as to preserve staggered terms. For example, two (2) trustees being elected at each annual meeting held in an even numbered year and three (3) trustees being elected at each annual meeting held in an odd numbered year. The Board trustees shall take office upon election and shall hold office until their successors have been elected.

6.3 Powers and Duties. The Board of Trustees, its members, or other duly authorized agents or representatives, shall have the powers and duties provided for the administering authority of the Declaration, RCW 64.38.020 and any subsequently applicable statute, together with all other powers necessary for the administration of the affairs of the Association. The Board shall have the authority to exercise for the Association all powers, duties and authority vested in or delegated to the Association, and which are not specifically reserved to the Owners.

6.4 Check Signing Authority. Board trustees may have check signing authority for no more than two (2) years in any four (4) year period and for no more than two (2) consecutive years. Board trustees no longer authorized to sign checks shall have their names removed at the direction of the current officers from any check signing authorization at any applicable bank.

6.5 Vacancies. Vacancies in the Board caused by any reason other than the removal of a Board trustee by a vote of the Association shall be filled by vote of a majority of the remaining Board trustees, even though they may constitute less than a quorum. Each person so appointed shall serve for the unexpired portion of that term.

6.6 Removal of Board Trustees. Any Board trustee may be removed, with or without cause, by Owners holding a majority of the voting power present and entitled to vote at any meeting of the Owners called for that purpose, provided that a quorum is present. At the same meeting, a successor shall be elected to fill the vacancy created. Any Board trustee whose removal has been proposed shall be given an opportunity to be heard at that meeting.

6.7 Organizational Meeting. The first meeting of a newly elected Board shall be held as soon as is reasonably practicable on a date determined by the newly elected Board.

6.8 Regular Meetings. 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 Board trustees, but at least four (4) such meetings shall be held during each fiscal year, one of which shall be the organizational meeting described above. Notice of regular meetings of the Board shall be given to each Board trustee at least three (3) days prior to the date of such meeting.

6.9 Special Meetings. Special meetings of the Board may be called by the President on three (3) days' notice to each Board trustee, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Board trustees.

6.10 Waiver of Notice. Before, during or after any meeting of the Board, any Board trustee may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board trustee at any meeting of the Board shall be a waiver of notice by s/he of the time and place thereof. If all the Board trustees are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

6.11 Quorum. At all meetings of the Board, a majority of the Board trustees shall constitute a quorum for the transaction of business, and the acts of the majority of the Board trustees present at a meeting at which a quorum is present shall be the acts of the Board. A quorum is deemed present throughout the meeting if a quorum is present at the beginning of the meeting.

6.12 Dissent. A Board trustee who is present at a meeting of the Board at which action on a matter is taken shall be presumed to have assented to that action unless his or her dissent is entered into the minutes of the meeting, or unless he or she files a written dissent to that action with the Secretary before the minutes of the meeting are approved.

6.13 Committees. The Board may appoint one or more committees that consist of one or more trustees. Such committees, if composed entirely of Board trustees, shall have and exercise, to the extent provided in the resolution establishing the committee, the authority of the Board in the management of the Association, with the exception of the Architectural Review Committee, also known as the Architectural Control Committee. The appointment of any such committee shall not relieve the Board of its ultimate responsibility for the administration and management of the property.

Other committees, not having or exercising the authority of the Board in the management of the Association, may be appointed by the president or the trustees, and such committees may be composed of one or more members of the Association. Duties and responsibilities of committees shall include, but are not limited to, those listed herein.

6.13.1 The president of the Board shall appoint or reappoint committee chairpersons at the first regular Board meeting following the annual meeting or elections or when deemed necessary.

6.13.2 Committee chairpersons and committee members shall be WRA members in good standing, who express an interest in participating on said committee(s). All committees shall have at least two active members.

6.13.3 Chairpersons shall serve until the first regular Board meeting following the annual meeting elections.

6.13.4 The president of the Board shall be an ex officio member of all committees with the right to vote but not the obligation to attend all meetings.

6.13.5 All committees shall provide to the Board a listing of all regular meetings scheduled for the remainder of the fiscal year. Special meetings shall be announced as early as possible and with a 48-hour minimum notice. The times and locations of all meetings shall be:

- announced at the previous Board meeting;
- personally communicated to committee members and interested WRA members;
- posted to the WRA website;
- sent by electronic transmission; and/or
- posted on WRA bulletin boards.

Whenever a committee meeting must be cancelled, such cancellation shall be posted and announced.

6.13.6 All committees shall be directly accountable to the WRA Board of Trustees. All committee activities are subject to Board approval and shall be reported at regular Board meetings. A copy of all committee correspondence shall be maintained by the Board.

6.13.7 In the event a committee is unable to fulfill its functions, the responsibilities of that committee shall revert to the Board of Trustees.

6.13.8 All committees shall provide a current roster of members with lot numbers and contact information to the Board upon request.

6.13.9 All requests for proposals issued for the benefit of WRA, and amendments and/or addenda thereto, shall be approved in advance by the Board of Trustees. All requests for proposals, and amendments and/or addenda thereto, and responses from bidders, vendors and contractors, shall be immediately filed with the Board. All original documents shall be maintained by the Board with copies distributed to committee chairpersons.

6.14 Standing Committees. Committees to conduct the recurring business of WRA shall remain in existence, even though the chair and membership of each committee may change.

6.14.1 Architectural Review Committee. The Architectural Review Committee, also known as the Architectural Control Committee, shall be composed of at least three but not more than six other members elected annually by the membership at the annual meeting or elections to serve for one year. Only one person from a membership may be on the Architectural Review Committee at any one time. The Architectural Review Committee shall be responsible for:

- assuring the compliance of WRA members and Wilderness Rim residents with the Wilderness Rim Restrictive or Protective Covenants as applied to members' Lots;

- maintaining records of construction and improvement plans;
- drafting or amending Architectural Guidelines, which must then be approved by the membership; and
- educating the membership about the Architectural Guidelines.

6.14.2 Budget and Finance Committee. The Budget and Finance Committee shall be chaired by the treasurer of the Board of Trustees. With the assistance of the management company and/or Certified Public Accountant shall be responsible for:

- preparing and submitting the budget for the new fiscal year to the Board of Trustees for presentation to the membership at the annual meeting;
- analyzing and modifying budget requirements;
- ensuring timely payment and filing of all WRA financial obligations and tax returns; and
- advising the Board of Trustees regarding financial matters.

6.14.3 Communications Committee. The Communications Committee shall be responsible for:

- coordinating with other WRA committees and reporting on their current activities;
- notifying the membership of scheduled WRA events;
- updating, revising and posting to the WRA website;
- preparing and submitting Communications Committee budget requirements to the Budget and Finance Committee; and
- monitoring Communications Committee expenditures authorized by the Board of Trustees.

6.14.4 Park Committee. The Park Committee shall be responsible for:

- recommending maintenance and improvements for Cascade Park, Brewster Lake, WRA Chalet, WRA Greenbelt, WRA property and traffic triangle at the Wilderness Rim entrance, and other properties owned by WRA within the plat of Wilderness Rim;
- coordinating with WRA maintenance personnel;
- preparing and submitting Park Committee budget requirements to the Budget and Finance Committee; and
- monitoring Park Committee expenditures authorized by the Board of Trustees.

6.14.5 Water Utilities Committee. The Water Utilities Committee shall be responsible for:

- coordinating the operations, maintenance and capital improvements of the

WRA Water System,

- recommending water rate adjustments to the Budget and Finance Committee;
- maintaining and updating the WRA Small Water System Management Plan and water system regulations in conjunction with the System operator/manager;
- reviewing and verifying WRA water consumption records;
- educating the membership about water conservation options;
- preparing and submitting Water Utilities Committee budget requirements to the Budget and Finance Committee;
- monitoring Water Utilities Committee expenditures authorized by the Board of Trustees; and
- representing WRA, with Board approval, to any organization that might affect the WRA water supply or system.

6.15 Special Committees. Special committees may be formed to fulfill a particular and specific function and/or to accomplish a particular and specific project within a specified time period. Special committees shall cease to exist with the completion of their special assignment.

6.15.1 Annual Meeting Committee. The Annual Meeting Committee shall be responsible for:

- notifying the membership of the available positions on the Board of Trustees and the Architectural Review Committee;
- nominating candidates;
- coordinating the distribution of information about the candidates;
- directing the distribution of ballots and proxy forms;
- administering the tabulation of the ballots and proxies for the annual election; and
- providing the results of the election to the president of the Board of Trustees.

6.15.2 Special committees may also include but shall not be limited to:

- Annual Meeting;
- Firewise;
- Neighborhood Safety;
- Quality of Life; and
- Special Events.

6.16 Compensation. No Board trustee shall receive compensation for serving as a Board trustee. No Board trustee shall use their position on the Board for personal or business gain or to get access to confidential information to the detriment of WRA, and WRA member, or WRA employee or agent.

6.17 Conflicts of Interest. Nothing in the Governing Documents shall be construed to authorize the Association or the Board to enter into any contract, employment, or other transaction between the Association and one or more of its trustees or any other corporation, firm, association, or entity in which one or more of its directors are directors or officers or are financially interested, and any such contract, employment, or other transaction shall be void unless, after the fact of such relationship or interest is disclosed or known to all of the Owners entitled to vote, such contract, employment, or transaction has been authorized or approved by Owners holding a majority of the voting power of the Association, excluding any interested directors and the votes of the Lots of which they are Owners, and the contract, employment, or transaction is fair and reasonable to the Association. Board trustees shall disclose any conflict of interest they may have and shall refrain from voting on any matter for which such a conflict of interest exists.

6.18 Actions by Communications Equipment. Any action required, or which may be taken at a meeting of the Board or any committee may be taken by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time.

6.19 Open Meetings and Minutes. All meetings of the Board shall be open for observation by all Owners of record and their authorized agents. The Board shall keep minutes of all actions taken by the Board, which shall be available to all Owners.

6.20 Executive Session. Upon the affirmative vote in an open meeting to assemble in executive session, the Board may convene in a closed session to: consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the Governing Documents of the Association, matters involving the possible liability of an Owner to the Association, or any other matter involving sensitive information, as determined by the Board in its sole discretion. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The Board shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the Board, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified in the meeting minutes.

ARTICLE 7 **OFFICERS**

7.1 **Designation.** The officers of the Association shall be a president, a vice-president, a secretary, a treasurer and a member at large all of whom shall be elected by the Board. The trustees may appoint from the Board such other officers as in their judgment may be necessary or desirable. Two or more offices may be held by the same person, except that a person may not hold the offices of the president and secretary simultaneously.

7.2 **Election of Officers.** The officers of the Association shall be elected annually by a majority vote of the Board at the organizational meeting of each new Board.

7.3 **Removal of Officers.** Upon an affirmative vote of a majority of the trustees of the Board, any officer may be removed from office, with or without cause, and his successor elected at any regular meeting of the Board or any special meeting of the Board called for such purpose. Such removal shall not have the effect of removing the member from the Board.

7.4 **President.** The president shall be the chief executive officer of the Association. S/he shall preside at all meetings of the Association and the Board. S/he shall have all the general powers and duties that are usually vested in the office of the president of a nonprofit association. S/he shall have the power to prepare proposed amendments and execute ratified amendments to the Declaration on behalf of the Association.

7.5 **Vice-President.** A vice-president shall have all the powers and authority and perform all of the functions and duties of the president in the absence of the president or his inability for any reason to exercise such powers and functions or perform such duties. The vice-president shall have the powers and discharge the duties assigned from time to time by the Board.

7.6 **Secretary.** The secretary shall keep the minutes of meetings of the Board and minutes of meetings of the Association. S/he shall have charge of such books and papers as the Board may direct and he shall generally perform all duties incident to the office of secretary. The secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their Registered Addresses as well as a list of the Board trustees' names, titles and addresses. Such lists shall also show opposite each member's name the number or other appropriate designation of the Lot owned by such member. Such lists shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. The secretary shall have the power to certify ratified amendments to the Declaration on behalf of the Association.

7.7 **Treasurer.** The treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association in accordance with RCW 64.38.045. S/he shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board. The treasurer will act as the chair of the Budget and Finance Committee.

7.8 Assistant Officers. The Board may appoint one or more assistant officers to perform all of the duties of any of the officers in the absence of that officer.

7.9 Other Officers and Employees. Other officers of the Association shall have such authority and shall perform such duties as the Board may prescribe within the provisions of the applicable statutes, the Declaration, and the Bylaws. No officer may chair a standing committee except the treasurer who shall chair the Budget and Finance Committee. No immediate family member or household member of a current officer of the Board of Trustees may chair a standing committee.

7.10 Delegation. In the case of absence or inability to act of any officer of the Association and of any person authorized in the Bylaws to act in his or her place, the Board may delegate the powers or duties of that officer to another officer, director, or other person whom it may select. Specifically, the Board may delegate its powers to prepare and record amendments to the Declaration on behalf of the Association. Nothing in this section shall be read to authorize any Board trustee to use a proxy for voting on matters before the Board.

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

7.12 Standard of Care. Board trustees shall act in all instances on behalf of the Association. In the performance of their duties, Board trustees are required to exercise ordinary and reasonable care.

ARTICLE 8

BUDGET AND ASSESSMENTS

8.1 Budget Ratification. Within thirty (30) days after adoption of any proposed budget, the Board must provide a copy of the budget to all the owners and set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than fifty (50) days after providing the budget in accordance with CW 64.90.525. Unless at that meeting, the Owners of Lots to which a majority of the votes in the Association are allocated reject the budget, the budget and the Assessments against the Lots included in the budget are ratified, whether or not a quorum is present.

If the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Owners continues until the Owners ratify a subsequent budget proposed by the Board.

8.2 Regular Assessments. Assessments for common expenses must be made at least annually based on a budget adopted at least annually by the Association in the manner provided in this Article 8. The Association shall have power to levy Assessments against and collect from its members and to sell or forfeit their interest in Wilderness Rim Association for default with respect to any lawful provisions of the Articles of Incorporation and Bylaws. Upon forfeiture of any such property as by law and as provided in these Bylaws, the Association may transfer the membership of such

defaulting member. When such Assessments are levied, each member shall pay, or make arrangements to pay, the amount due to WRA within thirty (30) days after the mailing of the notice. Failure to pay an Assessment, together with all expenses, attorneys' fees, and costs reasonably incurred in enforcing that Assessment, shall result in a lien upon the member's Lot(s). Water revenue shall only be used for water related expenses.

8.3 Special Assessments. The Board, at any time, may propose a special Assessment. The Assessment is effective only if the Board follows the procedures for ratification of a budget described in Section 8.1 and the Owners do not reject the proposed Assessment. The Board may provide that the special Assessment may be due and payable in installments over any period it determines and may provide a discount for early payment.

8.4 Financial Records, Audits and Funds. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association. If the total annual Assessments are fifty thousand dollars (\$50,000.00) or more, the Association's financial statements shall be audited at least annually by an independent certified public accountant. If the total annual assessments are less than fifty thousand dollars (\$50,000.00), the audit may be waived if sixty-seven percent (67%) of the votes cast by Owners, in person or by proxy, at a meeting of the Association at which a quorum is present, vote to waive the audit.

The funds of the Association shall be kept in accounts in the name of the Association and shall not be commingled with the funds of any other Association, nor with the funds of any manager of the Association or any other person responsible for the custody of such funds.

ARTICLE 9

NOTICE

Except as may otherwise be required by law, any notice to any member or trustee may be delivered personally, by mail, or by Electronic Transmission. If mailed, the notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the addressee at the Registered Address, postage prepaid.

Notice sent by an Electronic Transmission complies with this Article only with respect to those Owners who have delivered to the Association a written record consenting to receive electronically transmitted notices. An Owner who has consented to receipt of electronically transmitted notices may revoke the consent at any time by delivering a written record of the revocation to the Association. Consent is deemed revoked if the Association is unable to electronically transmit two consecutive notices given in accordance with the consent. If delivery is made by Electronic Transmission, notice shall be deemed to have been delivered immediately upon transmission.

Notice to be given to the Board may be given to the Association's manager or the president or secretary of the Board.

ARTICLE 10
AMENDMENT OF BYLAWS

Amendments to these Bylaws may be adopted with the affirmative vote of Owners holding at least sixty-seven percent (67%) the voting power present in person or by proxy at a duly called regular or special meeting of the Association. Notice of the meeting shall include the text of the proposed amendment to these Bylaws. Adopted amendments shall bear the signature of an authorized officer of the Association and shall be attested by another authorized officer, who shall state whether the amendment was properly adopted, and shall be acknowledged by them as officers of the Association.

Proposed amendments to the Bylaws may be approved by the Board of Trustees and submitted to the Owners for approval. Proposed amendments to the Bylaws may also be submitted by the Owners with a petition in support of the proposed amendment signed by at least ten percent (10%) of the members. To be submitted for a vote at the next annual meeting of the membership, an amendment proposed by Owners must be received by the Board of Trustees no later than the last day of March 31st of that year.

Proposed amendments shall be reviewed by the Board, or by a special committee appointed by the Board. Members submitting proposed amendments shall be included, or consulted, during the review and finalization process. All proposed amendments shall be reviewed by the Association's attorney before inclusion on any membership ballot.

ARTICLE 11
CONFLICT WITH DECLARATION OR LAW

These Bylaws are intended to comply with and supplement the requirements the Declaration. If any of these Bylaws conflict with the provisions of RCW 64.38, any subsequently applicable statute, or the Declaration, the provisions of RCW 64.38, the subsequently applicable statute, and Declaration will apply.

ARTICLE 12
NON-PROFIT ASSOCIATION

12.1 Non-Profit Corporation. This Association is not organized for profit. No member, member of the Board or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to or distributed to or inure to the benefit of any trustees of the Board. The foregoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid to any member or manager while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) any member or Board trustee may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

12.2 Association Records. All records of the Association, including the names and addresses of Owners and other occupants of the lots, shall be available for examination by all Owners, holders of mortgages on the lots, and their respective authorized agents on reasonable advance notice during normal working hours at the offices of the Association

or its managing agent. The Association shall not release the unlisted telephone number of any owner. The Association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the association in providing access to records.

12.3 Dissolution. The dissolution of WRA and sale of assets must be approved by a vote of at least two-thirds of the members at a meeting called for such purpose. Written notice of such a meeting shall be given not less than fourteen (14) days nor more than sixty (60) days prior to the date on which the meeting is to be held and shall include the proposal to dissolve WRA.

Upon dissolution of the water system or of WRA in its entirety, the assets of WRA, after payment of debts, shall be sold and distributed as follows: Funds held, including but not limited to reserves, and/or any proceeds from the transfer of the WRA water system, shall be distributed proportionally to members according to the number of active water connections on a date one hundred and eighty (180) days before the date of dissolution. Funds held, including but not limited to reserves, and/or any proceeds from the transfer of WRA property, such as Cascade Park, the Chalet, and/or greenbelts, shall be distributed proportionally to members according to the number of lots that such member owns on a date one hundred and eighty (180) days before the date of dissolution.

ARTICLE 13 **INDEMNIFICATION**

13.1 Grant of Indemnification. Subject to Section 13.2, each person who was or is made a party or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any threatened, pending, or completed action, suit or proceeding, whether formal or informal, civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a trustee of the Association or who, while a trustee of the Association, is or was serving at the request of the Association as a trustee, officer, employee or agent, whether the basis of such proceeding is alleged action in an official capacity as a trustee or in any other capacity while serving as a trustee, officer, employee or agent, shall be indemnified and held harmless by the Association to the fullest extent permitted by applicable law, as then in effect, against all expense, liability and loss (including attorneys' fees, costs, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a trustee and shall inure to the benefit of his or her heirs, executors and administrators.

13.2 Limitations on Indemnification. Notwithstanding Section 13.1, no indemnification shall be provided hereunder to any such person to the extent that such indemnification would be prohibited by the Washington Business Corporation Act indemnification provisions which have been incorporated in the Washington Nonprofit Corporation Act, or other applicable law as then in effect, nor, except as provided in Section 13.4 with respect to proceedings seeking to enforce rights to indemnification, shall the Association indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person except where such proceeding (or part thereof) was authorized by the Board of Trustees of the Association.

13.3 Advancements of Expenses. The right to indemnification conferred in this Section shall include the right to be paid by the Association the expenses incurred in defending any such proceeding in advance of its final disposition, except where the Board of Trustees shall have adopted a resolution expressly disapproving such advancement of expenses.

13.4 Right to Enforce Indemnification. If a claim under Section 13.1 is not paid in full by the Association within sixty (60) days after a written claim has been received by the Association, or if a claim for expenses incurred in defending a proceeding in advance of its final disposition authorized under Section 13.3 is not paid within twenty (20) days after a written claim has been received by the Association, the claimant may at any time thereafter bring suit against the Association to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification hereunder upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the Association), and thereafter the Association shall have the burden of proof to overcome the presumption that the claimant is so entitled. It shall be a defense to any such action (other than an action with respect to expenses authorized under Section 13.3) that the claimant has not met the standards of conduct which make it permissible hereunder or under the Washington Business Corporation Act for the Association to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Association. Neither the failure of the Association (including the Board of Trustees, independent legal counsel, or its members) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth herein or in the Washington Business Corporation Act nor (except as provided in Section 13.3) an actual determination by the Association (including its Board of Trustees, independent legal counsel, or its members) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

13.5 Nonexclusivity. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section shall be valid to the extent consistent with Washington law.

13.6 Indemnification of Officers, Employees and Agents. The Association may, by action of its Board of Trustees from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to officers, employees and agents of the Association on the same terms and with the same scope and effect as the provisions of this Section with respect to the indemnification and advancement of expenses of trustees and officers of the Association or pursuant to rights granted pursuant to, or provided by, the Washington Business Corporation Act or on such other terms as the Board may deem proper.

13.7 Insurance and Other Security. The Association may maintain insurance, at its expense, to protect itself and any individual who is or was a trustee, officer, employee or agent of the Association against any liability asserted against or incurred by the individual in that capacity or arising from his or her status as an officer, trustee, agent, or employee, whether or not the Association would have the power to indemnify such person against the same liability under the Washington Business Corporation Act. The Association may enter into contracts with any trustee or officer of the Association in furtherance of the provisions of this Section and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Section.

13.8 Amendment or Modification. This Section may be altered or amended at any time as provided in these Bylaws, but no such amendment shall have the effect of diminishing the rights of any person who is or was an officer or trustee as to any acts or omissions taken or omitted to be taken prior to the effective date of such amendment.

13.9 Effect of Section. The rights conferred by this Section shall be deemed to be contract rights between the Association and each person who is or was a trustee or officer. The Association expressly intends each such person to rely on the rights conferred hereby in performing his or her respective duties on behalf of the Association.

ARTICLE 14
FISCAL YEAR

The fiscal year of the Association shall begin on July 1st and end on June 30th.

Adopted this 21 day of September, 2019.

We, the undersigned, certify that we are the duly elected and acting President and Secretary of Wilderness Rim Association and the foregoing Bylaws were approved by the affirmative vote of Owners holding at least two-thirds of the voting power present in person or by proxy at a meeting called for the purpose of adopting these Bylaws.

By: James Beatty

Print Name: James Beatty, President

By: Brad Summers

Print Name: Brad Summers, Secretary