

BYLAWS OF  
KAHLER GLEN COMMUNITY ASSOCIATION

The following are Bylaws of the Kahler Glen Community Association, a corporation organized under the Washington Nonprofit Corporation Act (RCW 24.03, the “Nonprofit Corporation Act”). These Bylaws provide for governance of the Kahler Glen Community Association (the Association) and facilitate the fulfillment of the purposes provided in the Fourth Restated Declaration of Protective Covenants of the Kahler Glen Community Association (the “Declaration”).

Words and phrases that are defined in the Declaration shall have the same meaning in these Bylaws. The Declaration is hereby incorporated into these Bylaws, and any inconsistency between these Bylaws and the Declaration will be resolved in favor of the Declaration.

These Bylaws apply to the entire Property, as defined in the Declaration. Each Owner of a Lot or Condominium Unit in the Property automatically, by virtue of their fee simple ownership, becomes a member of the Association. All present and future Owners, Mortgagees, and other encumbrancers, lessees, tenants, licensees, and occupants of Lots or Condominium Units, and their guests and employees, and any other person who may use the Common Areas of the Property are subject to these Bylaws, to the Declaration as it may from time to time be amended, and to the Rules and Regulations pertaining to use and operation of the Property.

**ARTICLE 1. MEMBERSHIP; VOTING; REGISTER**

Section 1.1 Membership. The Owners of Lots, Condominium Units and the Athletic Club Tract constitute the members of the Association, as set forth in the Declaration. Corporations, partnerships, associations, and other legal entities, trustees under an express trust, and other fiduciaries, as well as natural persons may be members of the Association. Owners of a Lot, Condominium Unit or the Athletic Club Tract as joint tenants, tenants in common, community property, or other ownership involving more than one person, shall be joint members of the Association and shall have one membership for each Lot, Condominium Unit or Athletic Club Tract owned.

Section 1.2 Number of Votes. The voting power of the members shall be equal to the number of Lots, Condominium Units on the Property and the Athletic Club Tract, with each Lot, Condominium Unit and the Athletic Club Tract having one vote; provided that any Lots, Condominium Units or other property owned by the Association shall have no voting rights.

Section 1.3 Voting by Multiple Owners. The vote for each membership must be cast as a single vote and fractional votes will not be allowed. If there is more than one entity or person constituting the member, such joint owners must agree amongst themselves how their vote will be cast for that membership. If such joint owners cannot agree on how to vote on any matter, such member shall have no vote in the Association on the matter in question.

Section 1.4 Voting Representative. A member may, by written notice to the Board of Directors of the Association (the "Board"), designate a voting representative for the membership. The voting representative need not be an Owner. Such designation may be revoked at any time by written notice to the Board from any person having an ownership interest in the property giving rise to the membership, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the property, except in cases in which the person designated is a Mortgagee of the property. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in-fact of the Owner under a durable power of attorney, or the administrators or executors of an Owner's estate. If a Lot or Condominium Unit is owned by a married couple and only one of them is at a meeting, the one who is present will represent the marital community.

Section 1.5 Voting by Proxy; Pledged Votes to Mortgagee. A voting member of the Association may designate a proxy to cast his/her vote by sending a dated notice of the existence and extent of such proxy to the Secretary of the Association by mail or electronically, or by giving the proxy holder an authorizing letter or e-mail which includes the date(s) of the meeting for which the proxy is valid. The member may rescind such proxy at any time by giving like notice of such a rescission. 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 11 months after its date of issuance. An Owner may, but shall not be obligated to, pledge his or her vote on all issues or on specific issues to a Mortgagee. If an Owner is in default under a first Mortgage on the Lot or Condominium Unit for one year or more, the Mortgagee shall automatically be authorized to declare at any time thereafter that the Owner has pledged his or her vote on all issues to the Mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a Mortgagee, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge. Voting members may assign the Board as their proxy, authorizing the Board to use its discretion in casting those votes.

Section 1.6 Persons Under Disability. Minors and 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 his estate, through a parent having custody of the minor.

Section 1.7 Register of Members. The Board shall cause a register to be kept containing the names and addresses of all members of the Association. Persons who purchase an interest in a Lot or Condominium Unit shall promptly inform the Board of their interest. Persons who claim to be members of the Association shall, upon request, furnish the Board with copies of any documents under which they assert ownership of a Lot or Condominium Unit or any interest therein, and any Mortgages thereon. Members shall update their mailing address(s), e-mail address(s) and telephone number(s) from time to time as is appropriate by sending notice of the change in writing to the Board or persons designated by the Board.

## ARTICLE 2. MEETINGS OF MEMBERS

Section 2.1 Place. Meetings of the members of the Association shall be held at such suitable place as may be convenient to the membership and designated from time to time by the Board.

Section 2.2 Annual Meeting. The annual meeting of the Association shall be held on the third Saturday of May of each year, or at such other reasonable time as may be designated by the Board, which date shall not be less than 20 or more than 50 days after notice of the meeting is given to the members. At such annual meeting the Owners shall elect members to the Board or fill vacancies therein, and transact such other business as shall properly come before the meeting.

Section 2.3 Budget Ratification. The financial statement for the preceding fiscal year and the proposed budget the Board has adopted for the pending fiscal year shall be presented at the Annual Meeting. A copy of the proposed budget or summary thereof shall be delivered to each member not less than 20 and not more than 50 days prior to the meeting. Unless at the meeting members holding a majority of the votes in the Association vote to reject the budget, the budget is ratified, whether or not a quorum is present for the meeting. In the event the proposed budget is rejected or the ratification of the budget is otherwise invalid, the budget last ratified by the Owners shall be continued until a budget proposed by the Board is ratified. The Board at any time, or twenty-five percent of the members by written request, may require that an audit of the Association and management books be presented at any annual meeting or at any special meeting.

Section 2.4 Special Meetings. A special meeting of the Association may be called by the president, by resolution of the Board, or upon the written request of Owners having twenty-five percent of the votes in the Association not less than 20 or more than 50 days in advance of the meeting. No business shall be transacted at a special meeting except as stated in the notice given therefor.

Section 2.5 Notice of Meetings. It shall be the duty of the secretary to give notice of each annual and special meeting to each member of the Association not less than 20 nor more than 50 days before the meeting. Such notice shall be hand-delivered or sent prepaid by first-class United States mail to the mailing address of each Lot, Condominium Unit or to any other mailing address designated in writing by the Owner or e-mailed to any e-mail address(s) designated by the Owner. Notice shall be deemed given on the date of deposit in the mail or transmitted electronically. Notice of any meeting shall state the time and place of the meeting and the items on the agenda to be voted on by the members, including the general nature of any proposed amendment to the Declaration, Articles, or Bylaws, any changes in the previously approved budget that result in a change in Assessment obligations, and any proposal to remove a director or officer. Before any meeting of the Association, any member may, in writing, waive notice of such meeting. Attendance by a member at a meeting of the Association shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins.

Section 2.6 Quorum. The presence at an annual meeting in person or by proxy of members of the Association or voting representatives holding 30% of the total voting power of the Association or the presence at a special meeting in person or by proxy of 50% of the total voting power of the Association shall constitute a quorum for the transaction of business of the Association at such meetings. If a quorum is not present at any meeting, the members present, though less than a quorum, may adjourn the meeting to a later date and give notice thereof to all the members in accordance with the notice provisions of these Bylaws. The quorum requirements for the adjourned meeting shall be 50% of the quorum requirements for the originally scheduled meeting.

Section 2.7 Adjournment of Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners present in person or by proxy may adjourn the meeting to a later date and give notice thereof to all the Owners in accordance with the Section 2.5.

Section 2.8 Majority Vote. Except as otherwise provided by the Declaration or by these Bylaws, passage of any matter submitted to vote at a meeting where a quorum is present, shall require the affirmative vote of a simple majority of the votes present.

Section 2.9 Parliamentary Authority. In the event of dispute, the parliamentary authority for the meetings shall be the most current available edition of Robert's Rules of Order or such other published code of parliamentary procedure as shall be approved by a majority at the meeting.

### ARTICLE 3. BOARD OF DIRECTORS

Section 3.1 Number, Term, and Qualifications. The business of the Association shall be conducted by the Board of Directors (the "Board") of up to seven members. All Board members shall be members of the Association; provided that no membership, as defined in Section 1.1, may have more than one member on the Board. The term of office for directors will begin on the date of adjournment of the meeting at which they are elected. The normal term of office for directors will be for two years and until their successors are elected and take office, with no limitation on future terms. The Board shall be divided with approximately half of the members elected in even numbered years and half in odd numbered years. In the event of vacancies on the Board, the Board can vote to redistribute terms of office in order to maintain the rotating nature of board elections, provided only that no member may have his/her term extended beyond two years without an intervening election, and no member may have his/her term shortened without his/her approval. If a corporation is a member of the Association, any of its officers, directors, or shareholders may be elected to the Board; if a partnership is a member, any partner of such partnership may be elected to the Board.

Section 3.2 Powers and Duties. The Board shall have all the powers and duties provided for in the Declaration, the Articles, and the Nonprofit Corporations Act. The Association shall be managed by the Board who may employ a manager to exercise its authority and carry out duties delegated by the Board.

Section 3.3 Vacancies. Vacancies on the Board caused by reasons other than the removal of a director by a vote of the Association may be filled by an election held at a special meeting of the Association called for that purpose or by the remaining directors if the special meeting does not occur within 60 days of the vacancy. Each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

Section 3.5 Removal of Directors. Members holding a majority of the votes in the Association present in person or by proxy and eligible to vote at any meeting of the Association at which a quorum is present may remove any member of the Board with or without cause.

Section 3.6 Compensation. No compensation shall be paid to directors for their services as directors.

Section 3.7 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 directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director personally or by mail, telephone, or e-mail, at least three days before the day fixed for the meeting.

Section 3.8 Special Meetings. Special meetings of the Board may be called by the president on three days' notice to each director, given personally or by mail, telephone, or e-mail, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by either the president or secretary in like manner and on like notice on the written request of any two directors.

Section 3.8 Action without Meeting. The Board may act without a meeting by unanimous written consent of the Directors as evidenced by their signature upon any minutes or resolutions of the Board, or by receipt of USPS or electronic consent to such action.

Section 3.9 Waiver of Notice. Before any meeting of the Board, any director may, in writing, waive notice of such meeting. Attendance by a director at any meeting of the Board shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at the meeting.

Section 3.10 Quorum. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. If there is less than a quorum present at any meeting of the Board, the majority of those present may adjourn the meeting to a later date and give notice thereof to all the members in accordance with the notice provisions of Section 3.6. At the later meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.11 Open Meeting. Any Owner or voting representative may attend any meeting of the Board, but shall not be entitled to participate except with the consent of the

Board. Notice of meetings shall be given in the Board minutes or posted on the Association web site. The Board may, however, go into private, executive session to consider the employment or dismissal of any agent or other persons employed by the Association, or to hear complaints or charges brought against such person, unless the person requests a public hearing, or to discuss with legal counsel litigation in which the Association is or is likely to become a party if public discussion would adversely affect the interests of the Association in such litigation.

Section 3.11 Resignation. A Board member may resign by notice to the President in writing or electronically of his/her intention to resign and the effective date of the resignation. If the resigning member is the President, the notice shall be given to the Secretary.

#### ARTICLE 4. OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by the Board. The Association also may have, at the discretion of the Board, such other officers as they may designate by majority vote. Two or more offices may be held by the same person, except that a person may not hold the offices of President and Secretary simultaneously.

Section 4.2 Election of Officers. Officers of the Association shall be elected by a majority vote of the Board annually at a Board meeting after the annual meeting of the Association.

Section 4.3 Resignation of Officers. An officer may resign by notice to the President in writing or electronically of his/her intention to resign and the effective date of the resignation. If the resigning officer is the President, the notice shall be given to the Secretary. An officer may resign as an officer without resigning from the Board.

Section 4.3 Removal of Officers. At any regular meeting of the Board or at any special meeting of the Board called for such purpose, upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause. A successor to the removed officer may be elected at any such meeting. Removal from office does not constitute removal from the Board.

Section 4.4 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board and shall have all powers and duties usually vested in the office of the President. The President may be an ex-officio member of any committee. The President can hire or fire employees of the Association with the advice and consent of the Board.

Section 4.5 Vice-President. The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President.

Section 4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Board and of the Association and shall have custody of the business records of the Board and the

Association, other than financial records kept by the Treasurer. The Secretary shall also perform such other duties as may be prescribed by the Board.

Section 4.7 Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association.

Section 4.8 Other Officers and Employees. Other officers of the Association and any persons employed to assist the officers, shall have such authority and shall perform such duties as the Board may prescribe within the provisions of the applicable statutes, the Declaration, the Articles, and these Bylaws.

## ARTICLE 5. COMMITTEES

Section 5.1 Standing Committee. The Architectural Control Committee defined in the Declaration shall be a standing committee, the members of which shall be appointed, and may be removed, by the President with the concurrence of the Board. This committee shall advise the Board regarding items listed in the Declaration pertaining to Architectural Control.

Section 5.2 Other Committees. Other committees composed of one or more members of the Association may be created by the Board, the members of which shall be appointed, and may be removed, by the President with the concurrence of the Board.

## ARTICLE 6. HANDLING OF FUNDS

Section 6.1 Accounts. The Association shall establish the necessary funds or accounts to provide properly for the operation and maintenance of the Common Areas and Facilities and the Association. Overall superintendence of these funds shall be the responsibility of the Treasurer of the Association. There shall be at least two separate funds as described in Section 6.2 and Section 6.3.

Section 6.2 Working Capital Fund. There shall be established a checking account in a commercial bank to be known as the "Working Capital Fund." This fund will be used for the normal operation of the Association and will receive all monthly Assessments and other monies received by the Association. Checks shall be issued from this account for all management and operation expenditures necessary for maintenance expenses of a routine or minor nature that do not require resort to the Reserve Fund for Common Areas and Facilities. Funds for the Reserve Fund for Common Areas and Facilities will normally be deposited in the Working Capital Fund and checks immediately issued, or transfers made, to the other fund so an overall account of the funds received and disbursed by the Association is centralized in the Working Capital Fund account.

Section 6.3 Reserve Fund for Common Areas and Facilities. The Association shall maintain a fund which shall be known as the "Reserve Fund for Common Areas and Facilities."

The Treasurer shall deposit to this reserve account amounts reasonably anticipated to be required for the periodic maintenance, repair, and replacement of the Common Areas and Facilities. Any withdrawals of reserve funds for unforeseen or unbudgeted costs that are unrelated to maintenance, repair or replacement of the Common Areas and Facilities shall be subject to the notice requirements of RCW 64.38.075, as it may be amended.

Section 6.4 Combination and Deposit or Investment of Funds. All funds of the Association shall be kept in accounts or deposits that are insured by agencies of the United States. The funds of the Association shall not be commingled with the funds of any other association or with the funds of any manager of the Association.

#### ARTICLE 7. KEEPING RECORDS AND REPORTS

The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Association, in a form reasonably approved by the Board. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for examination by the members, Mortgagees, and the agents or attorneys of either of them, during normal business hours and at any other reasonable time or times.

#### ARTICLE 8. AMENDMENTS

At any regular or special meeting of the Association, these Bylaws may be amended by members holding a majority of the votes in the Association.

The foregoing Bylaws, which replace in their entirety the prior Bylaws of the Association, were adopted at the annual meeting of the Association held on May 17, 2014.

  
\_\_\_\_\_  
Secretary