

G L E N R O A D, I N C.

B Y - L A W S

ARTICLE I

Purpose

Section 1. The corporation shall be conducted as a non-profit social and maintenance organization for the purposes set forth in the Articles of Incorporation and for the area of Whatcom County, Washington, described in Article II, Section 1, of the aforesaid Articles of Incorporation.

Section 2. The purpose for which this corporation has been created, as specified in the Articles of Incorporation, may be altered, modified, enlarged or diminished by the vote of a majority of the members at any Annual Meeting or at any Special Meeting duly called for that purpose.

ARTICLE II

Membership

Section 1. The membership of the corporation shall consist of and be limited to the incorporators and the owners or purchasers of lots in the area described in Article II, Section 1 of the Articles of Incorporation.

Section 2. Memberships shall be inseparably appurtenant to the lots owned or being purchased by the members, and upon the transfer of ownership or the making of a contract for the sale of any such the membership appurtenant thereto shall be deemed to be transferred to the contract purchaser or grantee. No membership may be conveyed or transferred in any other way inter vivos. In the event of the death of a member, his membership shall pass in the same manner and to the same persons as does the real property itself.

Section 3. No membership shall be forfeited nor any member be expelled except for non-payment of dues, and no member may withdraw except upon the transfer of title to, or upon contracting for the sale of, the lot to which his membership is appurtenant. No compensation shall be paid by the corporation upon any transfer of membership and no member whose membership is transferred shall be entitled to share or participate in any of the property or assets of the corporation.

ARTICLE III

Meetings

Section 1. Annual Meetings of the members of the corporation shall be held at the principal place of business of

the corporation, or at such other place as the Board of Trustees may elect, on the Second Sunday in March of each year at two O'clock P.M. Notice thereof shall be given by the Secretary in writing, postage prepaid by U. S. Mail to the address of each member appearing on the books of the corporation, the mailing date thereof to be not less than ten days prior to the meeting. At such meeting the members shall elect trustees as herein provided and transact such other business as may properly come before them

Section 2. Special Meetings of the members of the corporation may be called at any time by the President or a majority of the Board of Trustees or by the Secretary upon receipt of written request therefor signed by members owning at least ten per cent of the lots within the jurisdiction of the corporation. Notice of a Special Meeting, stating the purpose thereof, shall be mailed at least twenty days prior to the date of the meeting.

Section 3. At all annual and special meetings of the members of the corporation twenty members, present in person or by written proxy filed with the Secretary at or before the meeting, shall constitute a quorum for the transaction of any business appropriate to a members meeting. In the absence of a quorum, any meeting of the members may be adjourned from time to time by vote of a majority of those present, but no other business may be transacted. Members present at any duly called Annual or Special Meeting at which a quorum is originally present may continue to do business notwithstanding the withdrawal of members to the extent that less than a quorum may thereafter be present. A majority of the votes of the members constituting a quorum shall be sufficient to transact business unless a greater number of votes is required by law, the Articles of Incorporation, or by these By-Laws with respect to some specified action

Section 4 Members shall be entitled to cast one vote per membership, but no more than one vote shall be cast per membership regardless of the number of lots owned by the member involved. The vote for any membership made up of a single marital community may be cast by either spouse without presentation of authority from the other, but if both are present it shall be cast by the husband. The vote for any other membership held or being purchased by more than one person under some other form of joint or several ownership may be cast by any one of such persons upon presentation of written authority by proxy from them in their absence.

## ARTICLE IV

### Trustees

Section 1. The corporate powers of this corporation shall be vested in and exercised by or under the authority of a Board of Trustees. The number of Trustees who shall manage the affairs of the corporation shall be five, from and after the first Annual Meeting. At any Annual or Special Meeting of the members duly called for that purpose the members may increase or decrease the number of Trustees to not more than nine or less than three.

Section 2. The Trustees elected by the members at the first Annual Meeting in March, 1968, to succeed the five first Trustees named in the Articles of Incorporation, shall be elected for terms of one, two, three, four and five years, and until their successors are duly elected and qualified; and thereafter one Trustee shall be elected at each Annual Meeting to serve for a term of five years and until his successor is duly elected and qualified, to replace the Trustee whose term has expired. Each Trustee shall be an incorporator or a member in good standing.

Section 3. In the event a Trustee other than incorporator can no longer qualify, as an owner or purchaser of a lot and ceases to be a member he shall thereupon also automatically cease to be a Trustee and his office shall become vacant without the necessity of any action by the Board, which shall nonetheless spread that fact upon the minutes of its next meeting. Any vacancy occurring in the Board of Trustees shall be filled by appointment by a majority of the remaining Trustees. A Trustee appointed to fill a vacancy shall hold office until the next Annual Meeting of the members, at which time they shall elect a Trustee to fill the unexpired balance of the term, if any, of the office in which the vacancy occurred.

Section 4. The Board of Trustees shall meet at least once a month during the months of February, April, June, August and October in each year, holding their Annual Meeting immediately following the Annual Meeting of the members on the Second Sunday in March. Special Meetings of the Board may be called at any time by the Secretary, the President, or a majority of the Board. The Secretary shall give each Trustee notice personally, verbally, or by mail or telephone or wire of all regular and special meetings sufficient to enable such Trustee to attend, and in any case at least one day in advance. A written Waiver of Notice signed by any Trustee, whether before or after the time fixed in the required notice, or the presence of the Trustee at the meeting without formal objection on the ground of want of notice, shall be deemed the equivalent of the required notice for all purposes.

## ARTICLE V

### Powers and Duties of Trustees

Section 1. Subject to any limitation in the Articles of Incorporation and these By-Laws, and the laws of the State of Washington, all the business and affairs of the corporation shall be controlled by the Board of Trustees. Without prejudice of such general powers, and subject to the same limitations, it is hereby expressly declared that the Trustees shall have the following powers and duties.

Section 2. To elect and remove all the other officers, agents and employees of the corporation, prescribe such powers and duties for them as may be consistent with the laws of Washington, the Articles of Incorporation and these By-Laws, fix their compensation, if any, and require from them security for faithful performance.

Section 3. To cause to be kept a complete record of all minutes and acts and to present a full statement to the regular annual meeting of the members, showing in detail the condition of the affairs of the corporation.

Section 4. To fix the annual dues of the members of the corporation.

Section 5. Members of the Board of Trustees shall receive no compensation for their services to the corporation, but shall be reimbursed by it for such reasonable expenses as they may necessarily incur in pursuance of the business of the corporation.

## ARTICLE VI

### Officers

Section 1. The Board of Trustees, at its annual meeting immediately following the Annual Meeting of the members in March of each year, shall elect a President, Vice President Secretary and Treasurer, who shall be incorporators or other members of the corporation, for terms of one year and until their successors are duly elected and qualified. The Board may also at any time appoint an Executive Secretary and/or Assistant Secretary and/or Assistant Treasurer, who need not have membership in the corporation, and whose terms of office shall coincide with those of the officers whom they assist

Section 2. Any officer may be suspended or removed by a majority vote of all the Trustees. Any vacancy occurring in an elective office shall, and any vacancy occurring in an appointive office may, be filled by the Board of Trustees.

Section 3. Officers shall be reimbursed by the corporation for such reasonable expenses as they may necessarily incur

in pursuance of the business of the corporation. The Board of Trustees may authorize compensation for any officer.

Section 4. Any officer, other than the President, may occupy two offices concurrently if the Board of Trustees so desires.

## ARTICLE VII

### Duties of Officers

Section 1. The President shall act as Chairman at all meetings of the members and preside at all meetings of the Board of Trustees. He shall sign as President all contracts or instruments for the corporation, and perform such other duties as may be required of him by the Board of Trustees.

Section 2. The Vice President shall preside at all meetings in case of the absence or disability of the President, assuming all duties of the President during such periods of absence or disability, and shall perform such other duties as the Board of Trustees may require.

Section 3. The Secretary shall issue all notices and shall attend and keep the minutes of all meetings of the members and of the Board. He shall have charge of all corporate books, records and papers and the corporate seal. He shall attest with his signature and impress with the corporate seal all instruments executed for the corporation. He shall perform all such other duties as are identical to his office or as may be required by the Board of Trustees.

Section 4. The Treasurer shall receive, keep safely, and deposit in such bank or banks as may be designated by the Board of Trustees all funds, securities and liquid assets of the Corporation, in its name, and for its account. He shall disburse funds of the corporation only under the direction of the Board of Trustees on checks signed by himself and one other officer of the corporation. He shall keep full and accurate books of account and shall make such reports of the finances and transactions of the corporation as may be required by the Board of Trustees, and shall prepare and present to the Annual Meeting of the members a full statement showing in detail the financial condition of the affairs of the corporation.

Section 5. The Executive Secretary and/or Assistant Secretary and/or Assistant Treasurer, if appointed by the Board, shall perform such duties as may be designated by it.

Section 6. All officers or other persons authorized to handle or disburse the funds of the corporation shall be bonded at the expense of the corporation in such amount as the Board shall determine to be adequate for the protection of the corporation.

## ARTICLE VIII

### Dues

Section 1. For the purpose of financing the activities of the corporation, it is hereby declared that all the lots within the jurisdiction of the corporation shall be charged at an initial rate not to exceed \$5.00 per lot, annual charge shall be the members' dues. The annual dues may be increased in any one year after the fiscal year ending January 31, 1971, by the affirmative vote of a majority of the members of the Board of Trustees at the annual meeting of the Board held immediately following the annual meeting of the members held in March of each year.

Section 2. The annual dues shall be due and payable on or before the 31st day of May next following the March meeting at which they have been fixed. Within two weeks from the date of the March meeting the Treasurer shall cause a statement of his annual dues to be mailed to each member at his address of record with the Secretary. Any dues not paid by the 31st day of May shall thereafter be delinquent and bear interest at the rate of 6% per annum. Upon becoming delinquent such dues shall constitute a lien upon the lot or lots against which they have been levied, and the corporation may file at any time after said delinquency a statement of charges in the office of the County clerk of Whatcom County, Washington. A release of such lien shall be filed by the corporation upon payment in full of said dues. Said lien may be enforced by the corporation as may any lien upon real property under the law; and if said lien is foreclosed, the lot owner shall be liable for the costs and disbursements, including reasonable attorneys fees, of the corporation therein, all of which costs, disbursements and fees shall be secured by such lien. Members shall nonetheless have personal liability for dues. Persons becoming members after the levy of dues, whether by accepting a deed to, or by executing a contract to purchase, a lot to which unpaid dues are allocated, shall become personally obligated to pay such dues, including any interest accrued thereon, and shall be subject to the enforcement provisions of this Section.

## ARTICLE IX

### Miscellaneous

Section 1. Corporate Seal: The seal of the corporation

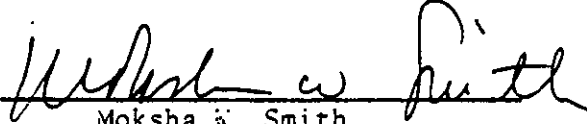
shall be circular in form and shall contain the words "GLENROAD, INC." and "Corporate Seal" and "Washington" and "1966", in the form and style as hereinafter impressed upon these By-Laws.

Section 2. Fiscal Year. The fiscal year of this corporation shall end on January 31st in each year.

Section 3. Amendments. These By-Laws may be amended by two-thirds of the members present at any Annual Meeting attended by a quorum or at any Special Meeting called for that purpose and attended by a quorum.

The within and foregoing By-Laws of GLENROAD, INC., were duly adopted by the corporation September 14, 1966.

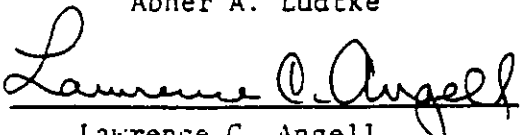
IN WITNESS WHEREOF we have hereunto set our hands.

  
Moksha K. Smith

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Glen Corning

  
A. J. Hutton, Jr.

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Abner A. Ludtke

  
Lawrence C. Angell