

# BY-LAWS

for

## VISTA FIELD COMMERCIAL ASSOCIATION,

a Washington Nonprofit Corporation

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### Introduction

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The Vista Field Commercial Association (the “Commercial Association”) is organized as a nonprofit corporation under Chapter 24.03, RCW (the “Washington Nonprofit Corporation Act”). These Bylaws were written to comply with that chapter at the time the Commercial Association was formed. However, those laws may change, and the Commercial Association is required to comply with changes to the law.

The Commercial Association is created primarily to manage and maintain certain property in accordance with the Vista Field Declaration of Covenants, Conditions and Restrictions for Commercial Property (the “Commercial Declaration”), as recorded in the public records of Benton County, Washington. Membership in the Commercial Association is limited to owners of Commercial Private Property (as defined in the Commercial Declaration) within the community known as Vista Field, which is established by the Declaration of Covenants, Conditions and Restrictions for Vista Field (the “Vista Field Declaration”), also as recorded in the public records of Benton County, Washington.

The articles of incorporation forming the Commercial Association and these bylaws are not required to be recorded.

Unless otherwise defined in these Bylaws, all capitalized terms are as defined in the Commercial Declaration, and if not in the Commercial Declaration, in the Vista Field Declaration.

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### I. Membership

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**1.1 Members.** As provided in Section 2.1 of the Commercial Declaration, membership is comprised of each of the Owners of the Commercial Parcels and, with respect to the portions used for non-Residential uses, each of the Owners of the Mixed-Use Parcels. An individual, domestic or foreign profit or nonprofit corporation, a general or limited partnership, an association or other entity may be a member of the Commercial Association.

**1.2 Classes of Membership.** The membership shall initially consist of two classes:

**(a) The Founder Class,** which shall comprise the Founder, its successor and assigns. Founder Class Rights means all rights of the Founder Class under these Bylaws. The Founder’s Class shall terminate at the end of the Development Period as defined in the Vista Field Declaration. However, Founder may terminate some or all of its Founder Class Rights sooner by a signed writing, in which case the Founder reserves the right to record an instrument specifying that, prior to the end of the Development Period, certain actions of the Commercial Association or Board must be approved by the Founder before they become effective. Termination of any Founder Class Rights affects only its rights within the Commercial Association under these Bylaws and shall not affect any of its other reserved rights in the Vista Field Declaration or Commercial Declaration.

- (b) The General Class**, which shall comprise all other Owners of Parcels subject to the Commercial Declaration.

Upon termination of the Founder's Class, there shall be a single class and the Founder's membership rights shall be the same as any other Owner in accordance with Parcels then owned by the Founder.

**1.3 Transfer of Membership with Parcel.** Upon the sale, transfer or other disposition of the ownership interest in a Parcel, the owner's membership in the Commercial Association shall automatically be transferred to the new Parcel owner. The Founder may assign its rights in whole or in part at any time as provided in the Vista Field Declaration.

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## II. Voting, Notices and Membership Meetings

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**2.1 Voting by Multiple Owners.** If only one of the multiple Owners of a Parcel is present at a meeting of the Association, the Owner is entitled to cast all the votes allocated to that Parcel. If more than one of the multiple Owners are present, the votes allocated to that Parcel may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is majority agreement if any one of the multiple Owners casts the votes allocated to that Parcel without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Parcel.

**2.2 Voting Representative.** Corporations, partnerships, limited liability companies, and other entities and organizations shall notify the Commercial Association in writing of the natural person who shall exercise its vote. An Owner may, by written notice to the Board, designate a voting representative for its Parcel. The voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board from a person having an ownership interest in the Parcel, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the Parcel. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in-fact of the Owner under a durable power of attorney, or the administrators or executors of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of the Parcel shall be the group composed of all of its Owners. If a Unit is owned by husband and wife and only one of them is at a meeting, the one who is present will represent the marital community.

**2.3 Weighted Voting.** Section 2.3 of the Commercial Declaration assigns each Commercial Parcel and Commercial Portion of a Mixed-Use Parcel an Assigned Value. Each Owner of a Commercial Parcel and Commercial portion of a Mixed-Use Parcel shall have a vote in the Commercial Association, with votes to be weighted in accordance with Assigned Values.

**2.4 Voting Procedures.** It is the intent of these Bylaws to permit electronic voting and other secure, convenient forms of voting to the greatest extent permitted by law. This section incorporates the provisions of the Washington Nonprofit Corporation Act and shall be considered automatically updated to conform to the provisions of that chapter as amended from time to time.

- (a) Types of Acceptable Voting.** A member may vote in person, by mail, by electronic transmission, or by proxy in the form of a record executed by the member or a duly authorized attorney-in-fact, or by any other method permitted by law as designated by the Board from time to time. No proxy shall be valid after eleven months from the date of its execution.
- (b) Identification of Candidates and Proposals.** Whenever proposals or directors or officers are to be elected by members, the vote may be taken by mail or by electronic

transmission or by any other method permitted by law as designated by the Board from time to time 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.

- (c) **Requirements for Electronic Voting.** If the election is conducted by electronic transmission, the Commercial Association shall designate an address, location, or system to which the ballot may be electronically transmitted and the ballot shall be electronically transmitted to the designated address, location, or system, in an executed electronically transmitted record.
- (d) **Effect.** Members voting by mail or electronic transmission are present for all purposes of quorum, count of votes, and percentages of total voting power present.

**2.5 Annual Meeting.** The Commercial Association shall hold an annual meeting of its membership within Vista Field or at another appropriate and convenient place in the state of Washington. The Board of Directors shall determine the place and time of the annual meeting, which shall ordinarily be at least 11 months but no later than 13 months since the previous annual meeting. At the annual meeting, the Owners shall elect members to the Board or fill vacancies (as appropriate, per the term limits of the Board as set forth below), and transact other business of the Commercial Association.

**2.6 Special Meetings.** Unless specifically provided otherwise in these Bylaws or in the Commercial Declaration, meetings of the membership other than the annual meeting shall be held when directed by the President or the Board of Directors or when requested in writing by members holding ten percent (10%) of the votes having the right to vote at such meeting.

**2.7 Notice.** Notice of all members' meetings, regular or special, shall be given at the direction of the President or Secretary to each member, either by electronic transmission or by tangible notice such as mail or personal delivery or by any other method permitted by law as designated by the Board from time to time. Notice shall comply with the requirements of Section 24.03.080, RCW for notice of members' meetings.

**2.8 Waiver.** Any Owner may waive notice of a meeting or consent to the holding of a meeting without notice or consent to action taken without a meeting, by execution of a waiver or consent in writing. Such waiver or consent may be executed prior to, at, or subsequent to the meeting or Association action to which the waiver or consent relates.

**2.9 Percentage Required for Quorum.** The Board of Directors may revise the percentage for a quorum from time to time, but in no event shall the required percentage be less than 10% or more than 50% of the Assigned Values.

**2.10 Majority Vote.** Except as otherwise provided by the Washington Nonprofit Corporations Act, the Commercial Declaration, or by these Bylaws, passage of any matter submitted to vote at a meeting where a quorum is present, shall require the affirmative vote of at least 51% of the votes present.

**2.11 Proxies.** Proxies shall be in writing and are revocable at any time at the pleasure of the member executing it by written notice to the Association. A proxy shall be valid only for the particular meeting designated and any lawfully adjourned meetings thereof (but in no event shall a proxy be valid for more than eleven months after the date of the first meeting for which it was given). All proxies must be filed with the Secretary before the appointed time of the meeting.

**2.12 Electronic Participation.** Members and any committee of members of the corporation may participate in a meeting by conference telephone, video call or similar communications equipment so that all persons participating in the meeting can hear each other at the same time

or by any other method permitted by law as designated by the Board from time to time. Participation by that method constitutes presence in person at a meeting.

**2.13 Action by Members Without a Meeting.** Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a written consent setting forth the action to be taken (in the form of a record) is signed by all of the members entitled to vote with respect to the subject matter thereof. Any such written consent shall be inserted in the minute book as if it were the minutes of a meeting of the Association.

**2.14 Rules.** Except where in conflict with the Commercial Declaration or these Bylaws or the Washington Nonprofit Corporations Act, Roberts Rules of Order (as amended) shall govern the conduct of all membership meetings.

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### III. Board of Directors

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**3.1 Decision Making.** Except for those matters described in the Commercial Declaration requiring a vote or consent of the Owners or consent of the Founder, the Board of Directors makes all decisions necessary for the management and operation of the property under the Commercial Declaration and shall have all powers necessary to act on behalf of and to assume all powers of the Commercial Association.

**3.2 Standard of Care.** Directors of the Board of Directors shall perform their duties in accordance with the standard of care set forth in RCW 24.03.127 as it may be amended from time to time.

**3.3 Number of Directors.** The Board of Directors shall initially comprise three directors selected by the Founder. Prior to termination of the Founder Class as provided in Section 1.2(a), the board shall comprise between one and seven directors. After termination of the Founder Class as provided in Section 1.2(a), the board may comprise any number of directors between five and 15. At least three months prior to the election, the Board of Directors may, by majority vote, modify the number of Directors from its then-current composition within the permitted range, with any newly created seats to be filled at the election. No reduction in seats shall shorten the term of an existing Director without the consent of that Director.

**3.4 Election or appointment of Directors.** The Board of Directors shall be appointed or elected as follows:

- (a) **Initial Composition.** As a Founder Class Right, the Founder shall appoint the initial Directors and may continue to select the Directors until termination of the Founder Class as provided in Section 1.2(a). Such Directors serve at the Founder's pleasure and may be removed by the Founder and a substitute selected.
- (b) **After Termination of the Founder Class.** When the Founder Class has terminated as provided in Section 1.2(a), the Board shall be elected by the entire membership in accordance with Assigned Values and the procedures set forth below, including those held by the Founder.
- (c) **Designated Seats.** These bylaws may be amended as provided in Part IX of these Bylaws to designate certain seats on the Board to reasonably represent various types of Commercial Property in Vista Field and to be voted on by Members who are the owners of such types of property. Such representation may be combined with a certain number of seats to be elected at large.

**3.5 Qualifications.** Directors are not required to be members, it being recognized that individuals who operate businesses in Vista Field or who have other interests in the successful

operation of Vista Field may offer talents and service to the community even though such an individual may not be named as the holder of title to a Parcel. Directors are not required to be residents of the state.

**3.6 Term.** Directors shall hold office for a term of two years. To permit staggered terms, the Board of Directors may establish a procedure for one or more elections in which a director may be elected to a one-year term. Directors may be elected for successive terms.

**3.7 No Cumulative Voting.** For the election of any directors other than those appointed by the Founder, an Owner may vote for as many candidates as there are Directors to be elected. An Owner is not required to use all of that Owner's votes; however, no cumulative voting shall be permitted. *For example, if there are three seats to be filled, the Owner may cast its vote for one, two or three candidates, but shall not cast more than one vote for any particular candidate.*

**3.8 Plurality Votes.** The candidates receiving the highest number of votes shall be declared elected. If there are a large number of candidates, the Board of Directors may in advance of the voting determine that a majority or other certain minimum percentage of the votes be required for election and provide for run-off elections if such percentage is not achieved. Otherwise, Directors may be elected by a plurality; a majority is not required.

**3.9 Removal.** Except for directors selected by the Founder, any director may be removed from office, with or without cause, by at least a majority vote of all Owners, at any duly called meeting of Owners. A special Association meeting to remove a director or directors from office may be called by Owners representing 10% of the Assigned Values giving notice of the meeting unless a lower percentage is permitted by law. The notice shall state the purpose of the meeting and be given to all Owners in writing at least one week prior to the Commercial Association meeting. Directors selected by the Founder may only be removed by the Founder.

**3.10 Vacancy.** After termination of the Founder Class, any vacancy occurring in the Board of Directors may be filled by a majority vote of the remaining Board of Directors members even if there are not sufficient remaining Board of Directors members to constitute a quorum, except that a vacancy resulting from removal of a director by the Owners shall be filled by a vote of the membership. Prior to termination of the Founder Class, the Founder may replace at any time any Board of Directors member selected by the Founder. A director filling a vacancy shall serve the unexpired term.

**3.11 Compensation.** Directors shall receive no compensation for their services unless expressly provided for in resolutions duly adopted by the Owners. Directors appointed by the Founder may be compensated by the Founder but not by the Commercial Association. Directors may be reimbursed for expenses.

**3.12 Indemnification.** The Commercial Association shall indemnify any director or officer, or former director or officer in the manner and to the extent provided in RCW 23B.08.500 through 23B.08.600.

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#### IV. Officers

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**4.1 President.** The President, who shall be elected by the Board of Directors, shall preside over the meetings of the Board of Directors and of the Commercial Association and shall be the chief executive officer of the Commercial Association. In the recess of the Board of Directors, the President shall have general control and management of the business and affairs of the Commercial Association.

**4.2 Additional Officers.** Subject to the provisions of the Commercial Declaration and Articles, at each annual meeting of the Board of Directors, the Board of Directors shall elect the following officers of the Commercial Association:

- (a) **One or more Vice Presidents**, who shall also be directors and who shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform other such duties as prescribed by the Board of Directors;
- (b) **A Secretary**, who shall keep the minutes of all meetings of the Board of Directors and of the membership and who shall perform all the duties generally incident to the office of Secretary;
- (c) **A Treasurer**, who shall cause to be kept the financial records and books of account of the Commercial Association, and shall be responsible for Association funds and securities (if any); and
- (d) **Such additional officers** as the Board of Directors shall see fit to elect.

An individual may hold more than one position.

**4.3 Powers.** The officers shall have the general powers usually vested in such officers of a nonprofit corporation, provided that the Board of Directors may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board of Directors may deem necessary.

**4.4 Term.** Each officer shall hold office for the term of one year and until a successor shall have been elected and qualified.

**4.5 Vacancy.** The Board of Directors may fill any vacancies in any office. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board of Directors.

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## V. Board Meetings

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**5.1 Meetings; Notice.** Meetings of the Board of Directors shall be held upon call by the President or a majority of the Board of Directors on not less than two (2) days' notice to each Director, unless the Board of Directors determines an emergency to exist, in which event the Board of Directors shall give such notice as is reasonable under the circumstances. If notice of regular or special meetings is provided by electronic transmission, it must satisfy the requirements of Section 24.03.009, RCW. Except under emergency conditions, all meetings shall be held in Benton County. Notice should specify the business to be transacted, and the purpose of, any regular or special meeting of the Board but failure to do so shall not invalidate the notice.

**5.2 Waiver.** Any director may waive notice of a meeting or consent to the holding of a meeting without notice or consent to any action of the Board of Directors without a meeting. Such waiver or consent may be executed prior to, at, or subsequent to the meeting or Board of Directors action to which the waiver or consent relates. Attendance of a director or a committee member at a meeting shall constitute a waiver of notice of such meeting, except where a director or a committee member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

**5.3 Participation, Quorum.** Directors may participate in a meeting of the Board or any committee by means of a conference telephone, video call or any similar communications equipment so long as all persons participating in the meeting can hear each other at the same time or by any other method permitted by law as designated by the Board from time to time.

Participation by such means shall constitute presence in person at a meeting for the purposes of a quorum, which shall be set at one-half of the directors. Any action required to be taken by vote of the Board of Directors may be taken in the absence of a meeting (or in the absence of a quorum at a meeting) if a consent in the form of a record, setting forth the action so taken, is executed by all of the directors entitled to vote with respect to the subject matter thereof.

**5.4 Owners.** The Board of Directors may provide for posting of Board meetings on a website or similar means easily accessible by all Owners. Owners other than Directors shall not be entitled to vote or participate in any other way at the Board of Directors meeting unless the Board of Directors so permits.

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## VI. Committees

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**6.1 Appointment.** The Board may by resolution designate and appoint one or more committees each of which shall consist of two or more directors.

**6.2 Powers.** The committee may make recommendations to the Board or, to the extent provided in such resolution shall have and exercise the authority of the Board in the management of the corporation. The power of any committee shall be limited as provided by statute and shall not operate to relieve the Board or any individual Director of any responsibility imposed by law.

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## VII. Records

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**7.1 Accounting.** The Board of Directors shall maintain accounting records according to generally accepted accounting practices and applicable law, which records shall be open to inspection by Owners at reasonable times and upon reasonable notice. After the first sale of a Parcel by the Founder, these accounting records shall include a record of receipts and expenditures and a separate account for each Owner showing the assessments charged to and paid by such Owner. After the first sale of a Parcel by the Founder, within ninety (90) days after the end of each year covered by an annual budget, the Board of Directors shall cause to be furnished to each Owner a statement for such year showing the receipts and expenditures and such other information as the Board of Directors may deem desirable. Upon reasonable notice to the Board of Directors and payment of any fee established by the Board of Director from time to time, any owner shall be furnished a statement of the account setting forth the amount of any unpaid assessments or other charges due and owing from him.

**7.2 Meetings.** The Board of Directors shall keep a record of all meetings, both of the Board of Directors and of the Commercial Association. For each action taken, the record shall state the vote and a description of the action approved or disapproved, and may, where desired by the Board, the reasons why the action was considered necessary and a summary of the information on which the decision was based. The record shall be available for inspection by any Owner.

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## VIII. Handling of Funds

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**8.1 Accounts.** The Commercial Association shall establish the necessary funds or accounts to provide properly for the operation and maintenance of the Parcels subject to the Commercial Declaration. Overall superintendence of these funds shall be the responsibility of the Treasurer.

**8.2 Loans.** No loans shall be made by the Commercial Association to its directors or officers. The directors of the Commercial Association who vote for or assent to the making of a loan to a director or officer shall be jointly and severally liable to the Commercial Association for the amount of such loan until the repayment thereof.

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**IX. Amendment**

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The Bylaws may be altered, amended, modified or repealed by (a) two-thirds of the Directors, or (b) assent in writing of members representing a majority of the voting interests, provided, however, that rights reserved to the Founder cannot be modified without the Founder's consent.

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**X. Interpretation**

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Operation of the Commercial Association shall at all times comply with the laws for nonprofit corporations under the Washington Nonprofit Corporation Act, and any provision in conflict the Bylaws shall be deemed rewritten to comply. In the event of a conflict among the Bylaws, Articles or Commercial Declaration, the Commercial Declaration shall control, followed by the Articles and then Bylaws.

These Bylaws were adopted by the Board of Directors on November 2,  
2023.

President: DocuSigned by:  
*Larry Peterson*  
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Vice President: DocuSigned by:  
*Amber Hanchette*  
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Secretary: DocuSigned by:  
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Treasurer: DocuSigned by:  
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