

Resolution to Simplify and Standardize the Bylaws

WHEREAS, the bylaws amendments previously adopted in November 2022 were rescinded by the Resolution to Rescind Changes to Articles and Bylaws, and

WHEREAS, there were good reasons for those bylaws amendments, and the Board believes those actions are still necessary, and

NOW, THEREFORE, We resolve the following:

1. That the board approves and recommends the following to the membership per RCW 24.03A.655:
 - a. That the “BY-LAWS of ROSARIO PROPERTY OWNERS ASSOCIATION (RPOA) as amended on February 5, 2007”, and as subsequently amended, collectively comprising the Old Bylaws, be rescinded, and
 - b. That the Proposed Revised Bylaws provided in Exhibit B, “Proposed Revised Bylaws”, be adopted to replace them.
2. That a resolution to adopt the Proposed Revised Bylaws in the form shown in Exhibit A be put before the membership for approval on the condition that the membership first approves the Resolution to Rescind Changes to Articles and Bylaws; and
3. That, pending membership approval of the Proposed Revised Bylaws, the secretary is directed to record the Proposed Revised Bylaws in the permanent records of the Association.
4. That the Treasurer is authorized to release funds to cover the required filing fee for the Articles of Amendment.
5. That, pending approval of the Proposed Revised Bylaws, the board adopts a standing rule setting the size of the executive board at three (three officers as ex-officio directors and no additional directors).
6. That a special meeting of the membership will be promptly called, and that the Secretary is instructed to provide written notice of the special meeting to all current RPOA members in compliance with RCW 24.03A, including notice of the proposed and recommended bylaws amendments.
7. That the Secretary is further instructed to provide the same written notice of the special meeting to all persons eligible to be members of RPOA under the membership criteria in the Old Bylaws.
8. That any person eligible for membership in RPOA who arrives at the meeting location at the meeting time, upon paying the required annual dues, will immediately become a member of RPOA in good standing for the purposes of participating in the meeting.

EXHIBIT A: Language of Resolution To Be Submitted to Membership

Per RCW 24.03A.655 and 24.03A.695, we, the Members of Rosario Property Owners Association, approve the following action recommended to us by the Executive Board:

1. That the “BY-LAWS of ROSARIO PROPERTY OWNERS ASSOCIATION (RPOA) as amended on February 5, 2007”, and as subsequently amended, collectively comprising the Old Bylaws, be rescinded, and
2. That the Proposed Revised Bylaws provided in Exhibit _____, “Proposed Revised Bylaws”, be adopted to replace them.

EXHIBIT B

Proposed Revised Bylaws of the Rosario Property Owners Association of San Juan County, Washington

As proposed on April 7, 2023

Article I: Name

The name of the association is specified in its articles of incorporation.

Article II: Object

The object of the association is specified in its articles of incorporation.

Article III: Members

Section 1: Membership Eligibility. Any natural person who owns an eligible residence, either directly or as the beneficiary of a trust, is eligible for membership. In addition, any resident age eighteen or older who makes an eligible residence their primary residence is eligible for membership. Any person seeking membership must submit a membership application to the Secretary in either such form as the Association specifies or, in the absence of such specification, at least a record including the applicant's full name, address of eligible residence, mailing address, e-mail address, telephone number, and, if applying as a non-owner resident, declaration of primary residency, where the declaration is given under penalty of perjury. For the purposes of membership, an owner of a parcel upon which county land use code would allow an eligible residence to be built is also considered an owner of an eligible residence. Membership is granted to each natural person separately.

Section 1.5: Membership Admission Procedure. Membership shall be automatically granted upon receipt by the Secretary of a valid application and payment by the applicant of required fees and dues. The Secretary shall report each membership application at the next regular meeting of the Executive Board.

Section 2: Eligible Residence Defined. If "eligible residence" is not defined in the articles of incorporation, eligible residence is any residence southwest of Olga Road whose principal vehicle access from Olga Road is via Rosario Road, Tomihi Drive, or Otter's Lair Lane; or any residence within the boundaries of Moran State Park.

Section 3: Initiation Fee and Dues. There is no initiation fee. Annual dues shall be payable in advance on or before January 25 of each year. Dues shall not be pro-rated. Any member whose dues are not paid by the due date and for whom no special dispensation has been approved by the Executive Board shall be automatically dropped from membership in the Association, regardless of whether the Association has provided notice of delinquency. In the case of a mid-year change to the annual dues amount, any person who paid the dues as required before the change shall continue to be a member after the change and shall not be required to make up any shortfall for that year if an additional amount would otherwise be due under the change, nor shall a partial refund be issued for overpayment. Dues amounts shall be denominated in U.S. dollars and shall be specified by the Executive Board in a standing rule. If no standing rule is in effect to set the amount of annual dues, the amount shall be \$10 in January 2020 dollars, adjusted for inflation at the start of each calendar year based on the U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers.

Section 4: Assessments. The Association may levy assessments by resolution of the Board, the details of any such assessment to be determined by the Board and subject to approval by a two-thirds vote of the members.

Section 5: Resignation. Any member may resign from the Association by submitting a resignation in writing to the Secretary, who shall update the records of the Association accordingly and report the resignation at the next regular Executive Board meeting. Resignation shall be effective at time of receipt by the Secretary.

Section 6: Loss of Membership. A member by residence shall have membership automatically revoked upon ceasing residency. For purposes of this section, ceasing residency means performing any act that indicates the member has adopted a primary residence that is not an eligible residence, including a change of voter registration address, a change of driver's license residence address, or failing to reside at an eligible residence for at least three months within the previous calendar year. A member by ownership shall have membership automatically revoked upon relinquishing ownership. Formal resignation is not a precondition to automatic revocation of membership under this section, nor does it alter the effective date of revocation.

Section 6.5. Termination of Membership for Cause. A member may have membership terminated for cause by action of the Executive Board subject to a two-thirds approval. Valid reasons for termination are limited to the following: conflict of interest with the Association, unlawful activity on the part of the member that negatively affects the Association, violation of the bylaws or rules of the Association, or negligent, corrupt, unreasonable, malicious, or disrespectful behavior with respect to the Association, its members, or its officers. A membership terminated for cause may not be reinstated for a period of two years, and reinstatement shall be subject to a two-thirds approval of the Executive Board.

Section 7: Reinstatement of Membership. A reinstatement fee equivalent to the current initiation fee is due prior to reinstatement of membership. To effect reinstatement, the applicant shall make the request in writing and deliver it along with the reinstatement fee and any unpaid dues to the Secretary. Membership shall be reinstated upon receipt of requires fees and dues.

Article IV: Officers

Section 1: Officers and Duties. The officers of the Association shall be a President, a Secretary, and a Treasurer. These officers shall perform the duties prescribed by these bylaws and by the parliamentary authority adopted by the association.

Section 2: Time of Elections. The election of officers shall be held at the annual meeting. Nominations shall be taken from the floor.

Section 3: Ballot Election. The officers shall be elected by ballot to serve for one year or until their successors are elected.

Section 4: Term of Office. The officers' term of office shall begin at the adjournment of the meeting at which they are elected.

Section 5: Removal from Office. Officers may be removed from office at the pleasure of the membership as provided in the parliamentary authority.

Section 6: Office-holding Limitations. Any two or more offices may be held by the same person, except the offices of President and Secretary. No person shall be eligible to serve more than eight consecutive terms in the same office unless no alternative candidates are nominated.

Article V: Meetings

Section 1: Annual Meeting. The annual meeting of the Association shall be held on Orcas Island or through remote communication on the second Sunday of November at 1 p.m. unless otherwise ordered by the Executive Board. The annual meeting shall be for the purpose of electing officers, receiving reports of officers and committees, and for any other business that may arise.

Section 2: Proxies. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or his/her duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 3: Special Meetings. Special meetings may be called by the President or by the Executive Board and shall be called upon the written request of ten members of the Association. The purpose of the meeting shall be stated in the call, which shall be sent to all members at least three days before the meeting.

Section 4: Quorum. Ten percent of the votes entitled to be cast at a meeting of the members constitutes a quorum.

Section 5: Action without a meeting. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of the members, may be taken without a formal meeting. However, such action requires one or more records setting forth the subject matter of the action, the action taken, and the signatures of two-thirds of the members entitled to vote.

Section 6: Remote Meetings. Any meeting of the membership or of the Board may be conducted through one or more means of remote communication through which persons not physically present may simultaneously participate with each other during the meeting. A person participating in a meeting through such means is considered present in person at the meeting.

Article VI: Executive Board

Section 1: Board Composition. Each officer of the Association is an ex-officio member of the board of directors, called the Executive Board. The board may add additional directors for a total of two to five directors. The number of directors, subject to the foregoing limits, shall be determined by resolution of the Executive Board.

Section 2: Board's Duties and Powers. The Executive Board shall have full power and authority over the affairs of the Association except for the following: regular election of officers; removal of officers; and such powers and authorities as it may from time to time expressly delegate to the membership.

Section 3: Meetings of the Board. The regular meetings of the Executive Board shall be held quarterly on the third Thursday each January, April, July, and October unless otherwise ordered by the Board. Special meetings of the Board may be called by the President and shall be called upon the written request of two members of the Board. A majority of the Executive Board members holding office constitutes a quorum.

Section 4: Vacancies. In case of any vacancy on the Executive Board, the remaining directors may elect a successor to hold office for the unexpired portion of the term.

Article VII: Committees

Section 1: Establishment of Committees. Such committees, standing or special, may be established by the Association as it shall from time to time deem necessary to carry on its work. Committee members shall

be appointed by the President unless this rule is suspended by a two-thirds vote before their appointment. Committee appointments shall be drawn from the membership of the Association or the Board.

Section 2: President's Ex-Officio Committee Membership. The president shall be ex officio member of all committees except any nominating committee or disciplinary committee.

Article VIII: Parliamentary Authority

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with the article of incorporation, these bylaws, and any special rules of order the Association may adopt.

Article IX: Amendment of Bylaws

These bylaws may be amended by two-thirds vote of the Executive Board.

Article X: Indemnification

The Association shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer or director of the Association against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which the person may become involved by reason of the person's service in such capacity; provided that no indemnification shall be provided for any such person with respect to any matter as to which the person shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of the Association; and further provided that any compromise or settlement payment shall be approved by a majority vote of a quorum of directors who are not at that time parties to the proceeding.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which any person may be entitled.

No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified person under this Article shall apply to such person with respect to those acts or omissions which occurred at any time prior to such amendment or repeal, unless such amendment or repeal was voted by or was made with the written consent of such indemnified person.

This Article constitutes a contract between the Association and the indemnified officers and directors. No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified officer or director under this Article shall apply to such officer or director with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.

Article XI: Definitions

Section 1: Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented

or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 2: Terms Defined in Articles of Incorporation. Terms defined in the Articles of Incorporation shall have those defined meanings within this document, and terms defined in both the Articles of Incorporation and this document shall have the meanings defined in the Articles of Incorporation.