

Silver Lake Forest Reserve Association

Election and Qualification of Directors Policy

POLICY RESOLUTION 004

Background: The RCWs, CC&Rs and Bylaws provide that the Association is governed by a Board of Directors. The Board of Directors must remain in place until new board members are elected and qualified. The Board may fill vacancies within the board. The Association routinely fails to satisfy the quorum requirement to conduct official business, including the election of Board Directors. This has meant that some Board Directors have been forced to remain on the Board longer than they intended or desired.

Purpose of policy: To adopt a uniform procedure to be followed to elect Directors when conditions are not met to conduct business.

Currently a quorum is established as 34% of the Total Association Vote under Section 9.11 of the Association CC&Rs. That means the Association needs 34% of all community votes to transact official community business. Without a quorum, new Directors may not be elected. The Association (under the RCW and the governing documents) therefore has three (3) choices:

- a) The Directors remain in place until their successors are elected and qualified;
- b) The Association calls a meeting to amend Section 9.11 of its CC&Rs, which requires a quorum; or
- c) Petition the Court to reduce the quorum for election of directors.

(RCW 24.03.100, RCW 64.38.030, RCW 24.03.105, RCW 64.38.025(2), CC&Rs Section 9.11, Bylaws.)

To avoid undesired perpetual directorships where Directors are forced to remain in their board positions indefinitely because quorum for an election is not satisfied, and to avoid the delays and expenses associated with seeking court approval each year that the established quorum is not met, the Association shall consider a quorum, solely for the purpose of electing Directors, to be reduced as follows.

Policy: The Association shall consider a quorum for the sole and specific business of the Election of Directors to be 15% of the Total Association Vote. The 34% quorum remains in place for all other matters of Association business.

Qualifications of elected directors are:

- a) Must be an Association Member in good standing;
- b) Must sign a Code of Conduct to support the Association;
- c) Must be committed to upholding the integrity and enforcement of the covenants (CC&Rs) of the Association.