

## AMENDED AND RESTATED BYLAWS FOR BRAE BURN, INC.

This amended and restated Bylaws for Brae Burn, Inc., is made as of November 19, 2009 by the owners of property located in Brae Burn and legally described in the plat of said property.

WHEREAS, the Bylaws of Brae Burn, Inc. ("the Previous Bylaws") were adopted on January 28, 2009.

WHEREAS, to satisfy **Articles 13.1.2 and 15.1** of the Previous Bylaws, notice of the time, place and purpose of the meeting of the Members of the Corporation was mailed to each Owner at least fourteen (14) days before the meeting at which time the Amended and Restated Bylaws For Brae Burn, Inc. ("the Amendment") was considered.

WHEREAS, the Amendment was approved at the meeting by the requisite vote of the members.

WHEREAS, the President and Secretary of Brae Burn, Inc. certify that the Previous Bylaws have been amended as follows and that the Amendment supersedes and replaces the contents of the Previous Bylaws which were in effect at the time the Amendment was adopted.

WHEREAS, the Amendment ("the Bylaws") provides for operation of Brae Burn, Inc. (the "Corporation") located in King County, Washington. They apply to the entire Property, each Lot within the Property, and all common areas. Each Lot Owner automatically, by virtue of such ownership, becomes a Member of the Corporation. All present and future Lot Owners, Mortgagees and other encumbrancers, lessees, tenants, licensees, and occupants of Lots, and their guests and employees, and any other person who may use the facilities of the Corporation are subject to these Bylaws, the Declaration of Covenants, Conditions, and Restrictions for Brae Burn, Inc. and other properly adopted governing documents.

### ARTICLE 1

#### DEFINITIONS

##### 1.1 "Corporation"

"Corporation" shall mean and refer to BRAE BURN, INC., a nonprofit Corporation organized and existing under the laws of the State of Washington, and its successors and assigns.

##### 1.2 "Properties"

"Properties" shall mean all such existing properties and additions thereto, as are subject to the Declaration of Covenants, Conditions and Restrictions for the plat of Brae Burn, and such additions thereto as there may hereafter be brought within the jurisdiction of the Corporation by annexation as provided in **Article 2.2**, of said Declaration of Covenants, Conditions and Restrictions.

##### 1.3 "Common Properties"

"Common Properties" shall mean all real property owned by the Corporation for the common use and enjoyment of the Members of the Corporation.

##### 1.4 "Lot"

"Lot" shall mean any plot of land shown upon any recorded plat of the Properties, with the exception of Common Properties as defined in **Article 1.3**.

1.5 "Owner"

"Owner" shall mean and refer to the record Owner (whether one or more persons or entities) of a fee interest in any Lot, excluding mortgagees or other persons or entities having such interest merely as security for the performance of any obligation. Purchasers or assignees under recorded real estate contracts shall be deemed Owners as against their respective sellers or assignors.

1.6 "Member"

"Member" shall mean all those who are Members of the Corporation as provided in **Article 3.1** of these Bylaws.

1.7 "Associate Member"

"Associate Member" shall mean and refer to the status of a person who enjoys Associate Membership rights and duties as provided in **Article 4.1**. This form of "membership" is not membership in the Brae Burn, Inc., Corporation, but rather is in the nature of a license by which its holder receives certain use rights in exchange for obligating him or herself to pay the Corporation such Fees, Charges and Assessments as the Corporation requires.

1.8 "Emeritus Member"

"Emeritus Member" shall mean and refer to the status of a person who enjoys Emeritus Membership rights and duties as provided in **Article 4.2**. This form of "membership" is not membership in the Brae Burn, Inc., Corporation, but rather is in the nature of a license by which its holder receives certain use rights in exchange for obligating him or herself to pay the Corporation such Fees, Charges and Assessments as the Corporation requires.

1.9 "Board of Trustees" or "Board"

"Board of Trustees" or "Board" shall mean and refer to the Board of Trustees of the Corporation, as provided in **Article 7** of these Bylaws. The Board of Trustees shall manage the corporate powers of this Corporation.

1.10 "CC&Rs"

"CC&Rs" shall refer to the Declaration of Covenants, Conditions and Restrictions for Brae Burn, Inc.

1.11 "Policies and Procedures"

"Policies and Procedures" shall refer to operating guidelines for oversight and management of the corporate powers and membership rights, duties and responsibilities which have been adopted by the Board and distributed to the community per **Article 6.21 of the CC&Rs**.

1.11.1 "Rules and Regulations"

"Rules and Regulations, a subset of "Policies and Procedures," shall refer to the rules and regulations that govern the common areas and facilities and the personal conduct of any person thereon which have been adopted by the Board and distributed to the community per **Article 6.21 of the CC&Rs**.

1.12 "Assessments," "Fees," and "Charges"

"Assessments" shall refer to Assessments as covered in **Article 5 of the CC&Rs** which may be assessed against Members. It shall also refer to Assessments due from Associate Members and Emeritus Members

as outlined in **Article 5.2.1**. "Fees" shall refer to fees set and published by the Board such as, but not limited to, the amount due monthly from Associate Members and Emeritus Members, initiation fees, late fees, clubhouse rental fees, guest tag fees and penalties. "Charges" shall refer to any other monetary amounts incurred by Brae Burn that are collectable from Members, Associate Members or Emeritus Members.

### 1.13 "Lien"

"Lien" means the charge upon the land to secure payment of an obligation owed to the Corporation, as further described in **Article 5.4 of the CC&Rs**.

### 1.14 "Schedule of Assessments and Fees"

"Schedule of Assessments and Fees" shall refer to the listing of Assessments and Fees set by the Board.

### 1.15 "Immediate Family"

"Immediate Family" means spouse or partner and the children of the Member, Associate Member, spouse or partner who are permanently living with the Member or Associate Member.

### 1.16 "Record"

"Record" shall mean the following documents: (1) current recorded plat of the properties, Articles of Incorporation, CC&Rs, Bylaws, Policies and Procedures, and Rules and Regulations; (2) a list of Members, including names, addresses, and classes of membership; (3) correct and adequate statements of accounts and finances, including but not limited to checks, bank records and invoices; (4) a list of officers' and Trustees' names and addresses; (5) minutes of the proceedings of Members, the Board, and any minutes which may be maintained by committees of the Board; (6) correspondence and communications of the Corporation; and (7) permits, approvals or entitlements issued by a governmental entity for modifications to common properties or facilities of the Corporation.

### 1.17 "Notice", "Notification," "Notifying"

"Notice," "Notification," and "Notifying" shall mean a notice that is given in writing (1) by first-class United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner; (2) by hand delivering the notification to the Lot Owner; or (3) by electronic transmission to the Lot Owner per **Article 19**. Refer to **Article 7.3 of the CC&Rs** for notice regarding disciplinary action.

## **ARTICLE 2**

### LOCATION

#### 2.1 Location

The principal office of the Corporation shall be located at 2409 182nd Avenue N.E., Redmond, Washington 98052.

## **ARTICLE 3**

### MEMBERSHIP

#### 3.1 Membership

3.1.1 Every person or entity who is the fee Owner of any Lot or Lots which are subject by CC&Rs to assessment by the Corporation, shall be a Member of the Corporation, provided that any such

person or entity who holds such interest merely as security for the performance of an obligation may not be a Member. No person or entity shall have more than one Membership regardless of the number of Lots owned or being purchased by such person or entity. The interest of each Member shall be equal to that of any other Member, and no Member may acquire any interest which shall entitle him or her to any greater voice, vote, or authority in the Corporation than any other Member.

Membership in the Corporation shall be inseparably appurtenant to the fee Ownership or contract purchaser's interest in any Lot. Upon transfer of the fee interest to, or upon the execution and delivery of a contract for the sale of (or of an assignment of a contract purchaser's interest in) any Lot, the Membership shall be deemed to be transferred to the grantee, contract purchaser, or new contract purchaser, as the case may be. No Membership may be transferred, assigned, or conveyed in any manner other than in the manner herein set forth.

3.1.2 When there are multiple fee Owners, only one joint Owner shall be designated as the Member entitled to vote and to use the Common Properties and facilities. When the Owner is a corporation or other entity, the corporation or entity shall appoint one person from the corporation or entity as the Member entitled to vote and to use the Common Properties and facilities.

3.1.3 Only the Member or designated Member's (in the case of multiple fee Owners) immediate family shall have Membership privileges for use of the Common Properties and facilities.

3.1.4 A Member may apply to the Board to assign his/her entire rights to use the Common Properties, subject to rules established in the Policies and Procedures, to a tenant who resides on a Lot owned by the Member and who has a lease for a term of one (1) year or more. This assignment of rights shall also extend to the tenant's immediate family. Applications for assignment of rights must be approved by the Board of Trustees and may be denied for cause.

The tenant's assignment of rights may be suspended for cause by the Board if:

1. The Member is suspended for any of the reasons specified in **Article 4.3.3 or 4.3.4 of the CC&Rs.**
2. The tenant violates the provisions of the CC&Rs, Bylaws, Policies and Procedures, or Rules and Regulations.

An assignment of rights may be reinstated by the Board when cause for suspension has been rectified.

3.1.5 A Member may rent or lease his/her property and choose not to assign rights to use the Common Properties and facilities subject to the rules established in the Policies and Procedures. The Member/Landlord shall be responsible for notifying the tenant(s) regarding the provisions of the CC&Rs and for ensuring compliance with them. In addition, the Member/Landlord shall advise the tenants that they do not have rights to use the Common Properties and facilities unless invited as a guest by an authorized user.

3.1.6 No Member may withdraw from the Corporation except upon transfer of title to the platted Lot or Lots to which Membership is appurtenant, as provided in **Article 3.1.1**. The Corporation shall pay no compensation to a transferor upon any transfer of Membership and no Member whose Membership is transferred shall be entitled to share or participate in any of the Common Properties or assets of the Corporation.

## ARTICLE 4

### OTHER CLASSES OF MEMBERSHIP – NON VOTING

Notwithstanding the provisions of **Article 3** of the CC&Rs, the Corporation shall allow non voting members as follows:

#### 4.1 Associate Memberships

4.1.1 In addition to Members of the Corporation as previously defined, the Corporation may accept Associate Memberships not to exceed FORTY (40) Memberships at any one time. Approved Associate Memberships shall be available to single family units. An approved Associate Member and his/her immediate family shall have Membership privileges for the use of Common Properties and facilities of Brae Burn, Inc. Associate Members shall have no vote or authority in Brae Burn, Inc., but may serve on designated committees. Should the family unit divorce or separate, Brae Burn shall be notified within 30 days in writing and shall be notified regarding who shall retain the Associate Membership.

If the Corporation is accepting Associate Memberships, family units who wish to join shall submit an application to the Board of Trustees agreeing to abide by and observe all Bylaws, Policies and Procedures, Rules and Regulations, and provisions of the CC&Rs and shall pay an initiation fee as listed in the Schedule of Assessments and Fees. If a wait list is in effect, a deposit, as designated in the Schedule of Assessments and Fees, shall accompany the application and is non-refundable. The balance of the initiation fee shall be due in full at the time of joining. An Associate Membership Monthly Fee as listed in the Schedule of Assessments and Fees shall be due and payable on the first of each month. Associate Members are also subject to other Fees, Charges and Assessments approved by the Board.

4.1.2 An Associate Member desiring to resign his/her Membership shall submit a written resignation request giving a thirty (30) day notice of resignation. Such resignation shall become effective on the first day of the first full calendar month following the thirty (30) day notice. Fees, Charges and Assessments incurred up to the effective date of the resignation shall be due and payable by the Associate Member. All Associate Memberships shall be non-transferable.

#### 4.2 Emeritus Membership

4.2.1 The Board of Trustees shall be empowered to grant Emeritus Membership to former Members who are individual persons (not business entities or corporations), as defined in **Article 3.1.1**. To be eligible for Emeritus Membership, an applicant must have been a Member for ten (10) years, no longer reside in the community, and no longer hold a Membership by Ownership of any Lot. Emeritus Members shall have no vote or authority in Brae Burn, Inc., but may serve on designated committees. A person designated as an Emeritus Member shall have Membership privileges for the use of the Common Properties and facilities. Such rights and privileges shall apply to the Emeritus Member and spouse/partner but shall not apply to any other immediate family members. Should the Emeritus Member and spouse/partner divorce or separate, Brae Burn, Inc. shall be notified within thirty (30) days in writing and shall be notified regarding who shall retain the Emeritus Membership.

Emeritus Members who wish to join shall submit an application to the Board of Trustees agreeing to abide by and observe all Bylaws, Policies and Procedures, Rules and Regulations, and the provisions of the CC&Rs. There is no waiting list for Emeritus Membership and the Board of Trustees shall act on each application within sixty (60) days after receipt of such application. If in effect, a deposit or initiation fee as designated in the schedule of Assessments and Fees, shall be due in full at the time of joining. An Emeritus Membership Monthly Fee as listed in the Schedule of Assessments and Fees shall be due and payable on the first of each month. Emeritus

Members are also subject to other Fees, Charges and Assessments approved and published by the Board.

4.2.2 An Emeritus Member desiring to resign his/her Membership shall submit a written resignation request giving a thirty (30) day notice of resignation. Such resignation shall become effective on the first day of the first full calendar month following the thirty (30) day notice. Fees, Charges and Assessments incurred up to the effective date of the resignation shall be due and payable by the Emeritus Member. All Emeritus Memberships shall be non-transferable.

## ARTICLE 5

### RIGHTS OF ENJOYMENT OF COMMON PROPERTY, DUTIES AND PENALTIES

#### 5.1 Membership Rights, Duties, and Penalties

Each Member and such Member's immediate family and temporary house guests shall be entitled to the use and enjoyment of the Common Properties and facilities as provided by **Article 4 of the CC&Rs** subject to fulfillment of the following duties.

5.1.1 The rights to enjoyment of Corporation Membership are subject to the payment of Fees, Monthly Assessments, Special Assessments, Individual Assessments, and other Charges levied by the Corporation.

5.1.1.1 Membership rights of any Member, whose interest in the Properties is subject to Fees, Assessments and Charges under **Article 5 CC&Rs**, whether or not personally obligated to pay such Fees, Assessments and Charges, may be suspended by action of the Board of Trustees during the period when the Fees, Assessments and Charges remain unpaid and/or the Member may incur a monetary penalty per **Articles 5.6 and 7.4 of the CC&Rs**. Such suspension shall mean loss of all Membership rights and privileges, including but not limited to voting privileges and/or access to and use of all facilities and Common Property. Upon payment of such Fees, Assessments and/or Charges, Membership rights and privileges shall be automatically restored.

5.1.1.2 Penalties for non-payment of Monthly Assessments, Special Assessments and Special Individual Assessments are subject to the provisions of **Articles 5.4 and 5.6 of the CC&Rs**.

5.1.2 The rights to enjoyment of Membership are subject to compliance with the CC&Rs and Bylaws adopted by the community, the Policies and Procedures, and the Rules & Regulations properly adopted by the Board, and may be suspended and/or a monetary penalty may be assessed for misconduct subject to the provisions of **Article 5.3** below and **Article 7.4 of the CC&Rs**.

#### 5.2 Associate Member and Emeritus Member Rights, Duties and Penalties

Each Associate Member and such Associate Member's immediate family, each Emeritus Member and such Emeritus Member's spouse/partner, and temporary house guests shall be entitled to the use and enjoyment of the Common Properties and facilities as provided by **Article 4 of the CC&Rs**.

5.2.1 Associate Members and Emeritus Members are subject to the payment of Fees, Charges and Assessments under **Articles 5.1 and 5.2 of the CC&Rs** as applied to the owner of any lot. Membership rights may be suspended by action of the Board of Trustees during the period when the Fees, Charges or Assessments remain unpaid and/or the Associate Member or Emeritus Member may incur a monetary penalty but, upon payment of such Fees, Charges or

Assessments, all rights and privileges will automatically be restored provided payment is received within sixty (60) days of the due date. Payment not received within sixty (60) days shall subject the membership to forfeiture pursuant to the terms of **Article 5.2.3**.

5.2.2 The rights to enjoyment of an Associate or Emeritus Membership are subject to compliance with the CC&Rs and Bylaws adopted by the community and the Policies and Procedures and Rules & Regulations properly adopted by the Board, and may be suspended and/or a monetary penalty may be assessed for misconduct subject to the provisions of **Article 5.3** below and **Article 7.3 of the CC&Rs**.

5.2.3 An Associate Membership or an Emeritus Membership shall be subject to forfeiture and any such Associate Member or Emeritus Member may be expelled by action of the Board of Trustees for non-payment of Fees, Charges or Assessments within sixty (60) days of the due date or for continued non compliance with the provisions of the Rules and Regulations, the Bylaws, the CC&Rs and/or the Policies and Procedures. In case suit is initiated to collect Monthly Fees, Assessments, or any other Fee or Charges aforesaid, or indebtedness to Brae Burn, Inc., such Associate Member or Emeritus Member shall also pay, in addition to court costs, a reasonable sum as attorney's fees in said action.

### 5.3 Suspension for Misconduct

Any suspension of membership rights or assessment of penalties that is based on the Board's exercise of rights conferred in these Bylaws or the CC&Rs to impose such consequences in response to misconduct by a Member, Associate Member, or Emeritus Member shall be accompanied by a Notice of such suspension or assessment of penalties together with an opportunity to appeal pursuant to the procedures described in **Articles 7.3 and 7.4 of the CC&Rs**.

## **ARTICLE 6**

### CORPORATION PURPOSES AND POWERS

#### 6.1 Purpose

This Corporation shall be conducted as a nonprofit corporation for the purposes set forth in the Articles of Incorporation and in the CC&Rs.

#### 6.2 Powers

The Corporation shall have power to levy and collect Fees, Assessments and other Charges against its Members, Associate Members and Emeritus Members and against the platted Lots owned or being purchased by the Members. The Corporation shall also have the power to impose Initiation Fees and Assessments for Memberships, Associate Memberships, and Emeritus Memberships, and to fix the amounts thereof, and to exercise such other rights as are conferred on the Corporation by law, the CC&Rs, the Articles of Incorporation, or these Bylaws.

## **ARTICLE 7**

### BOARD OF TRUSTEES

#### 7.1 Board

The corporate powers of this Corporation shall be managed by a Board of Trustees of seven (7) members who must be Members of the Corporation. No trustee shall be elected or serve unless he or she conforms

to all of the requirements of Membership as set forth in **Article 3**. No more than one Member per voting household shall serve as a Trustee at the same time.

#### 7.2 Term of Office

Beginning January 1998 three Trustees shall be elected for a one-year term and four Trustees shall be elected for a two-year term. In 1999 three Trustees shall be elected for a two-year term. The schedule of 4/3 shall continue annually beginning in 2000.

#### 7.3 Removal

7.3.1 The Members by a majority vote of the Members present, in person or by proxy, and entitled to vote at any meeting of the Members at which a quorum is present, may remove any member of the Board of Trustees with or without cause.

Any Trustee whose removal has been proposed shall be given an opportunity to be heard by the Members at the meeting before the vote for removal is taken. If the Trustee is removed, a successor may then and there be elected by a majority of Members present, in person or by proxy, to fill the vacancy and to serve the remainder of the unexpired term.

7.3.2 In the event that any member of the Board of Trustees of this Corporation shall be absent from three (3) consecutive meetings of the Board of Trustees, the Board may, by action taken at the meeting during which said third absence occurs, declare the office of said absent Trustee to be vacant.

#### 7.4 Compensation

No Trustee shall receive any salary or compensation from the Corporation for Trustee responsibilities that are routinely handled on a volunteer basis.

### **ARTICLE 8**

#### **NOMINATION AND ELECTION OF TRUSTEES**

##### 8.1 Election

Election to the Board of Trustees shall be by written ballot at the Annual Membership Meeting or by acclamation if, after nominations have been closed, the number of nominees is equal to or less than the number of vacancies. At such election, the Members or their proxies may each cast one vote. The names receiving the largest number of votes shall be elected. If there is a tie vote, the President shall ask if any candidate wishes to withdraw. After the withdrawal option has been exercised, if there are still more candidates than open positions, names of those who are tied for the still open position(s) shall be drawn from a hat until the open positions are filled.

No Member may serve as trustee for more than two (2) consecutive years unless the Members, by an affirmative sixty-seven percent (67%) vote of the votes cast by Members present, in person or by proxy, and entitled to vote at any meeting of the Members at which a quorum is present, votes by special ballot immediately preceding the regular balloting for election of Trustees to retain a trustee for more than two (2) years in succession.

##### 8.2 Nomination

An Ad Hoc nominating committee, appointed by the Board of Trustees, shall make nominations for election to the Board of Trustees. Nominations may also be made from the floor at the Annual

Membership Meeting. The nominating committee shall make as many nominations for election to the Board of Trustees as it shall in its discretion determine, but shall try to have not less than the number of vacancies that are to be filled. Nominees must be Members of the Corporation.

## ARTICLE 9

### POWERS AND DUTIES OF THE BOARD OF TRUSTEES

#### 9.1 Powers

The Board of Trustees shall have power:

9.1.1 to call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon written request of at least ten percent (10%) of the Members.

9.1.2 to appoint, hire, and fire all agents and employees of the Corporation, describe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, Officer, or Trustee of the Corporation in any capacity whatsoever except as referred to in **Article 7.4**.

9.1.3 to elect or remove Officers of the Corporation and require of them such security or fidelity bond as it may deem expedient. A successor to a removed officer shall be elected at the meeting in which the officer is removed.

9.1.4 to appoint committee chairs and to fill other volunteer positions. It shall also have the power to appoint, upon recommendation of the committee chairs, committee members, sub committee chairs and sub committee members following the provisions of the Bylaws and Policies and Procedures. It shall also have the power to remove any such appointees.

9.1.5 to create ad hoc committees and other temporary committees and appoint committee members following the provisions of the Bylaws and Policies and Procedures. It shall also have the power to remove such appointees.

9.1.6 to establish, levy, assess, and collect Assessments, Charges and Fees consistent with the Bylaws and applicable provisions of the CC&Rs.

9.1.7 to vary in hardship cases, in its discretion upon a majority vote of the Board, a Member's, Associate Member's or Emeritus Member's terms of payment of Assessments, Fees and/or Charges upon application of the Member, Associate Member, or Emeritus Member.

9.1.8 to adopt and publish reasonable Policies and Procedures per **Article 6.21 of the CC&Rs** which include Rules and Regulations governing the use of the Common Properties and facilities and the personal conduct of all classes of members and their guests thereon. Any changes proposed by any individual, group, or committee must be made during a regularly scheduled Board Meeting. The Board may act on the proposed change by motion, but must delay voting on the motion until at least the next regularly scheduled Board meeting and must advise the Members of the proposed change in writing at least two weeks before voting. Adopted changes shall be published and distributed to the members thirty (30) days before they become effective.

9.1.9 to select and appoint a replacement Trustee should a Trustee die, resign or be removed. Said appointee shall serve for the unexpired term of his/her predecessor. In addition, if there were not enough nominations to fill the open Trustee vacancies, the Board of Trustees may appoint Member(s) of the Corporation to fill open positions.

9.1.10 to exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation, except those reserved to Members in the CC&Rs.

9.1.11 to approve or disapprove applications for Associate and Emeritus Memberships, subject to the conditions and terms provided in the Articles of Incorporation, Bylaws, and the CC&Rs.

9.1.12 to approve/disapprove applications for assignment of use of Common Properties to tenants per **Article 3.1.4**.

9.1.13 to enforce the provisions of the CC&Rs, the Bylaws, or any rule established by the Board of Trustees per **Article 7.4 of the CC&Rs**.

## 9.2 Duties

It shall be the duty of each Board of Trustees:

9.2.1 to keep a complete record of all of its acts and corporate affairs. Records, including employee files, shall be retained per legal guidelines.

9.2.2 to supervise all Officers, appointees, agents and employees of the Corporation.

9.2.3 to ensure that financial records are kept in accordance with Generally Accepted Accounting Principles (GAAP).

9.2.4 to present to the membership a year-end financial statement of the Corporation. Per RCW 64.38.045 the financial statement shall be audited by an independent certified public accountant. The audit may be waived by an affirmative sixty-seven percent (67%) vote of the votes cast by Members present, in person or by proxy, and entitled to vote at any meeting of the Members at which a quorum is present.

9.2.5 to annually review the insurance policies of the Corporation

9.2.6 to receive complaints from Members, Associate Members, and Emeritus Members on any matter involving Corporation functions, duties, and activities within its field of responsibility. The Trustees shall dispose of such complaints as deemed appropriate or refer them to such other committee, Trustee, or Officer of the Corporation as is further concerned with the matter presented.

9.2.7 to enforce the provisions of the CC&Rs, the Bylaws, or any rule established by the Board of Trustees per **Article 7.4 of the CC&Rs** provided, however, that the Board may, in the exercise of its business judgment, forego, suspend, condition or tailor its enforcement in a specific instance so that its enforcement decision or actions furthers what the Board determines to be in the best interests of the Corporation.

9.2.8 to perform other duties as contained in the Policies and Procedures.

## **ARTICLE 10**

### TRUSTEES' MEETINGS

#### 10.1 Regular Meetings

A regular meeting of the Board of Trustees shall be held monthly ("Regular Trustee Meeting"). The first Regular Trustee Meeting of the calendar year shall be held on the third Tuesday in January. If conditions prevent this meeting from being held, it shall be held on the first day after the third Tuesday that

conditions allow the meeting to take place. Election of officers and other appointments shall be made at this first annual meeting pursuant to **Article 11.1**.

The Board of Trustees shall fix, from time to time, by resolution, the place and hour of its Regular Trustee Meetings and notify the Membership in writing as to the scheduled date and time. Should any such meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day that is not a legal holiday. The Membership must be notified in writing at least one week in advance of any regular meeting that is rescheduled. Such meetings shall be open to all Members of the Corporation Associate Members and Emeritus Members.

#### 10.2 Special Meetings

Special meetings of the Board of Trustees shall be held when called by the President of the Corporation or by any two (2) Trustees after not less than three (3) days by Notice or phone contact to all Trustees. Notice may be waived in an emergency situation if an attempt has been made to contact all Trustees.

The President or Trustees calling the meeting should attempt to provide notice to the membership in advance of any special Board meeting. Failure to provide advance notice shall not alone invalidate any action taken or decision made the Board at such meeting, provided, however, that written notification in the form of minutes of the proceedings and record of any votes is provided following any meeting where advance notice was not made.

#### 10.3 Open Meetings

All regular and special meetings of the Board of Trustees shall be open for observation by all owners of record and their authorized agents except as otherwise provided in **Article 10.4** below.

#### 10.4 Closed Executive Sessions in Regular and Special Meetings

Upon the affirmative vote in open meeting to assemble in closed session, the Board or Trustees may convene in closed executive 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 Corporation, and matters involving the possible liability of an owner to the Corporation. 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 of Trustees 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 or Trustees, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirements of this subsection shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

#### 10.5 Quorum

The majority of the Board of Trustees shall constitute a quorum thereof.

#### 10.6 Parliamentary Procedure

The Board of Trustees shall adopt a Parliamentary Procedure to govern Board meetings. If no Parliamentary Procedure is adopted, then the rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Corporation in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Corporation may adopt.

## ARTICLE 11

### OFFICERS, ASSISTANTS AND OTHER APPOINTEES

#### 11.1 Election of Officers and Other Appointees

At the first Regular Board Meeting of the newly elected Trustees, the Board shall elect by majority vote of Trustees present, provided a quorum is present, the Officers ("Officers" or "Officer") of the Corporation: President, Vice-president, Secretary and Treasurer. Officers shall be members of the Board. Any Officer, other than the President, may occupy two offices concurrently if the Board so authorizes. The Officers of the Corporation so elected shall hold office for the term of one (1) year from the date of election or until their successors are elected or appointed and qualified.

In addition, the Board shall appoint a Trustee to oversee Common Property maintenance issues ("Maintenance Trustee"), a Trustee to oversee golf activities ("Golf Trustee"), and a Trustee to oversee social and other Brae Burn sponsored non-golf events ("Social Trustee").

The Board may also appoint an assistant secretary and/or assistant treasurer at any time.

#### 11.2 Removal

Any Officer or appointee may be suspended or removed by a majority vote of all of the Trustees.

#### 11.3 President

The President shall preside at all meetings of the Board of Trustees and Members. The President shall sign all contracts and other instruments, including, in the absence of the Treasurer, checks as authorized by the Board of Trustees. The President shall call special meetings of the Board or of the Members whenever deemed necessary, or whenever a special meeting is mandated under the provisions of these Bylaws; and shall exercise, under the direction of the Board of Trustees, the supervision over affairs of the Corporation. The President shall be an ex officio member of the Long Term Planning Committee, shall oversee use of the Common Properties for non Brae Burn sponsored events, and shall perform other duties as contained in the Policies and Procedures or assigned by the Board.

#### 11.4 Vice-president

The Vice-president shall perform all the duties of the President in his/her absence. The Vice-president shall chair the Architectural Review Committee, shall be responsible for processing new Associate and Emeritus membership requests and for welcoming members of all classes, and shall perform other duties as contained in the Policies and Procedures or assigned by the Board.

#### 11.5 Secretary

The Secretary shall maintain the Records of the Corporation, except those retained by the Treasurer, and shall make such records available to the Members. The Secretary shall send required Notification to the Members of the Corporation regarding Membership Meetings and Board Meetings, shall record the votes, shall oversee distribution of Corporate information including a monthly distribution of the minutes of Board meetings to the community through such sources as the Roster, Web Site, newsletter, and flyers, and shall perform other duties as contained in the Policies and Procedures or assigned by the Board.

The Secretary shall maintain a current copy of the Articles of Incorporation, the CC&Rs, the Bylaws, the Rules and Regulations, and the Policies and Procedures and shall make these available at all meetings.

### 11.6 Treasurer

The Treasurer shall ensure that all monies received and all securities of the Corporation are kept safe and that deposits are made in a timely manner to accounts that are insured by agencies of the United States selected by the Board. He/she shall have authority to sign checks and notes of the Corporation and shall make disbursements under the direction of the Board of Trustees following the financial controls contained in the Policies and Procedures.

The Treasurer shall prepare and distribute to the Membership balance sheet statements each month. An end-of-fiscal-year balance sheet shall be distributed to the membership in January of each year.

The Treasurer shall prepare an annual budget for Board adoption and submittal to the Members to consider for ratification as provided in **Article 13**. If required, the Treasurer shall prepare any special budget for adoption by the Board of Trustees and submittal to the Members to consider for ratification as provided in **Article 13** of these Bylaws.

The most recent balance sheet statement shall be presented to the Members at the Annual Membership Meeting. The Treasurer shall also issue and present a statement showing the condition of the financial affairs of the Corporation at the Annual Membership Meeting and at any time directed by the Trustees.

The Treasurer shall ensure that proper books of account are kept and cause an annual audit of the Corporation's books to be made by a certified public accountant at the completion of the fiscal year unless the Members waive the audit pursuant to Article 9.2.4.

The Treasurer shall serve as Chair of the Long-Range Planning Committee and shall perform other duties as contained in the Policies and Procedures or assigned by the Board.

### 11.7 Assistants

The assistant secretary and/or assistant treasurer, if appointed by the Board of Trustees, shall perform such duties as requested by the Board.

### 11.8 Maintenance Trustee

The Maintenance Trustee shall be responsible for advising the Board on matters pertaining to maintenance of the Common Properties. He/she shall chair the Maintenance Committee and shall be a member of the Long-Range Planning Committee. The Maintenance Trustee shall oversee the golf course superintendent and shall perform other duties as contained in the Policies and Procedures or assigned by the Board.

### 11.9 Golf Trustee

The Golf Trustee shall be responsible for advising the Board on matters pertaining to the game of golf, and shall be responsible for promoting and overseeing the game of golf, and other duties as contained in the Policies and Procedures or assigned by the Board.

### 11.10 Social Trustee

The Social Trustee shall be responsible for advising the Board on matters pertaining to social and other Brae Burn sponsored non golf related events, shall be responsible for promoting and overseeing these events, and shall perform other duties as contained in the Policies and Procedures or assigned by the Board.

### 11.11 Associate Representative

Associates may select a representative to attend Board meetings. The representative shall have a voice, but shall not have a vote.

## **ARTICLE 12**

### COMMITTEES

#### 12.1 Standing Committees

12.1.1 Standing committees of the Corporation shall be:

ARCHITECTURAL REVIEW COMMITTEE  
MAINTENANCE COMMITTEE  
CLUBHOUSE COORDINATING COMMITTEE  
LONG-RANGE PLANNING COMMITTEE

12.1.2 Standing Committee chairs shall be appointed by the Board of Trustees as soon after the election of the Officers as is reasonable. Committee chairs shall serve from the date of appointment until their successors are appointed. Upon recommendation of the Committee Chairs, the Board shall appoint committee members, subcommittee chairs, and subcommittee members. Appointees may be removed by a majority vote of the Board.

#### 12.2 Other Committees

12.2.1 The Board of Trustees may appoint such other committees including ad hoc committees as it deems desirable. Required ad hoc committees include the Nominating Committee and the Financial Review Committee.

12.2.2 Per the RCW, the Board shall establish committee member qualifications, terms of office, powers and duties. The Board shall appoint Committee Chairs and members. Appointees may be removed by Board action.

#### 12.3 Architectural Review Committee

The Architectural Review Committee, chaired by the Vice-president, shall include at least one additional Member of the Corporation. The Architectural Review Committee shall advise the Board, make recommendations to the Board and advise the Owners requesting approval of the final decision of the Board. Duties and functions shall include those described in **Article 6 of the CC&Rs**. It shall also perform other duties as contained in the Policies and Procedures or assigned by the Board.

#### 12.4 Maintenance Committee

The Maintenance Committee, chaired by the Maintenance Trustee, shall advise and make recommendations to the Board on all matters pertaining to the maintenance, repair, improvement, or development of the Common Properties and facilities of the Corporation. The Maintenance Committee shall consist of the Chair of the Maintenance committee and the Chairs of the "Greens," "Clubhouse," and "Pool" sub committees. All members must be Members of the Corporation.

The Committee shall make periodic reports to the Board on the state of the Common Properties. Committee members shall assist the Maintenance Chair by gathering information, and by recommending items for inclusion in the annual budget and shall perform other duties as contained in the Policies and Procedures or assigned by the Board.

#### 12.4.1 Greens Sub-committee

The Greens Sub-committee shall advise the Maintenance Chair on matters pertaining to the maintenance, repair, improvement, or development of the golf course grounds and equipment, and shall perform other duties as contained in the Policies and Procedures or assigned by the Board.

The sub committee chair shall be a Member of the Corporation. Sub committee membership is open to all classes of members. The recommended number of members should be from 4-7. The committee should include, but not be limited to golfers who play other courses on a regular basis, and it should include a member from any league or group that uses the course on a regular basis.

#### 12.4.2 Clubhouse Sub-committee

The Clubhouse Sub-committee shall advise the Maintenance Chair on matters pertaining to the maintenance, repair, improvement, or development of the Clubhouse, and shall perform other duties as contained in the Policies and Procedures or assigned by the Board.

The subcommittee chair shall be a Member of the Corporation. The sub-committee membership is open to all classes of members. The recommended number of members should be from 3-5, and should include, but not be limited to members from the different groups who use the Clubhouse on a regular basis.

#### 12.4.3 Pool Sub-committee

The Pool Sub-committee shall advise the Maintenance Chair on matters pertaining to the maintenance, repair, improvement, or development of the pool. The sub committee is responsible for periodically inspecting the pool to ensure it is kept in good condition and maintained according to applicable state and local rules and regulations, and shall perform other duties as contained in the Policies and Procedures or assigned by the Board.

The sub committee chair shall be a Member of the Corporation and the committee shall include the Maintenance Trustee. The committee membership is open to all classes of members. The recommended number of members should be from 3-4, and should include, but not be limited to, members who use the pool on a regular basis.

#### 12.5 Clubhouse Coordinating Committee

The Clubhouse Coordinating Committee Chair shall report to the President. The Committee shall be responsible for obtaining signatures on rental contracts, providing guidelines for users, collecting fees and deposits, refunding deposits, referring disputes over the charges for rentals to the Board and shall be responsible for ensuring that the Clubhouse is in good order before and after the rental event.

In addition the committee shall perform other duties as contained in the Policies and Procedures or assigned by the Board.

The members of the committee must be Members of the Corporation. It is recommended that the committee have 2-3 members.

#### 12.6 Long-Range Planning Committee

The purpose of the committee is to create a long-range plan for anticipated improvements and repairs, research costs and make recommendations to the Board. In addition, it shall perform other duties as contained in the Policies and Procedures or assigned by the Board.

The Long-Range Planning Committee shall be chaired by the Treasurer and shall consist of the Maintenance chair, the three chairs of the Maintenance subcommittees, the course superintendent, and other interested members of the community. Past presidents and past Maintenance Chairs shall be ex officio members of the committee.

#### 12.7 Ad Hoc Nominating Committee

The Board shall appoint an ad hoc nominating committee a minimum of thirty (30) days prior to each Annual Membership Meeting. The committee shall be composed of a chair, who shall be a member of the Board and two (2) or more Members of the Corporation. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine.

#### 12.8 Ad Hoc Financial Review Committee

The Board shall appoint a committee whose purpose is to review the financial records and practices of the Corporation. It is recommended that the committee have 2-3 members, who are required to be Members of the Corporation. The committee shall report its findings and recommendations to the Board. The Board shall make the committee's findings available for inspection as a Record of the Corporation as contained in the Policies and Procedures.

### ARTICLE 13

#### MEETING OF MEMBERS

##### 13.1 Annual Membership Meetings

13.1.1 Annual Membership Meetings shall be held in the Clubhouse on the third Thursday of November at 7:00 o'clock PM. If the day for an Annual Membership Meeting falls upon a legal holiday, the meeting will be held at the same place and time on the next day that is not a legal holiday.

13.1.2 Notice of Annual Membership Meetings shall be given by the Secretary not less than fourteen (14) days nor more than sixty (60) days prior to the date on which such meeting is to be held. Special Notification rules **per Article 14** apply if there will be a proposal to ~~increase the monthly assessment or to~~ levy a ~~special~~ Capital Addition or Improvement assessment. The Notice shall include a copy of the annual budget adopted by the Board, and shall state (1) the business to be voted on, (2) the language of any proposed adoption of, or amendment to the CCR's, the Articles of Incorporation, or the Bylaws, (3) the change, if any, in the monthly assessment obligation, (4) any special assessment, (5) the slate of Trustee nominees, and (6) if removal of a Trustee is proposed, the name of the board member whose removal is sought.

13.1.3 At such Annual Meeting the Members shall elect members to the Board, consider ratification of the Board adopted budget pursuant to the terms of Article 14.3, and transact other business as shall properly come before Members at the meeting.

13.1.4 The most recent balance sheet statement, a statement showing the condition of the financial affairs of the Corporation, and a copy of the minutes of the prior year shall be made available to the Members present at the meeting.

13.2 Special meetings of the Members for any purpose may be called at any time by the President, by the Board of Trustees, or upon written request of at least ten percent (10%) of the Members. Notice of a special meeting, stating the objects thereof, shall be given by the Secretary not less than fourteen (14) days nor more than sixty (60) days prior to the date on which such a meeting is to be held. Special Notification rules **per Article 14** apply if there will be a proposal to levy a Capital Addition or Improvement assessment. ~~increase the monthly assessment or to levy a special assessment.~~ The only business that may be transacted at a special meeting is that which was stated in the Notice of the special meeting.

### 13.3 Quorum Requirements

At all Annual Membership Meetings and special meetings of the Members, twenty per cent (20%) of the Members of the Corporation eligible to vote or their proxies shall constitute a quorum for the transaction of business. Each Member shall be entitled to one (1) vote except as provided for in **Article 3.2 in the CC&Rs**. Associate Members/Emeritus Members shall not be considered for the purposes of constituting a quorum.

### 13.4 Voting Requirements

13.4.1 A Member eligible to vote may exercise his/her right to vote by proxy. A proxy shall be signed by the member who is giving the proxy or shall be electronically transmitted as provided in **Article 19**. Every proxy shall be revocable and shall automatically cease upon conveyance of the Member's Lot. Associate Members/Emeritus Members shall not have a voting right.

13.4.2 Except as otherwise provided by the CC&Rs, 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 majority of the Members present.

### 13.5 Parliamentary Procedure

Unless the Members adopt a different parliamentary procedure, the rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Corporation in all cases to which they are applicable and in which they are not inconsistent with these Bylaws or any special rules of order the Corporation may adopt.

## ARTICLE 14

### BUDGET AND CAPITAL ADDITION AND IMPROVEMENT

#### 14.1 Fiscal Year.

The fiscal year is the calendar year, unless the Board adopts a different twelve month period.

#### 14.2 Preparation of Budget.

Not less than thirty (30) days before the end of the fiscal year, the Board shall prepare a budget for the Corporation for the coming year. In preparing its budget, the Board shall estimate the Common Expenses of the Corporation to be paid during the year, make suitable provision for accumulation of reserves, including amounts reasonably anticipated to be required for maintenance, repair, and replacement of the Common Property, equipment and other assets of the Corporation, and shall take into account any surplus or deficit carried over from the preceding year. Repair is defined to include work necessary to maintain compliance with applicable local, state, and federal laws pertaining to the Common Property.

#### ~~13.5~~ 14.3 Budget Ratification not Including Capital Addition or Improvement

Within thirty (30) days after adoption by the Board of Trustees of any proposed regular or special budget (including associated assessments) of the Corporation, the Board shall set a date for a meeting of the Members to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing of the summary. Unless at that meeting a majority of the Members in the Corporation reject the budget, in person or by proxy, the budget is ratified, whether or not a quorum is present. In the event the proposed budget is rejected or the required notice is not given, the budget last ratified by the owners shall be continued until such time as the Members ratify a subsequent budget proposed by the Board.

#### 14.4 Supplemental Budget.

If during the year the budget proves to be inadequate for any reason, including nonpayment of any Owner's Assessment, the Board may prepare a supplemental budget for the remainder of the year. A supplemental budget that results in an increase in Member Assessments must be ratified pursuant to Section 14.3.

#### 14.5 Capital Addition or Improvement

The Board may budget for, arrange for, and supervise any Capital Addition or Improvement to the Common Property, equipment, or other assets of the Corporation; provided, however, that if the estimated cost of the Capital Addition or Improvement exceeds ten thousand dollars (\$10,000.00), it shall be approved by an affirmative sixty-seven percent (67%) vote of the votes cast by members present, in person or by proxy, and entitled to vote at any meeting of the Members at which a quorum is present. "Capital Addition or Improvement" means an addition (as opposed to a replacement) to, or betterment or upgrade of, an existing capital asset, such as a building or equipment, that increases the usefulness or productivity of the asset and extends the useful life of the asset. Notice shall be delivered to all Members no less than thirty (30) days or more than sixty (60) days in advance and shall set forth the date, time and purpose of the meeting.

#### 14.6 Notice of Assessments Ratified as Part of a Budget

The Board shall notify each Owner in writing of the amount of the monthly Assessments to be paid for the Member's Lot. The Board shall furnish the same information to an Owner's Mortgagee if said Mortgagee has made written request to the Secretary of the Corporation to be furnished with such information.

#### 14.7 Proceeds Belong to Corporation

All assessments and other receipts received by the Corporation shall belong to the Corporation.

#### 14.8 Failure to Assess.

Any failure by the Board or the Corporation to make the Budget (including associated assessments) before the expiration of any fiscal year for the ensuing fiscal year shall not be deemed a waiver or modification in any respect of the provisions of these Bylaws, or a release of the Members from the obligation to pay assessments during that or any subsequent fiscal year, and assessments amount established for the preceding fiscal year shall continue until new assessments are established.

### **ARTICLE 14**

#### **ASSESSMENTS MEETINGS**

##### **14.1 Monthly Assessments**

~~The amount of the monthly assessment provided for in Article 5.1 of the CC&Rs may be increased or decreased by vote of the Members of the Corporation for the next succeeding one (1) year and at the end of each such one (1) year period for each succeeding one (1) year period, provided that any such change shall be approved by an affirmative sixty-seven percent (67%) vote of the votes cast by Members present, in person or by proxy, and entitled to vote at any meeting of the Members at which a quorum is present. Notice shall be delivered to all Members no less than thirty (30) days or more than sixty (60) days in advance and shall set forth the date, time and purpose of the meeting. The Board of Trustees of the~~

~~Corporation may, after consideration of current maintenance costs and future needs of the Corporation, fix the actual monthly assessment at a lesser amount.~~

#### 14.2 Special Assessments

~~The Corporation, in addition to the Monthly Assessments outlined by **Article 5.1 of the CC&Rs**, may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal Property related thereto, provided that any such assessment shall be approved by an affirmative sixty-seven percent (67%) vote of the votes cast by Members present, in person or by proxy, and entitled to vote at any meeting of the Members at which a quorum is present. Notice shall be delivered to all Members not less than thirty (30) days or more than sixty (60) days in advance and shall set forth the date, time and purpose of the meeting. The Board, on behalf of the Corporation, shall propose special assessments.~~

## ARTICLE 15

### BY LAW AMENDMENTS

#### 15.1 Procedure

These Bylaws may be amended at any Annual Membership Meeting or Special Meeting of the Members, provided the Notice provisions of **Articles 13.1 and 13.2** have been met, and that such amendments shall be approved by an affirmative sixty-seven percent (67%) vote of the votes cast by Members present, in person or by proxy, and entitled to vote at any meeting of the Members at which a quorum is present. Those provisions of these By-laws which are governed by the Articles of Incorporation of this Corporation may not be amended except as provided in the Articles of Incorporation or applicable law. Those matters stated herein to be or which are governed by the CC&Rs may not be amended except as provided in such CC&Rs.

#### 15.2 Conflicts Between Governing Documents

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the By-Laws and the CC&Rs, the CC&Rs shall control.

## ARTICLE 16

### INDEMNIFICATION

To the full extent permitted by law, each member of the Board of Trustees, each Officer, each member of a committee, the managing agent, and any other agents or attorneys of the Association, shall be indemnified by the Corporation against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of holding or having held such a position, or any settlement thereof, whether or not he or she holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by insurance and except in such cases where such person is found guilty of willful misfeasance in the performance of his or her duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board of Trustees approves such settlement as being in the best interests of the Corporation.

## ARTICLE 17

## BOOKS AND PAPERS

The Records of the Corporation shall be available for examination by Members of the Corporation, their mortgagees and their respective authorized agents. An opportunity to examine Records shall be made available within a reasonable period of time following the Secretary's receipt of the written request for examination. An examination scheduled to take place sometime within a period of two to five business days following the Secretary's receipt of the written request for examination satisfies this "reasonable period of time" requirement. The examination shall take place during normal business hours. The party requesting the examination shall certify that the examination is reasonably related to membership interests and that information about members will not be sold or otherwise used for commercial purposes. The examination right does not extend to examination of unlisted phone numbers, nor does it extend to examination of Records that are protected from disclosure by the attorney-client privilege. The party requesting examination shall pay such reasonable charges as the Corporation requires for providing copies and for providing access to the records, except that no charge will be imposed for copying the Corporation's Articles of Incorporation and Bylaws.

## **ARTICLE 18**

### CORPORATE SEAL

The seal of the Corporation shall be in circular form, having within its circumference the words "BRAE BURN, INC." and the words "Corporate Seal Washington 1965" in the form and style as affixed in these By-laws by the impression of such seal.

## ARTICLE 19

### COMMUNICATION BY ELECTRONIC TRANSMISSION

The following may be communicated by electronic transmission pursuant to the terms, conditions and procedures set forth in the Corporation's Electronic Notice and Voting Policy, which is set forth in Exhibit A to these Bylaws and is incorporated herein by this reference: (1) any Notice by the Corporation to a member(s) of the Board of Trustees; (2) any Notice by the Corporation to a Member(s) of the Membership; and (3) any Member(s) proxy or vote.

## ARTICLE 20

### DATE OF ADOPTION

The Corporation duly adopted these amended Bylaws, and the corporate seal affixed thereon on the 19<sup>28</sup>~~th~~ day of ~~January~~ November 2009.

EXHIBIT "A"  
TO BRAE BURN, INC., BYLAWS  
ESTABLISHING  
ELECTRONIC NOTICE AND VOTING POLICY

**ARTICLE 1**

DEFINITIONS

In addition to their natural, commonly accepted definitions, and to supplement definitions and usage as they may appear throughout the Corporation's governing documents, the Corporation adopts the following definitions:

1.1. "Deliver" includes electronic transmission, in accordance with the Member's consent for purposes of delivering a demand, consent, vote, Notice, or waiver to the Corporation or one of its Officers, Trustees, or Members.

1.2. "Electronic transmission" means an electronic communication (a) not directly involving the physical transfer of a record in a tangible medium and (b) that may be retained, retrieved, and reviewed by the sender and the recipient thereof and that may be directly reproduced in a tangible medium by a sender and recipient.

1.3. "Electronically transmitted" means the initiation of an electronic transmission.

1.4. "Execute", "executes", or "executed" includes, with respect to an electronic transmission, electronically transmitted along with sufficient information to determine the sender's identity.

1.5. "Record" means information inscribed on a tangible medium or contained in an electronic transmission.

1.6. "Tangible medium" means a writing, copy of a writing, facsimile, or a physical reproduction, on paper or on other tangible material.

**ARTICLE 2**

MEMBER CONSENT

2.1. Notice to Members in an electronic transmission that otherwise complies with the requirements of this Policy is effective only with respect to Members who have consented either in writing or by electronic transmission to receive electronically transmitted notices.

2.1.1. A Member who provides consent, in the form of a record, to receipt of electronically transmitted notices shall designate in the consent the message format accessible to the recipient, and the address, location, or system to which these notices may be electronically transmitted.

2.1.2. A Member who has consented to receipt of electronically transmitted notices may revoke the consent by delivering a revocation to the Corporation in the form of a record.

2.1.3. The consent of any Member is revoked if the Corporation is unable to electronically transmit two consecutive notices given by the Corporation in accordance with the consent, and this inability becomes known to the secretary of the Corporation or other person responsible for giving the notice. The inadvertent failure by the Corporation to treat this inability as a revocation does not invalidate any meeting or other action.

2.2. Notice to Members who have consented to receipt of electronically transmitted notices may be provided by posting the notice on an electronic network and delivering to the Member a separate record of the posting, together with comprehensible instructions regarding how to obtain access to this posting on the electronic network

2.3. Notice provided in an electronic transmission is effective when it: (a) is electronically transmitted to an address, location, or system designated by the recipient for that purpose, and is made pursuant to the consent provided by the recipient; or (b) has been posted on an electronic network and a separate record of the posting has been delivered to the recipient together with comprehensible instructions regarding how to obtain access to the posting on the electronic network.

### **ARTICLE 3**

#### **NOTICE OF MEMBER'S MEETINGS**

Notice in an electronic transmission, stating the place, day, and hour of the annual meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than fourteen (14) nor more than sixty days (60) before the date of the meeting unless otherwise specified in these Bylaws, by or at the direction of the President, or the Secretary, or the Officers or persons calling the meeting, to each Member entitled to vote at such meeting.

### **ARTICLE 4**

#### **MEMBER VOTING**

4.1. A Member may vote by electronic transmission.

4.2. The Corporation may conduct an election by electronic transmission if the Corporation has designated an address, location, or system to which the ballot may be electronically transmitted and the ballot is electronically transmitted to the designated address, location, or system, in an executed electronically transmitted record

4.3. Members voting by electronic transmission are present for all purposes of quorum, count of votes, and percentages of total voting power present.

4.4. Whenever Trustees are to be elected by Members, or proposals are to be adopted by Members, the vote may be taken by electronic transmission if the name of each candidate and the text of each proposal to be voted upon are set forth in a record accompanying or contained in the notice of meeting. The electronically transmitted solicitation for votes shall indicate the number of responses needed to meet the quorum requirements, state the percentage of affirmative votes required to approve each matter, and specify the date and time by which a vote must be received by the Corporation to be counted. An electronically transmitted vote may be revoked by a Member at any time before the response deadline.

### **ARTICLE 5**

#### **MEMBER PROXIES**

5.1. A Member may appoint a proxy by electronic transmission.

5.2. An appointment of a proxy by electronic transmission is effective when it is received by the Officer or agent of the Corporation authorized to tabulate votes.

5.3. The Corporation shall retain a copy of the electronic transmission for sixty (60) days following the announcement of a vote.

## **ARTICLE 6**

### **APPLICABILITY TO TRUSTEES**

A Trustee may give consent either in writing or by electronic transmission to receive electronically transmitted notices. Trustee consent to receive electronically transmitted notices may be revoked in the same manner that Member consent is revoked. A Trustee may not appoint a proxy to exercise the Trustee's vote on any Board matter.