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Recording Fee \$115.50 Page 1 of 13

Bylaws

Island County Washington



Return Name & Address:

Rockaway Beach Community Asso.
PO Box 221
Stanwood, WA
98292-0221

Please print or type information

Document Title(s) (or transactions contained therein):

1. Bylaws
- 2.

Reference Number(s) – (recording number of document being assigned, released, re-recorded, etc.)

Grantor – (seller, assignor, signator)

1. Rockaway Beach Community Association
- 2.
- 3.

Additional names on page ____ of document.

Grantee – (buyer, assignee, notice given to)

1. Public
- 2.
- 3.

Additional names on page ____ of document.

Legal Description – Abbreviated: i.e. lot/block/plat or section/township/range & quarter/quarter

See page ____ for full legal.

Assessor's Tax Parcel Number

Additional parcel numbers on page ____.

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

ROCKAWAY BEACH COMMUNITY ASSOCIATION

a Washington corporation

BYLAWS

(Updated August 25, 2019 incorporating previous amendments)

ARTICLE I - NAME

SECTION 1. The name of this corporation is Rockaway Beach Community Association.

ARTICLE II - PURPOSE

SECTION 1. The purpose for which this association is formed are as stated in Article II of the Articles of Incorporation as amended.

SECTION 2. The location and Post Office address of the registered office of the Association shall be: Rockaway Beach Community Association, PO Box 221, Stanwood WA 98292-0221.

ARTICLE III – MEMBERSHIP

SECTION 1. There shall be no official certificates of membership. Membership in the Corporation shall be issued only to individuals. All lots as originally platted within this area are membership lots, and all beneficial owners of such lots are members of this Corporation.

SECTION 2. Each originally platted lot shall be a membership lot. Each such lot shall have one vote in all membership matters and shall be entitled to one water hookup for a single-family dwelling. Each such lot shall be liable for one due and for one share of any assessment.

SECTION 3. Membership in the Corporation shall be automatically transferred by the transfer of beneficial ownership in a membership lot.

SECTION 4. A person shall become a member upon purchasing a lot within the membership area. If more than one person owns a lot, those persons shall decide between themselves who shall vote, and so notify the Corporation. The person registered on the books of the Corporation as the voting owner shall be recognized by the Corporation as the person entitled to have and to exercise the voting rights and privileges incident to membership.

SECTION 5. No membership shall be forfeited, nor any member be expelled. No member may withdraw from the Association except upon the transfer of title to the lot to which membership is appurtenant. No compensation shall be paid by the corporation upon 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 IV – TRUSTEES

SECTION 1. The corporate powers, business, and property of the Corporation shall be exercised, conducted, and controlled by a board of five Trustees.

SECTION 2. Qualification of Trustees; Any person of lawful age and a member of this corporation, who has not been convicted of a felony, may be elected a Trustee of this corporation.

SECTION 3. Each Trustee shall hold office for three years, or for such period as he may have been appointed and until his successor shall have been elected and shall qualify; PROVIDED, however at the first election following the adoption of these Bylaws, one of the Trustees shall be elected for one year, two for two years, and two for three years. Upon expiration of their terms, their successors shall be elected for three years.

SECTION 4. Whenever any vacancy shall happen among the Trustees by death, resignation, removal, or otherwise, it shall be filled by appointment of the Board of Trustees. Such Trustee so appointed shall hold office for the remainder of the unexpired portion of the term to which appointed.

SECTION 5. Within thirty (30) days after the election of Trustees at the annual meeting of the members, the Trustees shall meet for the purpose of organization, election of officers, and the transaction of other business.

SECTION 6. Meetings of the Board of Trustees may be called at any time by the president, or in his absence, by any two Trustees and will be held at such time and place as the Board may from time to time appoint.

SECTION 7. Notice of special meetings of the Board of Trustees, stating the time and in general terms the purpose or purposes thereof, shall be mailed (postal or electronically), telephoned or personally delivered to each Trustee, not later than the day before the day appointed for the meeting. An entry of the service of notice, given in the manner above provided, shall be made in the minutes of the proceedings of the Board of Trustees, shall be conclusive on the question of service. If all the Trustees shall be present at any Trustees' meeting, however called or noticed, and sign a written consent thereto which is entered on the record of such meeting, which said waiver shall be filed with the Secretary of the Corporation, and entered on the record of such meeting, any business may be transacted at such meeting and the transactions of such meeting shall be as valid as if had at a meeting regularly called or noticed.

SECTION 8. Each Trustee shall register his address (postal and electronic) and telephone number with the Secretary, and notices of meetings mailed or telephoned to such address/phone number shall be valid notices thereof.

SECTION 9. A majority of the whole number of Trustees shall constitute a quorum for the transaction of business, and every act or decision of a majority of the Trustees present at a meeting at which a quorum is present, made or done when duly assembled, shall be valid as the act of the Board of Trustees; but a majority of those present at the time and place of any stated or special meeting, although less than a quorum, may adjourn from day to day, or from time to time, without further notice, until a quorum shall attend; and when a quorum shall attend, any business may be transacted which might have been transacted at the meeting had the same been held on the day on which the same was originally appointed or called.

SECTION 10. The Corporation is hereby expressly declared to be a private corporation and not a public service corporation. The Board of Trustees shall have full power to borrow money on behalf of the corporation, including the power and authority to borrow money from any of the members, and otherwise to incur indebtedness on behalf of the Corporation, and to authorize the execution of promissory notes or other evidences of indebtedness of the Corporation, and to agree to pay interest thereon; provided, however, the Board of Trustees shall not borrow, incur indebtedness, or execute promissory notes in excess of \$3,000; to sell, convey, alienate, transfer, assign, exchange, lease, and otherwise dispose of, mortgage, pledge, hypothecate, and otherwise encumber the property, real and personal, and the franchises of the Corporation; to purchase, lease, and otherwise acquire property, real and personal, on behalf of the Corporation; and generally to do and perform, or cause to be done or performed; any and every act which the corporation may lawfully do and perform; provided, however, that no transaction herein authorized shall involve property of greater value than, or obligate the Corporation in a sum in excess of \$3,000; and provided further, that no contract to supply water to non-members shall be made which shall, in the judgement of the Board of Trustees, so impair the furnishing of water to members as to render nugatory the prime purpose for which this private corporation is organized, to wit, the furnishing of water to members of this corporation.

SECTION 11. Any Trustee may be removed by the vote of a majority of all members at a special meeting called for that purpose, and, upon such removal, a vote of the members present at said meeting may at once be taken to fill such vacancy or vacancies.

ARTICLE V – OFFICERS

SECTION 1. The executive officers of the Corporation shall be a President, Vice-President, a Secretary and a Treasurer; provided that one person may serve as both Secretary and Treasurer of the Corporation.

SECTION 2. All of said officers shall be Trustees. The officers shall be ex officio officers in the same capacity of the Board of Trustees and shall be elected at the first meeting of the Corporation after its organization, and thereafter at the first meeting after the annual election of the Trustees, and they shall hold office for one year and until their successors are elected; provided, however, that the Secretary or the Treasurer may be removed by the Board of Trustees at any time with or without cause.

SECTION 3. The Board of Trustees may also appoint such other officers, agents, and employees of the Corporation as they may deem proper. The Board of Trustees may delegate the

power of appointment and removal and the power to fix compensation of such other officers, agents, and employees to any officer of the Corporation. Except as above provided, the compensation of the executive officers and of other officers, agents and employees of the Corporation shall be fixed by the Board of Trustees.

SECTION 4. Any officer or agent may be removed by the Board of Trustees whenever in their judgement the best interest of the Corporation will be served thereby. Such removal, however, shall be without prejudice to the contract rights of the persons so removed.

SECTION 5. Officers and Trustees shall be deemed to stand in a fiduciary relation to the Corporation and shall discharge the duties of their respective positions in good faith and with that diligence, care, and skill which ordinarily prudent men would exercise under similar circumstances in like positions.

SECTION 6. No Trustee shall be personally liable for any debt or obligation of the Corporation or fulfillment of any contract. Neither shall a Trustee be liable to members or third parties for any discretionary decision or failure to make a discretionary decision within his or her official capacity as director or officer unless the decision or failure to decide:

- a. Constitutes gross negligence or intentional misconduct.
- b. Constitutes a knowing violation of law.
- c. Involves a transaction from which the Trustee will personally receive a benefit in money, property, or services to which the Trustee is not legally entitled.

SECTION 7. Cost of suit: To the extent allowed by law, costs and expenses in any action, suit or proceedings brought by or against the Trustees or any of them (including attorney's fees) shall be paid from the Corporation and the Corporation shall exonerate, reimburse and save harmless the Trustees, individually and collectively, against any and all expenses and liability arising out of trusteeship except in relation to matter to which it shall be adjudged in such action, suit or proceeding that such Trustee was acting in bad faith or was grossly negligent in the performance of his duties hereunder.

ARTICLE VI – PRESIDENT

SECTION 1. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the members and Board of Trustees. He shall have general charge of the business of the Corporation, shall execute, with the Secretary, in the name of the Corporation, all deeds, bonds, contracts, and other obligations and instruments authorized by the Board of Trustees to be executed.

SECTION 2. The President shall also have such other powers and shall perform such other duties as may be assigned to him by the Board of Trustees.

ARTICLE VII – VICE-PRESIDENT

SECTION 1. The Vice-President shall be vested with all the powers and shall perform all the duties of the President, in case of the absence or disability of the President.

SECTION 2. The Vice-President shall also have such other powers and shall perform such other duties as may be assigned to him by the Board of Trustees.

ARTICLE VIII - SECRETARY

SECTION 1. The Secretary shall keep the minutes of all proceedings of the members and the Board of Trustees in books provided for that purpose. He shall attend to the giving and serving of notices of all meetings of the members and of the Board of Trustees and otherwise. He shall execute, with the President, in the name of the Corporation, all deeds, bonds, contracts, and other obligations and instruments. He shall keep and have charge of the minutes of the meetings of the Board of Trustees and of the members, the list of members, and such other books and papers as the Board of Trustees may direct. He shall, in general, perform all the duties incident to the office of Secretary, subject to the control of the Board of Trustees.

SECTION 2. In case of the absence or disability of the Secretary, or his refusal or neglect to act, notices may be given and served by the President, or by the Vice-President, or by any other person thereunto authorized by the President, or by the Vice-President, or by the Board of Trustees.

ARTICLE IX - TREASURER

SECTION 1. The Treasurer shall keep, or cause to be kept, full and accurate accounts of receipts and disbursements, in books to be kept for that purpose. He shall receive and deposit, or cause to be received and deposited, all moneys and other valuables of the Corporation, in the name and to the credit of the Corporation, in such depositories as may be designated by the Board of Trustees. He shall disburse, or cause to be disbursed, the funds of the Corporation as may be directed by the Board of Trustees, taking proper vouchers for such disbursements. He shall render to the President and to the Board of Trustees, whenever they may require, accounts of all his transactions as Treasurer and of the financial condition of the Corporation. He shall, in general, perform all the duties of the office of Treasurer, subject to the control of the Board of Trustees.

ARTICLE X – WATER COMMISSIONER

SECTION 1. The water commissioner shall be responsible for:

- a) Oversight of the contracted water system management company for the following:
 - 1) Maintenance of the water system and associated physical assets to include water lines, residential water meters, pump house mechanical equipment, community water reservoir.

- 2) Handling troubleshooting involving imminent system problems.
 - 3) The testing and procuring of water samples for the State and other governing agencies.
 - 4) Ensuring the water system complies with all Federal, State and County regulations.
 - 5) Records and engineering drawings relating to the association water system.
- b) Development of the water system's Water Use Efficiency (WUE) Program. Obtain Board approval of the system's goals and publish to association membership. Implementation of the system's WUE program to ensure compliance with Washington State Department of Health regulations. Track and report to the Board progress in meeting approved goals.
 - c) Ensuring no impingement on and enforcement of restrictions stated in the 100-foot Restrictive Covenant surrounding the community well.
 - d) Performing all duties incident to the office or that are properly required by the Board of Trustees.
 - e) Acting as the association representative with the designated water system manager duly contracted with by the Board of Trustees.
 - f) Maintaining and updating the association's Small Water System Management Program (SWSMP).

SECTION 2. The water commissioner is the guardian of the equipment in the well pump house and associated water reservoir. The water commissioner must relegate authority to another trustee in his or her absence, in order that any emergency involving the physical plant is covered.

ARTICLE XI – TRUSTEE/OFFICER VACANCIES

SECTION 1. If the office of the President, Vice-President, Secretary, Treasurer, or Water Commissioner, becomes vacant by reason of death, resignation, removal, or otherwise, the Board of Trustees shall elect a successor, who shall hold the office for the unexpired term, and until his successor is elected.

ARTICLE XII – MEETINGS

SECTION 1. At least one meeting of the members shall be held in each calendar year.

SECTION 2. The regular annual meeting of the members for the election of Trustees shall be held the third quarter of the year (July-September) on such date, time, and location as determined by the Board of Trustees.

SECTION 3. Special meetings of the members may be called at any time upon the written request of any three Trustees or two-thirds of the members; and if more than eighteen months have elapsed with the annual members' meeting being held, any member may call a meeting. Such special meeting shall be called not less than ten nor more than twenty-five days after the receipt of such request, and if the Secretary shall neglect or refuse to set up said meeting, a Trustee or the member making such request may do so.

SECTION 4. Notice of all special meetings of the members, stating the time and in general terms the purposes thereof, shall be mailed by the Secretary or person calling such meeting to each member at his address, as the same appears on the records of the corporation, at least ten days prior to the date of the special meeting. No other notice of meetings of the members need be given. If such notice is placed in the United States mail, postage prepaid, and addressed to the member's last known address, notice shall be deemed to have been given him. Notice of any members' meetings may be waived in writing by any member at any time.

SECTION 5. An entry of the service of notice of a meeting of the members, given in the manner above provided, shall be made in the minutes of the proceedings of the members, and such entry, if read and approved at a subsequent meeting of the members, shall be conclusive on the question of such service.

SECTION 6. When all the members present at any meeting, however called or notified, sign a written consent thereto, and such written consent is made part of the records of such meeting, the proceedings had at such meeting are valid, irrespective of the manner in which the meeting is called.

SECTION 7. At any meeting of the members, the holders of a majority of the certificates of the Corporation entitled to vote must be presented in person or by proxy in writing, and the holders of such majority of the certificates entitled to vote, when so represented, shall constitute a quorum for any and all purposes, including the election of Trustees.

SECTION 8. Any regular or called meeting of the members may adjourn from day to day, or from time to time, without further notice, until its business is completed; and any regular or called meeting of the members may adjourn from day to day, or from time to time, without further notice, if for any reason there be not present the holders of a majority of the certificates of the Corporation entitled to vote, in person or by proxy, until a quorum shall attend, such adjournment and the reasons therefor being recorded in the journal of the proceedings of the members; and when a quorum shall attend, any business may be transacted which might have been transacted at any meeting had the same been held on the day on which the same was originally appointed or called, except the annual meeting for the election of Trustees may be adjourned only from day to day.

SECTION 9. The President, or, in his absence, the Vice President, or in the absence of the President and Vice-President, a chairman elected by the members present, shall call the meeting to order and shall act as the presiding officer thereof.

SECTION 10. The Secretary of the corporation shall act as secretary at all meetings of the members, and in his absence the presiding officer may appoint any person to act as secretary.

SECTION 11. At the annual meeting of the members, those entitled to vote shall elect by ballot a Board of Trustees as constituted by these Bylaws, and the Articles of Incorporation of this corporation.

SECTION 12. Each originally platted lot is entitled to one vote in each matter voted upon. Said vote shall be cast by the member in whose name the lot is standing on the books of the Corporation ten (10) days prior to the meeting at which the vote is taken. The vote may be cast in person or by proxy. In order to vote on any matter, a member must be in good standing, meaning all dues and assessments must be paid in full.

SECTION 13. All proxies must be in writing, executed by the members themselves, or by their duly authorized attorneys, and must be filed with the Secretary of the Corporation at or before the meeting where it is proposed to use them. Proxies shall not be valid for a period over twelve (12) months.

SECTION 14. The time and place of holding meetings for the election of Trustees shall not be changed within sixty (60) days before the day on which the election is to be held and notice of such change shall be given to each member thirty (30) days before the election is held by letter mailed to his last known post office address.

SECTION 15. Any procedural disputes at meetings shall be governed by and determined according to the latest edition of Roberts Manual of Parliamentary Rules; provided, however, that in the absence of contemporaneous objection no meeting or action shall be voidable for failure to follow said rules.

a) At the annual and special meetings of the membership, the order of business shall be as follows:

- 1) Calling the meeting to order
- 2) Determination of quorum present to proceed
- 3) Reading of minutes of last annual meeting
- 4) Reports of Officers
- 5) Reports of Committees
- 6) Unfinished Business
- 7) New Business
- 8) Election of Trustees
- 9) Adjournment

ARTICLE XIII – DUES/ASSESSMENTS

SECTION 1. The expense of operating, maintaining and replacing the water system owned by the Corporation, other property owned or hereafter acquired by the Corporation, and

the costs of any additions thereto authorized by the Corporation shall be paid for by the membership in accordance with Section 2 of this Article; and if such dues, charges and assessments are insufficient, they shall be raised by means of assessments imposed by the Board of Trustees in the amount and manner hereinafter provided.

SECTION 2. Upon water becoming available in a distribution main adjacent to any platted lot or building site, and upon notice of the availability of the same being given in writing to the member, such member shall thereupon be obligated to pay a yearly charge, to be recommended by the Board of Trustees and established at the annual meeting of the members, for every platted lot or building site where such water is available. Multi-family residences shall be charged for each unit at the discretion of the Board of Trustees.

SECTION 3. The total amount of funds collected by reason of the aforementioned charges shall be applied as follows:

First, toward the costs of operation, maintenance, and replacement of the water system, together with taxes on Corporation property;

Second, to pay the cost of any addition to the water system; and

Third, to apply toward a reasonable reserve fund to provide for the depreciation of the system and other reasonably foreseeable expenses the Corporation may likely incur.

In the event the financial condition of the Corporation shall warrant, the Board of Trustees, by resolution, may reduce the charges made to the members.

SECTION 4. In the event the receipts from yearly charges to the membership shall be insufficient to pay for the operation, maintenance, and replacement of the water system, such additions as authorized by the Corporation, and other property owned by or hereafter acquired by the Corporation, the Board of Trustees may levy assessments against the membership in such amounts as shall be reasonably necessary to pay for such costs of the operation, maintenance and replacements or additions, and the reserve fund. The assessments shall be charged equitably and ratably to the members in accordance with the number of platted lots owned by them. Assessments may be levied successively if the same is warranted by the financial condition of the Corporation.

SECTION 5. Annual charges and all assessments levied against members and the membership real estate shall become and remain a lien upon the membership and upon the said membership real estate until the same are paid. No membership shall become transferred until all delinquent and current charges and assessments have been paid.

SECTION 6. The charges per lot or building site after the availability of water shall be paid annually in advance on the first day of June, without notice, and the same shall be delinquent if not paid within thirty (30) days of said date.

SECTION 7. Assessments shall be due and payable within thirty (30) days after notice thereof has been mailed to the member at the address listed upon the Corporation books, and such assessment shall become delinquent if not paid within thirty (30) days after the date such notice has been mailed.

SECTION 8. Delinquent charges and assessments shall accrue interest at a rate of 12% annually. Future changes to the interest rate will be determined by the Board of Trustees, provided that such rate be non-usurious. All payments on account by delinquent members shall be credited toward payment of the charges or assessments first becoming due.

SECTION 9. The Board of Trustees shall have the power and authority to discontinue water service to any lot after any charge or assessment has been delinquent for thirty (30) days. Discontinuation of services shall not in any manner relieve the owners of the membership lot from delinquent payments, charges or assessments then or thereafter becoming due, nor discharge the lien for any of the same upon the underlying real estate. The Board of Trustees is hereby given authority to refrain from restoring water service until all delinquent charges and assessments have been paid. Notice shall be given of intent to discontinue service at least twenty (20) days prior to termination of service. Upon written request by the delinquent member, a hearing shall be held before the Board of Trustees prior to termination.

SECTION 10. The lien for delinquent charges and assessments, together with those charges and assessments accruing during the process of foreclosure, plus interest, may be foreclosed by action in the Superior Court of the State of Washington for Island County in the manner provided by law for the foreclosure of real estate mortgages; and, in addition to costs provided by statute, there shall be allowed in the decree of foreclosure such reasonable attorney's fees as the court shall deem proper.

SECTION 11. Prior to the installation or operation of a new connection to a distribution main, a one-time payment of \$150 shall be paid for such service.

SECTION 12. No member shall knowingly supply water to a non-member's residence, building lot or lots, or unit of a multi-family residence, nor shall any member knowingly supply water to more than one residence from one membership; provided, however, that this provision can be waived on an individual basis by a majority vote at a member's meeting. Any member violating this provision shall be liable for up to double the annual charge and assessments for each additional unit served, or discontinuance of water services, or both, at the discretion of the Board of Trustees. The decision of the Board of Trustees in such matters shall be final.

SECTION 13. Any non-member who obtains water from the Rockway Beach Community Club without specific written permission after affirmative vote by the members, shall be subject to legal action to be taken by the Board of Trustees.

SECTION 14. Expenses related to the maintenance and repair of the beach easement road (Rockaway Lane), community lot/bulkhead, easement road catchment wall will be divided as follows: costs will be divided in eight (8) equal parts (1/8 to be the HOA portion due to the community lot and further split among the member lots in Rockaway Beach Division 1 (Lots 1-

27) and the remaining 7/8 to be split among the beachfront member lots in accordance with association Bylaws. (Approved 2017 Annual Meeting).

ARTICLE XIV - MISCELLANEOUS

SECTION 1. Corporate Seal: The Board of Trustees may provide a suitable seal for the Corporation which shall be circular in form, and which shall contain the following inscription:

ROCKAWAY BEACH COMMUNITY ASSOCIATION

SEAL

1971

WASHINGTON

SECTION 2. Fiscal Year: The fiscal year of this corporation shall run from June 1 to May 31 of each year (i.e. June 1, 2019 to May 31, 2020).

SECTION 3. Water System Capital Improvement/Replacement Fund: This account will be used to make improvements to or replacement of components of the corporation water system. Funded by (but not limited to): excess funds from the previous year's HOA and Water accounts; purchase of water shares for undeveloped lots; and back due annual dues and assessments.

ARTICLE XV - AMENDMENTS

SECTION 1. These Bylaws or any amendment thereof may be repealed or amended, or new Bylaws may be adopted at any annual meeting, or at any other meeting of the members called for that purpose, and a majority vote of the quorum at such meeting shall be sufficient so to do.

SECTION 2. Individual members may submit recommendations for changes to the Bylaws. These recommendations will be reviewed by the Board of Trustees and voted on as to whether or not to submit them to the membership for approval or disapproval at an annual meeting or a special meeting of the corporation duly called for that purpose.

SECTION 3. Individuals may submit recommendation for changes to the Bylaws by obtaining the signature of five separate voting members (in good standing) supporting the recommendation. The Board of Trustees shall submit such a request to the membership for approval or disapproval at an annual meeting or a special meeting of the corporation duly called for that purpose.

SECTION 4. Any proposed Bylaw amendments to be considered at a annual meeting or special meeting duly called for that purpose, must be provided to members for review at least 30 days prior to the meeting (Approved at 2003 Annual Meeting)

SECTION 5. Any Bylaw change recommendation must be reviewed by legal counsel prior to submission to membership for a vote.

Approved this 25th day of August 2019,

Steve Rakes
Print Name
[Signature]
Signature

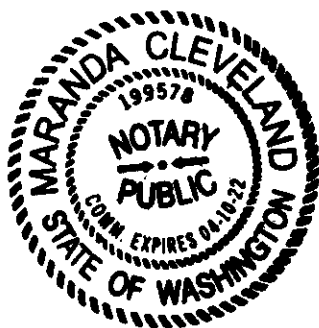
President
Title
12/10/19
Date

Ben Truscott
Print Name
[Signature]
Signature

Secretary
Title
12/10/19
Date

State of Washington
County of Snohomish

Signed or attested before me on Dec 10th 2019 by Steve Rakes and Ben Truscott.



[Signature] (Notary Public)
Notary Public (Title of office)
My commission expires: 4/10/22