

BYLAWS
of
WILDERNESS RIM ASSOCIATION

Adopted: July 11, 1992 and July 28, 1993

Last Amended: September 19, 2015

Wilderness Rim Association, herein referred to as WRA, shall have the following Bylaws to conduct its business affairs, pursuant to the Revised Code of Washington 64.38 that governs homeowners' associations and 24.03 that governs not-for-profit organizations and other laws of the State of Washington:

1.0 PURPOSES

1.1 WRA shall be conducted as a nonprofit maintenance corporation for the purposes set forth in the Articles of Incorporation for the WRA property situated in the plat of Wilderness Rim, King County, Washington, and all other WRA assets.

1.2 WRA shall have power to levy assessments against and collect from its members and to sell or forfeit their interest in WRA 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, WRA may transfer the membership of such defaulting member.

2.0 MEMBERSHIP

2.1 The membership of WRA shall be limited to each owner or purchaser of a lot(s) in the plat of Wilderness Rim. All purchasers shall have one membership regardless of the number of lots so owned or purchased, and the interest of each member shall be equal to that of any other member. No member can acquire any interest that shall entitle the member to any greater voice, vote, or authority in WRA than any other member. A purchaser under a contract of purchase shall be deemed to be an owner for membership purposes. If any lot(s) are held by two or more persons, the several owners of such interest shall be entitled collectively to cast one vote.

2.2 No membership shall be voted unless represented by the owner of the individual lot(s) to which the membership is and shall be inseparably tied. The owner's vote may be presented in person, by proxy, by mail, hand-delivered or by electronic transmission. All proxies shall be assigned to an individual member and voted by the assignee member.

2.3 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 WRA secretary that such transfer is bona fide and has been made in the manner provided.

2.4 No membership shall be suspended, nor member be expelled, except upon foreclosure for nonpayment of assessments. No member may withdraw except upon transfer of title to the real property to which membership is tied. No compensation shall be paid by WRA upon any transfer of membership, and no member whose membership is transferred shall be entitled to share or participate in any of the property or assets of WRA.

3.0 TRUSTEES AND OFFICERS

3.1.0 Election and Terms

3.1.1 The business of WRA shall be managed by the Board of Trustees. The number of trustees who shall manage the corporate business and financial affairs of WRA shall be eleven. The number of trustees of WRA may be changed to any number not less than five nor more than eleven at any meeting of the membership of WRA called for such purpose. Written notice of the proposed change shall be given with the notice of the meeting as set forth in Section 4.2.

3.1.2 Trustees shall be elected at the annual meeting or elections to serve three-year terms, or until their successors are elected.

3.1.3 Only one person from a membership may be a trustee at any one time. Each trustee shall be a WRA member in good standing and not have been convicted of a felony. A member shall be considered to be “in good standing” if all WRA billings of charges, assessments, and association dues are paid to a current status or payment arrangements have been made with WRA.

3.1.4 In the event a trustee ceases to be the owner of the land to which the membership is tied, or the owner of a contract for the purchase thereof, the member shall thereby cease to be a trustee, and the position shall become vacant without action other than to note such facts in the meeting minutes of the Board of Trustees.

3.1.5 At the first meeting of the Board of Trustees after each annual meeting of the membership or elections, the Board of Trustees shall elect, by a majority vote: a president, vice president, secretary, and treasurer. Officers of WRA so elected shall hold office for the term of one year or until their successors are elected.

3.1.6 Any officer may be suspended or removed from office by a majority vote of all the trustees.

3.1.7 Trustees may have check signing authority for no more than two years in any four-year period and for no more than two consecutive years. 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.

3.1.8 No trustee shall receive any tangible or monetary compensation for the performance of duties as a trustee as defined in the Bylaw Sections 3.2.0 and 3.3.0. No trustee shall use their position on the Board of Trustees for personal or business gain or to get access to confidential information to the detriment of WRA, any WRA member, or WRA employee or agent.

3.1.9 Any trustee who is absent without excuse for three consecutive meetings of the Board of Trustees automatically forfeit their position on the Board of Trustees without action other than to note such facts in the meeting minutes of the Board of Trustees. An absence may be excused for illness, death in the family, vacation or employment.

3.1.10 Any trustee who is absent, whether excused or unexcused, from three regular monthly meetings of the Board of Trustees in any six month period shall automatically forfeit their position on the Board of Trustees without action other than to note such facts in the meeting minutes of the Board of Trustees.

3.1.11 Any trustee who fails to keep, or make arrangements to keep, their WRA account current shall have voting privileges as a trustee suspended until the account is in good standing.

3.1.12 Any trustee who has a lien upon their lot(s) for nonpayment of WRA assessments and/or water charges shall be automatically relieved of their position on the Board of Trustees without action other than to note such facts in the meeting minutes of the Board of Trustees.

3.1.13 Any trustee charged with, or who admits to, a felony, or a misdemeanor against WRA, shall be required to take an immediate mandatory leave of absence from all WRA duties until:

- all charges have been cleared, or
- the trustee has been found not guilty, or
- the term of the trustee expires.

During the leave of absence, the absent trustee's officer and/or committee position(s) may be filled by an interim trustee elected by the Board. When available, written proof of exoneration shall be provided to the Board of Trustees at the next regular Board meeting. During an adjourned session (e.g. Executive Session), the Board shall consider revocation of the leave of absence. If the charges are not cleared or the trustee admits guilt, the trustee shall be automatically relieved of their position on the Board of Trustees without action other than to note such facts in the meeting minutes of the Board of Trustees. That member is immediately and permanently disqualified to be a trustee, employee or agent of WRA.

3.1.14 In the event a trustee's position becomes vacant, for whatever reason, such position shall be filled by appointment of a member by a majority of the remaining trustees. The person so appointed shall hold the position until the next annual elections when the position shall be filled by a vote of the membership.

3.1.15 Any trustee who acts in violation of these Bylaws or continuing resolutions of the Board of Trustees, after having been previously notified in writing by the Board of an earlier instance of the same violation, shall, after a finding by the Board of Trustees of the second violation, automatically forfeit their position on the Board of Trustees without action other than to note such facts in the meeting minutes of the Board of Trustees.

3.1.16 Any trustee who acts in concert with another trustee in violation of these Bylaws or continuing resolutions of the Board of Trustees, after having been previously notified in writing by the Board of an earlier instance of the same violation, shall, after a finding by the Board of Trustees of the second violation, automatically forfeit their position on the Board of Trustees without action other than to note such facts in the meeting minutes of the Board of Trustees.

3.1.17 Each trustee candidate shall sign a declaration of intent prior to nomination, election, or appointment to the Board of Trustees that states: "I promise to honestly fulfill the position of trustee of the Wilderness Rim Association and will, to the best of my ability, abide by the language and spirit of the WRA Bylaws and all of its governing motions, rules and regulations."

3.2.0 Powers and Duties of Trustees

3.2.1 Subject to limitations in the Articles of Incorporation, these Bylaws, and the laws of the State of Washington, all powers of WRA shall be exercised by the Board of Trustees.

3.2.2 The trustees shall select and remove all other officers, agents, and employees of WRA, prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, and with these Bylaws, and fix their compensation and require from them security for faithful service.

3.2.3 A trustee must be present at the Board meeting to vote on any issue before the Board.

3.2.4 The trustees shall manage, oversee, supervise, and control the business affairs of WRA, and make any necessary rules, regulations, policies and procedures consistent with law, the Articles of Incorporation, and these Bylaws to administer the corporation.

3.2.5 To convey, sell, transfer, dedicate for public use, any WRA real property, the Board of Trustees must obtain the approval of the membership at a meeting called for such purpose, as set forth in Section 4.

3.2.6 The total of any new capital expenditures approved by the Board of Trustees, other than improvements to the WRA Water System, shall be limited to ten percent of the total assessment budget for the previous fiscal year. All other new capital expenditures must be approved by the membership at a meeting called for such purpose, as set forth in Section 4.

3.2.7 The trustees shall charge and/or assess the lots and the owners thereof, as set forth in Section 6.

3.2.8 No loans shall be made by WRA to its trustees or officers. Should the trustees of WRA, in violation of this section, vote for or assent to the making of a loan to any trustee or officer of WRA, then such trustees shall be jointly and severally liable to WRA for the amount of such loan until the repayment thereof.

3.2.9 The trustees shall keep a complete record of all minutes, which shall include all motions, decisions, and actions taken.

3.2.10 The trustees shall present a full statement of business affairs to the membership at the annual meeting, showing in detail the condition of WRA. The statement of business affairs shall include a report of the financial condition of WRA prepared by an independent Certified Public Accountant selected by the Board.

- A review of the financial statements of WRA shall be conducted annually by an independent Certified Public Accountant; or
- An audit of the financial statements of WRA shall be conducted annually by an independent Certified Public Accountant when required by RCW 64.38.045 (3); or
- The Board of Trustees, or ten percent of the membership by written petition, may request a review or audit of the financial statements of WRA at any time.

3.2.11 An annual audit may be waived by a sixty-seven percent majority vote at a meeting of the membership, should an audit be required by RCW 64.38.045; provided, however, that an audit shall be performed by an independent Certified Public Accountant at least once every four (4) years.

3.3.0 Duties of Officers

3.3.1 President. The president shall:

- preside at all meetings of the trustees and membership;
- sign as president all contracts or other written instruments authorized by the Board of Trustees;
- call special meetings of the trustees or of the membership whenever deemed necessary;
- supervise the employees of WRA, under the direction of the Board of Trustees;
- appoint chairpersons as required; and
- conduct the business affairs of WRA, under the direction of the Board of Trustees.

3.3.2 Vice President. The vice president, in case of the absence or disability of the president, shall perform all duties of the president that are incidental to the office.

3.3.3 Secretary. The secretary shall:

- issue all notices;
- attend and keep the minutes and attendance records of all meetings of the trustees;
- attend and keep the minutes of the annual meeting and any special meetings of the membership;
- maintain an updated record of all approved motions of the Board of Trustees;
- sign as secretary all contracts or other written instruments authorized by the Board of Trustees;
- have charge of all corporate books, records, and papers; and
- perform all such other duties that are incidental to the office.

3.3.4 Treasurer. The treasurer shall:

- cause to be kept safely all monies and securities of WRA;
- cause to be disbursed and distributed monies and securities of WRA as directed by the Board of Trustees;
- cause to be deposited all funds of WRA in a federally insured account(s) selected by the Board of Trustees;
- issue and present a full statement showing the financial condition of WRA at each regular meeting, and at any time directed by the Board of Trustees; and
- chair the Budget and Finance Committee.

3.3.5 Any officer, other than the president or secretary, may occupy two offices concurrently if the Board of Trustees so directs.

3.3.6 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.

4.0 MEETINGS

4.1.0 Annual meetings of the membership shall be held at Cascade Park or at such other place as the Board of Trustees may select. The annual meetings shall be held on the third Saturday of September at 10:00 a.m. Notice thereof, including the location, time, and date, shall be given by the secretary in accordance with RCW 64.38.035 to each member not less than fourteen days or more than sixty days prior to the date of the meeting.

4.1.1 The annual meeting agenda shall consist of, but not be limited to:

- presentation of a full statement of business affairs, showing in detail the condition of WRA prepared by an independent Certified Public Accountant;
- presentation of the new fiscal year budget;
- nominations and election of trustees; and
- nominations and election of the Architectural Review Committee.

4.2 Special meetings of the membership may be called at any time by the president or a majority of the Board of Trustees or by ten percent (10%) of WRA membership. Notice of a special meeting, stating the object thereof, shall be given by the secretary in accordance with RCW 64.38.035 to each member not less than fourteen days nor more than sixty days prior to the date on which the meeting is to be held. Action shall be limited to those topics set forth in the meeting notice.

4.3 At all meetings of the membership and in all elections requiring a vote of the membership, ten percent (10%) of the membership of WRA present, or represented by proxy, by mail, a ballot hand-delivered to the WRA office, or by electronic transmission and received prior to such meeting, shall constitute a quorum for the transaction of business as set forth in Section 4.6. Only ballot items presented to the membership in the official notice of the meeting may be voted on by mail or by electronic transmission.

4.4 Regular meetings of the Board of Trustees shall be held at the principal place of business of WRA or at such other place as the Board may select. The regular monthly meetings shall be held on the third Wednesday of each month except in the month the annual meeting is held, when the meeting shall be held on the first Wednesday following the annual meeting.

4.5 Special meetings of the Board of Trustees shall be called at any time by the secretary on order of the president or a majority of the Board of Trustees. The secretary shall give each trustee at least two days prior notice, personally, by mail, by telephone, or by electronic transmission, of any special meetings.

4.6 A member may exercise the right to vote in person, by proxy, or by mail, by hand-delivered ballot, or electronic transmission, on all issues and elections on the ballot for the annual meeting and any special meetings of the membership. Ballots and proxies not presented in person at any meeting of the membership must be received at the WRA office no later than 5:00 p.m. local time the day prior to the scheduled meeting.

4.7 Except as may otherwise be provided by law, all meetings shall be governed by Robert's Rules of Order.

5.0 COMMITTEES

5.1.0 General

5.1.1 Committees shall be formed by motion of the Board of Trustees to accomplish the routine and special functions and projects of WRA, with the exception of the Architectural Review Committee, also known as the Architectural Control Committee and the Advisory Committee to the Board of Trustees. Duties and responsibilities of committees shall include, but are not limited to, those listed herein.

5.1.2 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.

5.1.3 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.

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

5.1.5 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.

5.1.6 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;
- printed in the WRA newsletter;
- 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.

5.1.7 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 in the WRA Office.

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

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

5.1.10 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 in the WRA office. All original documents shall be maintained in the WRA office with copies distributed to committee chairpersons.

5.2.0 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.

5.2.1 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.

5.2.2 Budget and Finance Committee

The Budget and Finance Committee shall be chaired by the treasurer of the Board of Trustees. The Budget and Finance Committee with the assistance of the bookkeeper 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.

5.2.3 Communications Committee

The Communications Committee shall be responsible for:

- preparing, printing, and distributing a bimonthly newsletter focusing on community interest items relating to WRA and Wilderness Rim;
- 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.

5.2.4 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.

5.2.5 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.

5.2.6 Advisory Committee

The Advisory Committee to the Board of Trustees:

- shall be composed of at least two but not more than five members elected by the membership at the annual meeting or elections to serve for five years;
- shall have members who have completed a minimum of three years on the Board of Trustees and have served as an officer for at least one of those years;
- may have only one person from a membership on the committee at the same time;
- may have vacancies on the committee filled by appointment by the Board of Trustees to serve only until the next annual meeting or elections when the membership shall elect a replacement committee member;
- shall not have more than two appointed members at any time;
- shall not have the president of the Board of Trustees as an ex-officio member of the committee;
- shall not have a committee member from the same membership as any current trustee;
- shall be responsible for advising the WRA Board of Trustees about current issues that may be subject to WRA's governing documents and continuing resolutions;
- shall elect a chair person and determine the committee's meeting schedule;
- may issue pro and/or con statements to the Board of Trustees, either written or verbally, regarding any topic but shall not have any other influence over the Board of Trustees' decision making process; and
- shall not be entitled to any budget and serves only in a voluntary capacity.

5.3.0 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.

5.3.1 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.

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

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

6.0 ASSESSMENTS

6.1 The members of WRA and the land in which they have an interest shall be liable for the payment of charges and/or assessments fixed and levied by the Board of Trustees pursuant to the Articles of Incorporation and these Bylaws.

6.2 The amount of the annual assessment for association dues may be adjusted by the Board of Trustees. There shall be no limit to the amount of any decrease. Any annual increase that exceeds the lesser of:

- five percent (5%) of the current assessment for association dues; or
- the annual Consumer Price Index for the previous calendar year in the Seattle/Tacoma area,
- must be approved by the membership at a meeting called for such purpose, as set forth in Section 4.0.

6.3 Any special assessment must be approved by the membership at a meeting called for such purpose, as set forth in Section 4.0.

6.4 Charges and assessments against members or the land owned, or being purchased by them, shall be levied by the Board of Trustees on an equitable basis without distinction or preference of any kind. All monies received, when collected by WRA, shall remain the property of the membership until such time as the charges or assessments are expended pursuant to the Articles of Incorporation and Bylaws of WRA.

6.5 When such assessments are levied, each member shall pay, or make arrangements to pay, the amount due to WRA within thirty days after the mailing of the notice.

6.6 Failure to pay an assessment, together with all expenses, attorney fees, and costs reasonably incurred in enforcing said assessment, shall result in a lien upon the member's lot(s).

6.7 A member shall be liable for payment of any assessment against each and every lot owned by the member.

6.8 Water revenue shall only be used for water related expenses.

7.0 AMENDMENTS

7.1 These Bylaws may be amended at any meeting of the membership of WRA by at least two-thirds of the votes of the members present at the meeting or represented by written proxy, or who voted as allowed as set forth in Section 4.6. Written notice of the meeting shall be given not less than fourteen days nor more than sixty days prior to the date on which the meeting is to be held and shall include the full text or a summary of the proposed amendment(s).

7.2 Proposed amendments to the Bylaws shall be submitted to the Board of Trustees to be included on the ballot for the next annual meeting of the membership as set forth in Section 4.0. Proposed amendments must be received by the Board of Trustees no later than 12:00 noon local time on the day of the regularly scheduled March meeting of the Board of Trustees.

7.3 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 corporate attorney before inclusion on any membership ballot.

8.0 DISSOLUTION

8.1 The dissolution of WRA 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 days nor more than sixty days prior to the date on which the meeting is to be held and shall include the proposal to dissolve WRA.

8.2 Upon dissolution of the water system or of WRA in its entirety, the assets of WRA, after payment of debts, shall be 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 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 180 days before the date of dissolution.

9.0 INDEMNIFICATION OF TRUSTEES AND OTHERS

9.1 Grant of Indemnification.

Subject to Section 9.2, 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 Corporation or who, while a trustee of the Corporation, is or was serving at the request of the Corporation 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 Corporation 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.

9.2 Limitations on Indemnification.

Notwithstanding Section 9.1, 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 9.4 with respect to proceedings seeking to enforce rights to indemnification, shall the Corporation 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 Corporation.

9.3 Advancements of Expenses.

The right to indemnification conferred in this section shall include the right to be paid by the Corporation 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.

9.4 Right to Enforce Indemnification.

If a claim under section 9.1 is not paid in full by the Corporation within 60 days after a written claim has been received by the Corporation, or if a claim for expenses incurred in defending a proceeding in advance of its final disposition authorized under Section 9.3 is not paid within 20 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation 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 Corporation), and thereafter the Corporation 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 9.3) that the claimant has not met the standards of conduct which make it permissible hereunder or under the Washington Business Corporation Act for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (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 9.3) an actual determination by the Corporation (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.

9.5 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.

9.6 Indemnification of Officers, Employees and Agents.

The Corporation 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 Corporation 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 Corporation 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.

9.7 Insurance and Other Security.

The Corporation may maintain insurance, at its expense, to protect itself and any individual who is or was a trustee, officer, employee or agent of the Corporation 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 Corporation would have the power to indemnify such person against the same liability under the Washington Business Corporation Act. The Corporation may enter into contracts with any trustee or officer of the Corporation 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.

9.8 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.

9.9 Effect of Section.

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