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**AMENDED AND RESTATED**

**BYLAWS**

**OF**

**KLAHAYA SWIM AND TENNIS CLUB**

(A Washington Nonprofit Corporation)

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**Article 1.**

**MEMBERSHIP**

1.1. Members. Any natural person 18 years of age or older who has not previously been expelled from the Club shall be eligible for membership. The total number of memberships shall be fixed and shall not be changed except by the Members. A Member shall continue as a Member until the first to occur of the Member's death, transfer by the Member of his or her membership, or other termination of the membership as provided in these Bylaws.

1.2. Good Standing. To be eligible to vote and otherwise participate as a Member of the Club, and enjoy the rights and privileges of membership and Club facilities, a Member's membership must be in good standing. To be in good standing, a Member must be current in payment of all fees, dues, and assessments and not be suspended from membership.

1.3. Associates. A Member's spouse, children under the age of twenty-one (21) years, and persons (including children of any age) who reside with and are living as members of the household of the Member, shall be Associates of the Club so long as the Member is a Member in good standing. Associates of Members shall have and enjoy all rights and privileges of Members with respect to use of Club facilities. In the event and at such time as a person ceases to be qualified for Associate status, that status shall terminate. It shall be the responsibility of the member to promptly notify the Club of any changes in status of those who are Associates by reason of his or her membership.

1.4. Suspension and Expulsion. Any Member or Associate may be (a) suspended for a period of not exceeding seven (7) days by the President, or any employee of the Club designated, individually or by title, by the Board of Directors to hold this power; (b) suspended for a period not exceeding three months by vote of a two-thirds or more of the members of the Board attending a meeting called for that purpose; or (c) expelled by vote of three-fourths or more of the entire membership of the Board of Directors occurring at a meeting called for that purpose.

Any suspension or expulsion pursuant to clauses (b) or (c), preceding, shall occur only after the Member or Associate has been given prior notice of the meeting and an opportunity to appear before the Board. Expulsion shall constitute termination of membership as a Member or Associate. Cause for suspension or expulsion shall include violations of the Bylaws or rules or regulations of the Club, nonpayment of fees, dues or assessments as provided in Section 3.2 of these Bylaws, socially unacceptable conduct, or other conduct or occurrences determined by the Board to be materially detrimental to the Club. Suspension or expulsion of an Associate may be considered as a basis for suspension or expulsion of a Member.

1.5. Repurchase of Memberships. In the event of termination of a membership, the membership may be repurchased by the Club at a price established by the Board of Directors, less any sums owing to the Club. The Board of Directors may establish a lower repurchase price in the event of a termination due to expulsion.

1.6. Evidence of Membership. Memberships in the Club may, but need not, be evidenced by certificates. A register of Members in any event shall be prepared and maintained by or pursuant to the direction of the Board of Directors. In the absence of certificates, membership shall be evidenced, and conclusively represented, by this membership register.

1.7. Sale and Transfer of Membership. The Board of Directors shall establish such policies as it determines are appropriate for the transfer or issuance of memberships, including waiting lists, transfer fees, transfer prices, and other procedures. A person may become a Member of the Club by either applying to the Club for Membership or acquiring membership through a transfer from an existing Member in good standing on terms approved by the president or his or her designee as consistent with the policies set forth by the Board of Directors. A membership may not be pledged or transferred through a bequest or by operation of law, except in the case of a surviving spouse and subject to approval of the Board of Directors. A transfer or other change in membership shall not be effective unless the Member desiring to transfer his or her membership has first given to the President or his or her designee notice and an opportunity to review the terms of the proposed transfer. A transfer of membership shall not be effective until reflected on the Club's membership register and, if there are membership certificates, the prior certificate has been surrendered and a new certificate issued.

1.8. Loans of Memberships. Memberships shall not be loaned, leased, or otherwise provided or made available by Members to any other persons.

## Article 2.

### **MEMBERSHIP PRIVILEGES**

2.1. Equal Privileges. All Members and Associates shall be accorded equal privileges in the use and enjoyment of the Club's facilities and shall be subject to the same rules and regulations respecting their use. These rules and regulations shall be conspicuously posted on the premises of the Club's facilities. Members and Associates may bring guests to the Club, subject to limitations, conditions, rules and regulations as may be established from time to time by policy or at the direction of the Board of Directors.

2.2. Responsibility of Members. Property broken or damaged by a Member, Associate, or his or her guest shall be promptly paid for by the Member. Members shall be responsible for the acts and conduct of Associates and guests. Intoxicating liquors shall not be consumed at or in Club facilities except during special adult membership functions authorized by the Board. Members shall be required to pay all charges and liabilities incurred by them or their Associates and guests.

2.3. Release. The Club shall not be responsible to any Member, Associate or guest for any loss or damage to property or for any injury or death on the premises of Club facilities or at Club events.

## Article 3.

### **DUES AND FEES**

3.1. Amount. Initial membership fees, membership transfer fees, annual dues, and other charges, fees and assessments, (including special assessments for improvements) shall be set by the Board of Directors from time to time, and shall be sufficient to provide for the expenses of operation, maintenance and improvement of the Club's facilities. They shall be paid when and as specified by the Board of Directors. Sums paid shall not be subject to refund or remittance.

3.2. Delinquency. Any Member delinquent in the payment of his or her dues or other financial obligations to the Club may be suspended from membership. Any Member so delinquent for a period in excess of 180 days may be expelled from membership. Interest and delinquency charges may be assessed on amounts due in excess of thirty (30) days.

3.3. Continuing Obligation. A Member's dues and other financial obligations to the Club shall continue to accrue until the Member's membership has been transferred or otherwise terminated. Obligations thus accruing prior to termination remain the liability of the Member and must be enforced as any other debt arising in the State of Washington. The Club shall not be obligated to transfer a membership unless and until all obligations to the Club owing by the Member wishing to effect the transfer have been paid or otherwise satisfied in full.

## Article 4.

## MEMBERS' MEETING

4.1. Place. Members' meetings shall be held at the Club's facilities or such other location within the State of Washington as shall be determined by the Board of Directors and stated in the notice of the meeting.

4.2. Annual Meeting. The annual meeting of the Members of the Club, for the election of Directors, examining the reports of officers, approving the budget, setting annual dues for the next calendar year and any assessments of Members, and for the transaction of such other business as may properly come before the meeting, shall be held each year on such date as shall be fixed by the Board of Directors. Notice of an annual meeting shall contain the names of candidates for the Board of Directors nominated by the Nominating Committee. In the event of failure to hold an election of Directors at the annual meeting of the Members, or in the event the annual meeting of the Members shall be omitted by oversight or otherwise, a meeting of the Members may be held at a later date for the election of Directors and for the transaction of such other business as may properly come before the meeting.

4.3. Special Meetings. Special meetings of the Members for any purpose or purposes may be called at any time by the President, any Member of the Board of Directors, or upon written request filed with the Secretary by not less than ten percent (10%) of all Members of the Club in good standing.

4.4. Notices of Meetings. Notice stating that place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered no less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally, by mail, or by email, by or at the direction of the President, the Secretary, or the person or persons calling the meeting, to each Member of record entitled to vote at such meeting at their address reflected on the Club's membership register.

4.5. Quorum of Members. Thirty percent (30%) of the Members in good standing shall constitute a quorum at a meeting of Members.

4.6. Manner of Actions. If a quorum is present, the affirmative vote of a majority of the Members in good standing present at the meeting shall be the act of the members unless a greater number is required by these Bylaws, the Articles of Incorporation or applicable Washington law.

4.7. Voting. Each member in good standing shall be entitled to one vote on each matter submitted. Voting shall take place in person by the Member (or such Member's spouse), or by written proxy filed by the Member (or such Member's spouse) with the Secretary of the Club before the meeting. Voting at Members' meetings shall be by voice unless otherwise directed by the President or other person presiding at the meeting or requested by ten (10) or more Members attending the meeting.

4.8. Adjournment of Meeting. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Members may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, however, a notice of the adjourned meeting and the new meeting date shall be given to each Member.

4.9. Waiver of Notice. Whenever any notice is required to be given to any Member under the provisions of these Bylaws, or the Articles of Incorporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance of a Member at a meeting shall constitute waiver of notice of such meeting, except when the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. A Member's attendance at a meeting also shall constitute waiver of objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

4.10. Fixing of Record Date for Determining Members. For the purpose of determining the Member entitled to notice of and to vote at any meeting of the Members or any adjournment thereof, or in order to make a determination of the record Members for any other purpose, the Board may fix in advance a date as the record date for any such determination. Such record date shall be not more than sixty (60) days, and in case of a meeting of Members, not less than ten (10) days prior to the date on which the particular action requiring such determination is to be taken. If no record date is fixed by the Board for the determination of Members entitled to notice of and to vote at a meeting, the close of business on the day immediately preceding the day on which the notice of meeting is mailed shall be the record date and time for such determination. Such determination shall apply to any adjournment of the meeting; provided, however, that the Board shall fix a new record date if the meeting is adjourned to a date more than thirty (30) days after the date fixed for the original meeting.

4.11 Voting Record. After fixing a record date for a Members' meeting, the Club shall prepare a list of the names of all of its Members who are entitled to be given notice of the meeting. The list shall be arranged alphabetically and shall show the registered address of each Member. This record shall be available for inspection by any Member, beginning on the earlier of ten (10) days before the meeting for which the list was prepared or two (2) business days after notice of the meeting is given and continuing through the meeting, and any adjournment thereof, at the Club's registered office or at a place identified in the notice of the meeting. The Club also shall make the Members' list available at the meeting, and any Member or an agent or attorney of the Member is entitled to inspect the list at any time during the meeting or at any adjournment thereof.

4.12. Proxies. A Member may vote by proxy executed in writing by the Member or such Member's spouse. Such proxy shall be filed with the President or Secretary of the Club before or at the time of the meeting. No proxy shall be voted or acted upon after eleven (11) months from its date, unless the proxy provides for a longer period. A proxy with respect to a specified meeting shall entitle the holder thereof to vote at any reconvened meeting following adjournment of such meeting but shall not be valid after the final adjournment thereof.

4.13. Voting for Directors. Election of directors may be conducted by mail or at any annual meeting of the Members. Each Member shall be entitled to vote at an election of directors and may vote, by mail or in person or by proxy, the number of votes held by such Member for as many persons as there are directors to be elected. A Member may not cumulate his or her votes. In an election of directors, that number of candidates equaling the number of directors to be elected, having the highest number of votes cast in favor of their election, is elected to the Board of Directors.

4.14. Nominations for Director. Nominations of persons for election to the Board of Directors of the Club may be made at a meeting of Members by the Board of Directors or by any Member of the Club at the meeting.

## Article 5.

### **BOARD OF DIRECTORS**

5.1. Number and Qualifications. The business and affairs of the Club shall be managed by its Board of Directors. The number of members of the Board shall be no less than five (5) and no more than nine (9). Only Members of the Club in good standing or their Associate Member spouses in good standing shall be eligible to serve on the Board of Directors.

5.2. Election - Term of Office. The initial Board of Directors shall be established such that three Directors are elected for a three-year term. Thereafter, Directors shall be elected to three-year terms, with three Directors being elected annually to replace those whose terms are expiring. Election shall take place at the annual meeting of Members. A Director's term shall commence immediately on the date of his or her election and end on the earlier of his or her death, resignation, cessation of Member or Associate Member in good standing status, removal as a Director, or the election of his or her successor.

5.3. Vacancies. Vacancies in the Board of Directors whether caused by resignation, death, or otherwise, may be filled by a majority of the remaining Directors attending any regular meeting of the Board, or any special meeting of the Board if the notice of such special meeting indicates that filling such vacancy is a purpose of the meeting. A Director thus elected to fill a vacancy shall hold office during the unexpired term of his or her predecessor and until his or her successor is elected and qualified.

5.4. Removal. A Director shall forfeit his or her office if he or she has failed to attend four regular, consecutive meetings of the Board without being excused by the President of the Club. Directors also may be removed at any meeting of the Board of Directors called for that purpose, of which he or she has specific notice, by a vote of three-fourths or more of all members of the Board. In addition, a Director may be removed at any special meeting of the Members called for that purpose, of which he or she has specific notice, by a vote of a majority of all Members.

5.5. Annual Meeting. The first meeting of the Board of Directors at which newly elected Directors are present shall be known as the annual meeting thereof, and shall be held immediately after and at the same place as the annual Members' meeting or any later Members' meeting at which Directors are elected.

5.6. Regular Meetings. Regular meetings of the Board of Directors shall be held on such dates and at such times and places as the Board of Directors may decide.

5.7. Special Meetings. Special meetings of the Board of Directors may be held at any time or at any place whenever called by the President or by the Secretary at the request of any two Directors.

5.8. Notice of Meetings. Notice of the annual or regular meetings of the Board of Directors shall not be required. Notice of the time and place of special meetings of the Board of Directors shall be given by or at the direction of the President, the Secretary or any person or persons calling the meeting by mail, telegram, facsimile, email, or personal communication over the telephone or otherwise, at least three (3) days prior to the day upon which the meeting is to be held.

5.9. Waiver of Notice. Notice of any meeting of the Board of Directors need not be given to any Director if such notice is waived by him or her in writing or by telegram, facsimile, email, or personal communication over the telephone or otherwise, whether before or after such meeting is held. Any meeting of the Board of Directors shall be a legal meeting without any notice thereof having been given if all of the Directors are either present or waive notice thereof.

5.10. Quorum of Directors. A majority of Directors shall constitute a quorum for the transaction of business. Except as otherwise expressly provided in these Bylaws, the Articles of Incorporation, or applicable Washington law, the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

5.11. Dissent by Directors. A Director of the Club who is present at a meeting of its Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action unless (a) his or her dissent shall be entered in the minutes of the meeting, (b) he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment, or (c) he or she shall forward such dissent by registered mail to the Secretary of the Club immediately after adjournment of the meeting. A Director who votes in favor of such action may not dissent to it.

5.12. Meetings by Telephone. Directors may participate in a meeting of the Directors by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

5.13. Standing or Temporary Committees. The Board, by resolution adopted by a majority of the directors in office, may designate and appoint one or more standing or temporary committees, each of which, with the exception of the Nominating Committee, shall consist of two or more Directors. Such Committees shall have and exercise the authority of the Directors in the management of the corporation, subject to such limitations as may be prescribed by the Board and by applicable Washington law except that no committee shall have the authority to: (a) amend, alter or repeal these Bylaws; (b) elect, appoint or remove any member of any other committee or any Director or officer of the corporation; (c) amend the Articles of Incorporation; (d) adopt a plan of merger or consolidation with another corporation; (e) authorize the sale, lease or exchange of all or substantially all of the property and assets of the corporation not in the ordinary course of business; (f) authorize the voluntary dissolution of the corporation or revoke proceedings therefore; (g) adopt a plan for the distribution of the assets of the corporation; or (h) amend, alter or repeal any resolution of the Board which by its terms provides that it shall not be amended, altered or repealed by a committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board or any individual Director of any responsibility imposed upon it, him or her by law. The Nominating Committee shall consist of five (5) members, three of who shall be elected at the annual membership meeting to serve during the ensuing year and two of whom shall be elected by the Board of Directors from among its members whose terms do not expire at the next annual membership meeting.

5.14 Action by Board Without a Meeting. Any action which could be taken at a meeting of the Board may be taken without a meeting if a written consent setting forth the action so taken is signed by each of the Directors. Any such written consent shall be inserted in the minute book as if it were the minutes of a Board meeting. Two or more counterparts executed by all of the Directors shall, taken together, constitute a consent signed by each of the Directors.

## **Article 6.**

### **OFFICERS**

6.1. Officers Enumerated - Election. The officers of the Club shall be President, one or more Vice Presidents, a Secretary and a Treasurer, as well as such assistants to such officers as the Board of Directors may determine. All officers shall be elected by the Board of Directors from among their number at the annual meeting of the Board, to hold office for the term of one (1) year and until their successors are elected and qualified.

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6.2. President. The President shall be the chief executive officer of the Club. Subject to the authority of the Board of Directors, the President shall have general charge, supervision and



control over the business and affairs of the Club and shall be responsible for its management. The President may appoint any Director or other member to assist in carrying out any of the President's responsibilities as the President may designate it. The President shall submit a report of the operations of the Club for the preceding year to the Members at their annual meeting. The President shall preside at all meetings of the Members and of the Board of Directors, and shall be an ex officio member of all committees.

6.3. Vice President. In the event of the absence or disability of the President, the Vice President shall have and may exercise and perform the authority and duties of the President. In addition, the Vice President shall perform such other duties as the Board of Directors or President may from time to time designate, including ex officio membership on all committees. If there is more than one Vice President, the Board shall allocate the responsibilities of Vice President between or among them and establish the hierarchy of their positions.

6.4. Secretary. The Secretary shall issue notices of meetings of Members and Directors, attend to correspondence, and make and keep minutes of meetings of Members and Directors. The Secretary shall exercise the usual authority pertaining to the office of Secretary, and he or she shall perform such other duties as the Board of Directors or President may from time to time designate.

6.5. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds of the Club. The Treasurer shall deposit all such funds in the name of the Club in such depositories as may be designated by the Board of Directors, and shall authorize disbursement of the funds of the Club in payment of just demands against the Club. The Treasurer shall render to the Board of Directors from time to time, as may be required, an account of all transactions of the Club, and shall perform such other duties as may from time to time be assigned by the Board of Directors or President.

6.6. Vacancies. Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting.

6.7. Removal of Officers. Any officer may be removed by the Board of Directors at any meeting of the Board called for that purpose, of which he or she has specific notice, by a vote of three-fourths or more of all members of the Board whenever in its judgment the best interests of the Club will be served thereby.

6.8. Salaries. Directors and officers of the Club shall not be entitled to any compensation for their services in such capacities.

## Article 7.

### **BUSINESS OF THE CLUB**

7.1. Contracts. The Board of Directors may authorize any officer or agent of the Club to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Club. Any agreements or other documents, irrespective of whether they require Board approval, shall be conclusively deemed to have been validly executed if signed by the President or Vice President and attested by the Secretary.

7.2. Loans to Club. No loans shall be contracted on behalf of the Club, and no evidence of indebtedness shall be issued in its name, unless authorized by resolution of the Board of Directors. Such authority may be general or confined to specific instances.

7.3. Checks and Drafts. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Club shall be signed by such officer or officers of the Club and in such a manner as if from time to time determined by the Board of Directors.

## Article 8.

### **INDEMNIFICATION**

The Club shall indemnify each person who is or was a Director or officer of the Club to the fullest extent permitted by the Washington Nonprofit Corporation Act. To the fullest extent permitted by the Washington Nonprofit Corporation Act, the Club shall indemnify any person made or threatened to be made a party to any proceeding (whether brought by or in the right of the Club or otherwise) by reason of the fact that he or she is or was a director or officer of the Club, against judgments, penalties, fines, settlements and reasonable expenses (including attorneys' fees), actually incurred by him or her in connection with such proceeding, provided the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Club, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The Board also may, at any time, approve indemnification of any other person who the Club has the power to indemnify under the Washington Nonprofit Corporation Act. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract or by vote of the Board or its Members. The Club may purchase and maintain indemnification insurance for any person to the extent provided by applicable law. Any indemnification of a Director pursuant to this Article, including any payment or reimbursement of expenses, shall be reported to the Members with the notice of the next meeting of Members or prior thereto in a written report containing a brief description of the proceedings involving the director being indemnified and the nature and extent of such indemnification.

**Article 9.**

**DIRECTOR LIABILITY**

The liability of a Director to the Club or its Members shall be limited to the extent set forth in the Bylaws and Articles of Incorporation of the Club.

**Article 10.**

**BOOKS AND RECORDS**

10.1 Records of Corporate Meetings and Membership Register. The Club shall keep at the Club facilities, its registered or principal office (a) Current Articles of Incorporation and Bylaws; (b) complete books and records of account and complete minutes of all proceedings of the Board of Directors and Members and of any minutes which may be maintained by committees of the Board; (c) a membership register giving the names of the Members in alphabetical order and showing their respective classes, addresses and telephone numbers; and (d) a record of the names and addresses of the officers and Directors. Any person who shall have been a Member for at least three months immediately preceding his or her demand or a representative of more than five percent (5%) of the membership shall, upon written demand stating a proper purpose therefore reasonably related to membership interests, have the right to examine the Club's books and records. The examination shall be conducted by the Member or the membership representative personally at a reasonable time or times. The Member or membership representative shall be entitled to make extracts or copies of the materials examined at his or her expense; except for costs for copies of the Articles of Incorporation and Bylaws.

10.2. Copies of Corporate Records and Resolutions. Any person dealing with the Club may rely upon a copy of any of the records of the proceedings, resolutions or votes of the Board of Directors or Members when certified by the President, Vice President, or Secretary.

**Article 11.**

**AMENDMENT AND REPEAL**

The Bylaws of the Club may be altered, amended or repealed and new Bylaws may be adopted by the affirmative vote of either (a) two-thirds or more of the members of the Board of Directors or (b) a majority of the voting Members of the Club at a meeting duly called for that purpose by notice setting forth the change being proposed.

