

## Bylaw Proposals and Statements in Favor of in Opposition to the Proposals

The following provides the Bylaw proposals submitted by the Board of Trustees. These proposals were reviewed, and revised as needed, by the Association attorney. This section also includes statements provided by members in favor or against the proposal. Statements have been provided in full and are numbered in cases where multiple submissions were provided. Members should be aware that statements may contain incorrect information, and represent the opinion of the member submitting the statement, not necessarily that of the Board of Trustees of Wilderness Rim Association.

PROPOSED WRA BYLAW AMENDMENTS:

Bylaw 2.5 (New)

Topic – Legal Expense Control

**NEW:** Any litigation expenses to defend a lawsuit or a counterclaim brought against WRA or any of its trustees or employees (“WRA”) by a WRA member or Wilderness Rim resident, if voluntarily dismissed or WRA is the substantially prevailing party, shall be awarded against the plaintiff(s) or counterclaimant(s) who filed the action or counterclaim.

Reason for New Bylaw: To allow the WRA to recoup legal expenses.

Statements in Favor of the Proposal

1. We would like to discourage trustees and employees from suing the Association.

Statements in Opposition to the Proposal

1. There is significant risk that this proposed provision could be enforced against WRA if the member is the prevailing party in such a lawsuit, however this is likely to happen in any case because an individual successfully suing a Corporation will most likely be awarded such costs by the court, whether this is an item in our bylaws or not. As it stands, it seems to be a threat by WRA to prevent litigation being brought against it.
2. There is some risk that this provision could be enforced against WRA if the member is the prevailing party in such a lawsuit, however this is likely in any case because an individual successfully suing a Corporation will most likely be awarded such costs by the court.
3. The language of the statement is concerning for the following reasons-
  - a) It does not state that it is limited to business or conflict specifically related to the HOA.
  - b) If one of the parties is a trustee or employee of the WRA and is the prevailing party in a conflict not related to HOA business (property line dispute, etc.) the losing party would have to assume the legal costs of the WRA employee/trustee simply because they are serving in that role.

Bylaw 2.6 (New)

Topic – Legal Expense Control

**NEW:** Any litigation expenses incurred by WRA in enforcing the Wilderness Rim Restrictive Covenants shall be awarded against the WRA member if found by the court to have violated one or more covenants.

Reason for New Bylaw: To allow the WRA to recoup legal expenses.

Statements in Favor of the Proposal

1. We would like to discourage members from suing the Association. Solving differences of opinion on how to manage WRA should not require legal action.

## Statements in Opposition to the Proposal

1. There is some risk that this provision could be enforced against WRA if the member is the prevailing party in such a lawsuit, however this is likely to happen in any case because an individual successfully suing a Corporation will most likely be awarded such costs by the court. As it stands, it seems to be a threat by WRA to prevent litigation being brought against it.

### Bylaw # 3.1.1

Topic – Conform with WRA Articles of Incorporation and Washington State Revised Code of Washington (RCW)

CURRENT: 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.

PROPOSED: 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 ~~nine 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.~~

Reason for Modification: To conform to Article 5.1 of the Articles of Incorporation Wilderness Rim Association.

## Statements in Favor of the Proposal

1. This change conforms to Article 5.1 of the Articles of Incorporation Wilderness Rim Association and reduces the number of trustees from 11 to 9. It has been difficult to retain even 5 board members year-over-year. Fewer Board members encourages more direct participation and ownership, makes for easier communication and coordination, and may result in shorter meetings.

## Statements in Opposition to the Proposal

1. 11 trustees provide for a better representation of the 623 members that are part of Wilderness Rim than 9 would. Additionally, being a volunteer board means we need more hands to help do the work of the community, and reducing the number of trustees to 9 will not be moving us in the right direction.
2. a. Limits resident involvement by turning away people who may want to be involved. Current BOT has more than 9 members so we will have less people to make the choices for the WRA. More opinion in the decision making is more beneficial. b. Reduces the amount of BOT members (that are not officers) to chair committees. Volunteers are hard enough to get then to limit them will reduce the amount of possible committees to be chaired. c. Do residents really want less people making all the choices?

3. The Bylaw should include the sentences proposed to be deleted. If there are unfilled seats with at least five trustees the Board can still function. If the membership of the Board falls below five the current Bylaws' intent is that the membership should elect a new Board. Leaving this language as it is conforms with the Article referenced in the pro statement. The RCW mentioned provides an opportunity that is counter to good management. The membership voted to change back to 11 trustees within the last few years. More trustees make it easier to carry out the responsibilities of the various committees and meet the needs of the members.

#### Bylaw # 3.1.2

##### Topic – Reduce Term and Term Limits

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

**PROPOSED:** Trustees shall be elected at the annual meeting or elections to serve ~~three-two~~-year terms, or until their successors are elected. **No trustee shall serve for more than seventy-two months in any ten-year period.**

Reason for Modification: Encourage more Board turnover and allow more people to be involved in the Association's governance.

##### Statements in Favor of the Proposal

1. This proposed change allows more people to be involved in the Association's governance and not put a three-year burden on individual members. This will encourage more participation.

##### Statements in Opposition to the Proposal

1. What do you do when you run out of members who are willing to serve? How do you run a business when you have no experienced leaders? Any trustee who wants to quit at any point in their term may do so. Members can use the ballot to not vote for someone they think has been on the Board too long. Members may always serve on committees and provide their expertise to the Board.

#### Bylaw # 3.1.3

##### Topic – Definition of a Member "in good standing"

**CURRENT:** 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.

**PROPOSED:** 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 (a) all WRA billings of charges, assessments, and association dues are paid to a current status or payment arrangements have been made with WRA, (b) ~~the member has not been determined by the Board (after notice and an opportunity for a hearing before the Board) to have violated any rule or bylaw provision of this corporation, and~~ ~~or~~ (c) ~~if~~ the member has not previously been removed from the Board under RCW 64.38.025(5).

Reason for Modification: To provide clarity to the definition of member in good standing and to honor the Association's rules and regulations.

#### Statements in Favor of the Proposal

1. This proposed change provides clarity concerning the definition of a member in good standing and to honor the Association's rules and regulations.

#### Statements in Opposition to the Proposal

1. WRA has no mechanism to enforce these changes. This provision modifies the definition of "in good standing" beyond its original intent, allowing for unintentional abuse of member volunteers and discouraging members to step forward and help the Association.

#### Bylaw # 3.1.14

#### Topic – Appointment of Trustees to Vacant Positions

**CURRENT:** 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 meeting when the position shall be filled by a vote of the membership.

**PROPOSED:** 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 Board of Trustees can appoint new members to the Board even when there is less than a quorum.** The person so appointed shall hold the position until the next annual meeting when the position shall be filled by a vote of the membership.

Reason for Modification: To allow the Board to appoint new Trustees even if there is less than a quorum.

#### Statements in Favor of the Proposal

1. This proposal removes ambiguity within the appointment process and requires WRA to comply with RCWs that allow the Board to appoint new Trustees even if there is less than a quorum.
2. This issue did come up recently, and as a result of lack of clarity regarding whether a quorum was required, the WRA incurred significant legal fees and spent significant time to resolve the question. This amendment will help clarify the rules should a similar situation occur in the future, and is consistent with Washington State Laws and the opinion of our legal counsel.

#### Statements in Opposition to the Proposal

1. Although the RCW allows this to happen, the intent of the current Bylaw is that the Board is dissolved if fewer than five members are trustees. There could be a case where a majority of the trustees see the best way to stop an out of control Board member is to dissolve the Board and force a new election by the members per our Bylaws. This amendment would allow only one remaining trustee to call for appointment of trustees which allows that person too much control. The members need to elect the Board members in this case.

Bylaw 3.1.18 - New  
Topic – Trustee Resignation

**NEW:** Trustees may resign orally or by submitting a written resignation. In the case of an oral resignation, the resignation becomes irrevocable either upon the entry of the resignation in the meeting minutes or the Board of Trustees sending a confirming written communication to the resigning trustee. No such written confirmation is necessary for a written resignation. An oral resignation, if not entered in the minutes or confirmed in writing by the Board of Trustees, can be rescinded by the trustee. A written resignation is effective upon receipt by the Board of Trustees.

Reason for New Bylaw: To clarify the process for resigning from the Board of Trustees.

Statements in Favor of the Proposal

1. This change clarifies the process for resigning from the Board of Trustees, and brings it into compliance with RCW.
2. This issue also came up recently, and this new bylaw will provide clarity for future situations regarding whether a resignation is valid, and/or what the process to submit a valid resignation is.

Statements in Opposition to the Proposal

1. When a trustee resigns and it is noted in the meeting minutes, their resignation is official regardless of the method of communication. This is an unnecessary amendment.

Bylaw # 3.2.3  
Topic – Presence at Meeting for Voting

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

**PROPOSED:** A trustee must be present at the Board meeting to vote on any issue before the Board. A trustee that attends the Board meeting via teleconferencing is considered to be present at the meeting for the purpose of voting.

Reason for Modification: To allow trustees to vote at meetings via teleconferencing.

Statements in Favor of the Proposal

1. This proposed change allows trustees to vote at meetings via teleconferencing and comply with the Revised Code of Washington (RCW).
2. This will clarify the process which allows trustees to fully participate in Board activities in the event of occasional personal or business travel. This helps to provide a viable option to participate, even if the volunteers have busy schedules or other commitments that might otherwise prevent good volunteers from participating on the Board of Trustees.

## Statements in Opposition to the Proposal

1. Without a limit to the number of meetings at which one may attend electronically we could have meetings with too many trustees not ever actually attending. This bylaw proposal should set guidelines for how often electronic attendance is allowed.

### Bylaw # 3.3.6

#### Topic – Officer Chairing Committee

**CURRENT:** 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.

**PROPOSED:** No officer may, **without a co-chair**, 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, **without a co-chair**, chair a standing committee. **A single WRA membership may not chair or co-chair more than two committees.**

Reason for Modification: Allows Board of Trustee officers, or their immediate family member or household members of a current officer, to co-chair a committee.

## Statements in Favor of the Proposal

1. This proposal clarifies an officer may only serve as a Co-Chair when needed for standing committees. We encourage others to serve instead but often there are not enough willing volunteers so we do our best to ensure one membership doesn't have too much control or responsibility.

## Statements in Opposition to the Proposal

1. We want more members to be involved and not concentrate authority within certain households. Voting NO on this proposed change prevents one or two board members controlling the activity of the board, which has been a significant problem in the past.

### Bylaw 3.3.7 (New)

#### Topic – Staffing

**NEW:** WRA Administrative personnel, whether hired or contracted, who work with WRA financial records, shall not:

- be a WRA owner or resident, or
- be an immediate family member of a WRA owner or resident

Reason for New Bylaw: Prevents WRA owners, residents, or their immediate family members from being hired or contracted as administrative personnel if they work on WRA financial records.

## Statements in Favor of the Proposal

1. Hiring members and residents for the administrative position isn't a good business practice. It isn't reasonable to expect a member to set aside their personal feelings in favor of the Association as a requirement of the job.

## Statements in Opposition to the Proposal

1. This is an unnecessary change proposed by individuals who were removed from the board. Board members, especially the Treasurer, work with financial records as members of the community already. Employees should be hired on their qualifications and not their residence. Employees are already required to sign non-disclosure agreements, and RCW's concerning the misuse of private information are quite robust. The term financial records is also vague. Additionally, a member of our community will likely care more about the quality of their work, because they will better understand the importance it has to the community as a whole.
2. This new proposed by-law does not accomplish any significant gains in transparency, reductions in conflicts of interest, or improvements to the quality of service to the WRA Members or its Board. Additionally, the wording is not clear enough regarding what is considered "work with financial records", thus may be overly restrictive and actually hinder the efficient management of our WRA organization. It should be left up to the discretion of the 11 BOT members who they are going to hire for administration work. It isn't hard to see that quite possibly the best person for the job could come from within the community, and that hiring decision should not be arbitrarily restricted.

## Bylaw # 4.3

### Topic – Annual Meeting Quorum

**CURRENT:** 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 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.

**PROPOSED:** 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~~ a quorum of the current Board of Trustees and five percent (5%) of the membership of WRA present in person 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.

**Reason for Modification:** Reduces the percent of the membership that must vote for the transaction of business from 10% to 5%.

## Statements in Favor of the Proposal

1. This proposed change allows our meetings to be legally binding with fewer members required to attend and may avoid the risk of being unable to conduct business caused by a lack of a quorum.



Requires the board of trustees to be present at membership meetings and lowers the total quorum. This shouldn't be an issue with electronic voting.

#### Statements in Opposition to the Proposal

1. Strong disagree with reducing the percent of membership required to vote. I agree there is a problem with Annual meeting attendance but this is not the proper way to address the problem. Attending past meetings, I have seen members who were actually “shut down” as they were trying to ask questions or were offering comments not aligned with the officer chairing the meeting. This was shameful and speaks to why we have such a difficult time getting members to WANT to participate. Requiring a 10% member participating in a vote is meager enough, reducing this percentage should not even be considered. Imagine 5% of homeowners be able to make a decision that impact us all. Not acceptable.
2. This proposal creates the opportunity for very few members to make legally binding decisions for all of the membership. Currently, 5% is 32 members. Even at 10% the number is small, but in most recent years our average participation has been around 12% or more. Going lower seems unnecessary. If more opt into electronic voting this will really not be an issue.

Bylaw # 5.2.6

Topic – Advisory Committee

**CURRENT:** 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;

**PROPOSED:** 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~~ **three** years;

Reason for Modification: To make Advisory Committee terms the same as those for the Board of Trustees. This modification would not occur if the following modification, Bylaw 5.2.6, Remove Advisory Committee, passes.

#### Statements in Favor of the Proposal

No Statements submitted.

#### Statements in Opposition to the Proposal

1. The term for this committee is longer than for the Board is so that the experienced advisors can overlap from one board cycle to the next. Currently we have a Board with very little experience or understanding of WRA practices or history. This can be very harmful to WRA.

Bylaw # 5.2.6

Topic – Remove Advisory Committee

CURRENT: 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.

PROPOSED: ~~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.~~

Reason for Modification: To remove overhead cost with an unnecessary committee. Members can advise the board on any issues by attending meetings or communication with the board or submitting membership concerns.

Statements in Favor of the Proposal

1. This proposed change removes potential overhead costs associated with an unnecessary committee. Any member, including those who have previous board experience, can advise the board on any issues by attending committee meetings, attending Board of Trustee meetings, through direct communication with the board or submitting membership concerns.

2. Removal of the Advisory Committee makes sense because there is every avenue available for members to participate and advise the BOT today, without the overhead of a designated committee that only a very select few members even qualify to be on. The advisory committee does not improve the quality or efficiency of the Board of Trustees, and thus should be removed from the Bylaws

#### Statements in Opposition to the Proposal

1. Strongly disagree. Removing the Advisory Committee places too much power in the hands of the Board.
2. The Advisory Committee has no budget so the reason given is misleading. The Advisory Committee's sole purpose is to support the management processes using the experience and expertise that previous years on the Board have provided certain members who would be elected by the membership (or appointed by the Board) to assist new inexperienced trustees and WRA staff in learning the policies, history and practices of WRA. Many members do not have time to monitor the day to day practices of the Board and having experienced elected members who will act to support their best interests with the Board is reassuring.