ROSARIO PROPERTY OWNERS ASSOCIATION

Written Consent of Directors in Lieu of Special Meeting

February 19, 2022

The undersigned, being all of the directors of the Rosario Property Owners Association, a Washington nonprofit corporation (the "Association"), pursuant to RCW 24.03A.570, hereby consent, approve, and adopt the following resolutions as if duly adopted at a meeting of the Board of Directors held for this purpose:

Affirmation of Current Membership, Board of Directors, Officers

WHEREAS, having filed no annual report with the Secretary of State since 2018, and having had no meetings since late 2019, and no member having paid dues in the interim, pursuant to Article XIII, Section 3 of the bylaws of the Association, the Association until recently has had no members in good standing; and

WHEREAS, the bylaws state that a qualified person shall become a member in good standing upon payment of the annual dues (ARTICLE III, Section 2); and

WHEREAS, the bylaws require that directors be Voting Members of the Association in good standing (ARTICLE V, Section 1); and

WHEREAS, the bylaws of the Association allow that the Board of Directors may determine from time to time the amount of annual dues payable to the Association by members (ARTICLE XIII, Section 1); and

WHEREAS, a $1 payment for membership for the 2022 fiscal year has been received by the Association from the following family units: Lisa Steckley, Soren Bertelsen, Gregory Hancock & Elizabeth Menozzi (a married couple), Patrick Stockstill & Rachel Crothers (trustees of the Crothers-Stockstill Family Revocable Trust), and John & Mary Poletti (trustees); and

WHEREAS, an informal record of an annual meeting held in 2019 has been found in the records of the Association, as shown in Exhibit A; and

WHEREAS, we have received declarations (see Exhibit B) that there was an annual meeting in 2019, that it was the most recent such meeting, and that Lisa Steckley, Soren Bertelsen, Jon Finney, Elizabeth Staumbaugh, and Erik Hedberg were elected as the Board of Directors at that meeting; and

WHEREAS, directors Jon Finney and Elizabeth Stambaugh have moved away from the Rosario area and have become unreachable through contact information known to the Association, and Erik Hedberg has formally resigned (correspondence in Exhibit C); and

WHEREAS, the bylaws (ARTICLE V, Section 2) require a minimum of five directors;

NOW, THEREFORE, WE RESOLVE the following:

1. That the annual membership dues of the Association are set at $1 for fiscal year 2022.
2. That pursuant to the Article III, Section 1 of the Bylaws, effective immediately and until repealed, for the purposes of determining membership, the Association adopts the following standing rule:

'A "family unit", in the context of real property ownership, is defined as the legal entity owning the property. In case the legal entity is a corporation or trust, the legal entity must delegate its representation to a named officer or staff member. In case ownership is shared between more than one legal person, those persons may from time to time choose which one person will represent their collective interests in the proceedings of the Association.'

3. That Lisa Steckley, Soren Bertelsen, Elizabeth Menozzi & Gregory Hancock, Patrick Stockstill & Rachel Crothers, and John & Mary Poletti as family units being eligible for membership and having paid the required dues, comprise the members in good standing of the Association.
4. That pursuant to RCW 24.03A.530(5)(g), Jon Finney and Elizabeth Staumbaugh are hereby removed from their positions as directors because they no longer meet the requirements for membership.
5. That Lisa Steckley and Soren Bertelsen, being the only directors among those elected in 2019 to currently be members in good standing, will retain their positions as directors until the next annual meeting or until they formally resign.
6. That, with three vacancies on the Board of Directors, pursuant to RCW 24.03A.535 and Article V, Section 9 of the bylaws, the remaining Board hereby appoints Gregory Hancock, Patrick Stockstill, and John Poletti to the Board of Directors to serve until the next annual membership meeting.
7. That Lisa Steckley will continue to serve as president, and that Gregory Hancock will assume the roles of vice-president, secretary, and treasurer, all effective immediately, until they resign or their successors are duly elected.
8. That former officers are directed to transfer all corporate financial accounts, mailboxes, electronic accounts, and records to the new officers.
9. That, when filings are next made with the Secretary of State, Gregory Hancock will be the registered agent of the Association.
10. That the Board believes the contact information in Exhibit D is current and correct.

Affirmation of Found Bylaws

WHEREAS, the bylaws of the Association in Exhibit E, an unsigned copy of which was discovered among the few remaining records of the Association together with several approved but unincorporated amendments, having been declared to be the true and valid bylaws as evidenced by written declarations in Exhibit E;

NOW, THEREFORE, BE IT RESOLVED, that the Association affirms the restated bylaws in Exhibit E as the true and valid bylaws of the Association and hereby directs the secretary to sign them, to keep and protect them among the permanent records of the Association, and to do all other such things related to bylaws as required by law and custom.

Affirmation of the Board of Trustees Roster

WHEREAS, the Association has lost its official roster of the membership of the Board of Trustees; and

WHEREAS, the bylaws (Article VII, Section 2) specify that former Association presidents, at minimum, comprise the Board of Trustees; and

WHEREAS, the Board of Directors knows of no ad hoc appointments to the Board of Trustees, and

WHEREAS, several of the former Association presidents have died or become unreachable after moving away from Orcas Island, therefore abandoning their positions;

NOW, THEREFORE, BE IT RESOLVED, that the Association affirms the following roster as the current and official roster of the Board of Trustees of the Association, compiled from the list of former presidents found in annual reports on file with the Washington Secretary of State:

Lisa Steckley, [redacted]

Karen Ladd, [redacted]

Carl Buttke, [redacted]

Jobin Suthergreen, [redacted]

Richard Hansen, [redacted]

John Fletcher, [redacted]

and,

BE IT FURTHER RESOLVED, that the Board directs the secretary to solicit written confirmation from each of the above trustees that he or she wishes to continue as a trustee and, if not, to obtain a written resignation for the records of the Association.

Minute Book Replacement

WHEREAS, the officers of the Association are unable to locate the minute book of the Association;

NOW, THEREFORE, BE IT RESOLVED, that any and all past acts and deeds of the present and past officers and directors undertaken on behalf of the Association are hereby ratified, approved and affirmed in all respects, and

BE IT FURTHER RESOLVED, that the secretary is directed to establish a new minute book for the Association, to keep and protect it among the permanent records of the Association, and to do all other such things related to corporate records as are required by law and custom.

Amendment to Bylaws to Remove Insurance Requirement

WHEREAS, the cost of directors' and officers' (D&O) liability insurance has become cost-prohibitive; and

WHEREAS, Washington state law substantially limits the liability of nonprofit directors and officers acting in good faith in the interest of the organization they govern; and

WHEREAS, many homeowner and personal liability insurance policies provide some level of liability coverage for unpaid nonprofit governance work; and

WHEREAS, RCW 24.03A.690, RCW 24.03A.705, and Article XVI of the bylaws govern amendment of the bylaws;

NOW, THEREFORE, BE IT RESOLVED, that the Board approves amending the bylaws by striking the sentence "All Directors shall have the protection of appropriate liability insurance carried by RPOA at RPOA's expense" from Article IV, Section 5, and

BE IT FURTHER RESOLVED, that the secretary is directed to solicit approval of the Board of Trustees of the amendment within two weeks of the adoption of this consent, and

BE IT FURTHER RESOLVED, that upon receiving the approval of the Board of Trustees as required by Article XVI, the Secretary shall record the amendment in the minutes book and certify it with his signature.

Amendment to Bylaws to Expand Membership Eligibility to Condominium Owners

WHEREAS, the bylaws of the Association condition membership eligibility on ownership of a lot within a prescribed area, and it is debatable whether a condominium is a lot; and

WHEREAS, the Association has historically granted membership to owners of condominium units in contravention of the bylaws; and

WHEREAS, the Board believes that condominium owners have similar interests to landowners and should not be excluded from RPOA; and

WHEREAS, RCW 24.03A.690, RCW 24.03A.705, and Article XVI of the bylaws govern amendment of the bylaws;

NOW, THEREFORE, BE IT RESOLVED, that the Board approves amending the bylaws by striking the words "Voting members are Rosario property owners with lots located…" from Article III, Section 1, item a, and replacing them with the words, "Voting members are owners of lots or non-fractional condominium units located…"

BE IT FURTHER RESOLVED, that the Board approves amending the bylaws by striking the words "…subject to the provision that each membership shall be entitled to only one vote" from Article III, Section 1, item b and replacing them with the words, "…subject to the provision that each family unit shall be entitled to only one vote regardless of the number of eligible properties it owns."

BE IT FURTHER RESOLVED, that the secretary is directed to solicit approval of the Board of Trustees of the amendment within two weeks of the adoption of this consent, and

BE IT FURTHER RESOLVED, that upon receiving the approval of the Board of Trustees as required by Article XVI, the Secretary shall record the amendment in the minutes book and certify it with his signature.

Amendment to Bylaws to Specify Parliamentary Authority

WHEREAS, non-profit corporations in the State of Washington are governed by state law and parliamentary law; and

WHEREAS, the bylaws of the Association do not reference a specific parliamentary authority; and

WHEREAS, *Robert's Rules of Order* is a common parliamentary authority with which many people are familiar; and

WHEREAS, the Board would like to remove the ambiguity created by the absence of a specific parliamentary authority reference; and

WHEREAS, RCW 24.03A.690, RCW 24.03A.705, and Article XVI of the bylaws govern amendment of the bylaws;

NOW, THEREFORE, BE IT RESOLVED, that the Board approves amending the bylaws by adding the following article:

ARTICLE XVII – Parliamentary Authority

The rules contained in the current edition of Roberts 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 state law, these bylaws, and any special rules of order the Association may adopt.*

BE IT FURTHER RESOLVED, that the secretary is directed to solicit approval of the Board of Trustees of the amendment within two weeks of the adoption of this consent, and

BE IT FURTHER RESOLVED, that upon receiving the approval of the Board of Trustees as required by Article XVI, the Secretary shall record the amendment in the minutes book and certify it with his signature.

Amendment to Bylaws to Reduce Required Number of Board Members

WHEREAS, it has proven difficult to recruit board members and officers to lead the Association, resulting in administrative dissolution on three separate occasions in the Association's history; and

WHEREAS, RCW 24.03A.690, RCW 24.03A.705, and Article XVI of the bylaws govern amendment of the bylaws;

NOW, THEREFORE, BE IT RESOLVED, that the Board approves amending the bylaws by striking the words "The number of directors shall not be less than five (5)…" in Article V, Section 2 and replacing them with the words, "The number of directors shall not be less than three (3)…"

BE IT FURTHER RESOLVED, that the secretary is directed to solicit approval of the Board of Trustees of the amendment within two weeks of the adoption of this consent, and

BE IT FURTHER RESOLVED, that upon receiving the approval of the Board of Trustees as required by Article XVI, the Secretary shall record the amendment in the minutes book and certify it with his signature.

Plan and Notice of Intent to Further Amend and Restate Bylaws

WHEREAS, the directors of the Association desire to see the Association continue to serve the needs of the Rosario residential community;

WHEREAS, the directors of the Association understand that the current bylaws of the Association no longer meet the needs of the Association or the community it serves;

NOW, THEREFORE, BE IT RESOLVED, that the Association approves the following next steps:

1. The officers are directed and empowered to take the actions necessary to bring the Association into compliance with state and federal legal obligations by making required filings and payments with the Washington Secretary of State and the U.S. Internal Revenue Service, including but not limited to reversing the current state administrative dissolution and obtaining a new and valid federal Employer Identification Number (EIN).
2. The Secretary is directed to draft and propose to the Board of Directors revised bylaws and articles of incorporation.
3. The Secretary is directed to coordinate with the other officers to schedule a special meeting of the Board of Directors or to circulate a draft written consent in lieu of a meeting, at the Secretary's discretion, to amend the bylaws and articles of incorporation.

The present Written Consent of Directors in Lieu of a Special Meeting shall be effective as of the date the Association receives the unanimous consent of the Association's directors. This written consent may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one action. Any copy, facsimile, or other reliable reproduction of this written consent may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used. This Written Consent of Directors in Lieu of a Special Meeting shall be filed with the minutes of the meeting of directors of this Association and shall be treated for all purposes as resolutions taken at a meeting.

DIRECTORS:

[redacted] 2-19-22

Lisa Steckley Date

[redacted] 2/19/22

Soren Bertelsen Date

[redacted] 19 FEB 2022

Gregory Hancock Date

[redacted] 2/20/22

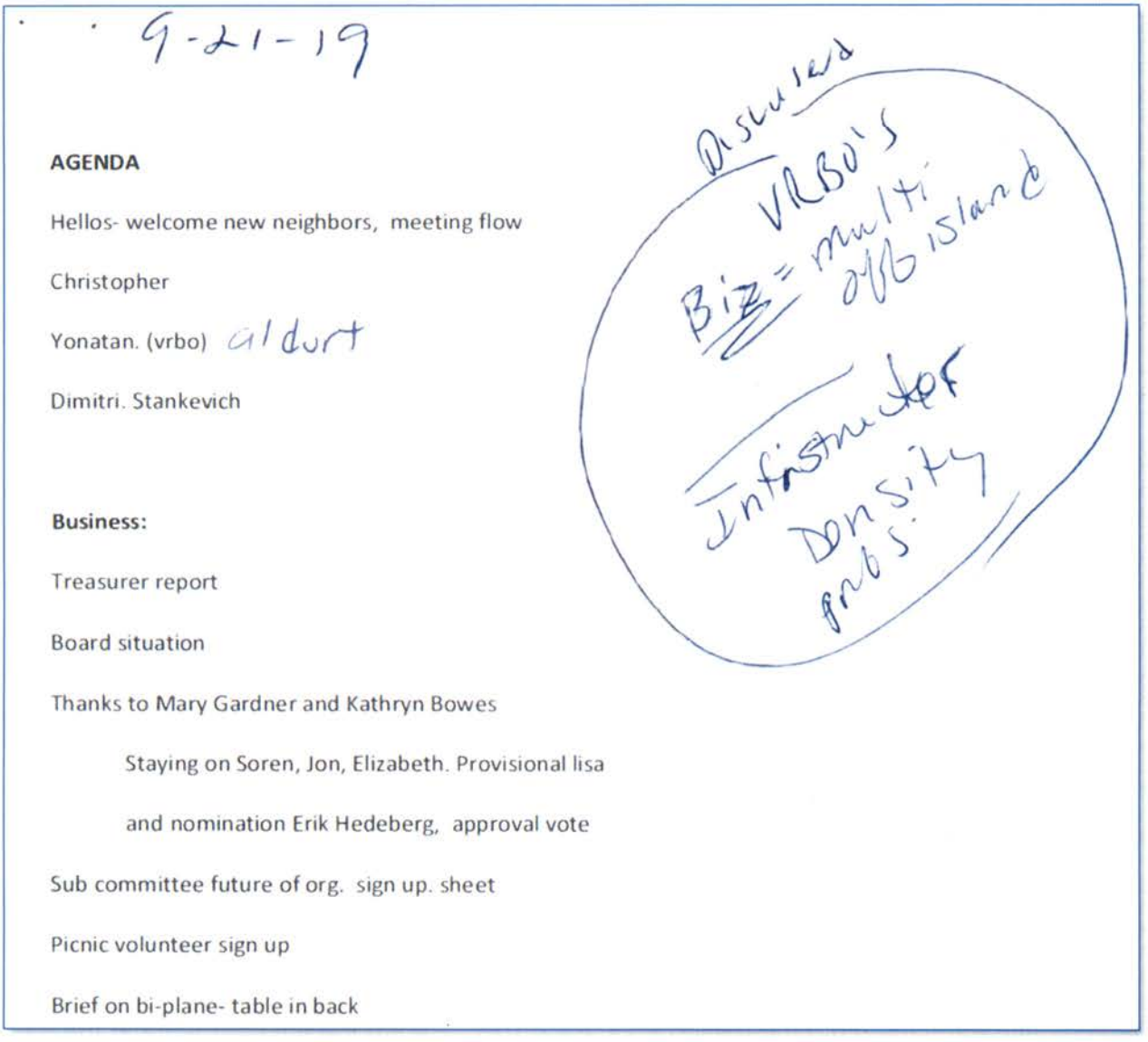
Patrick Stockstill Date

[redacted] 2/19/22

John Poletti Date

EXHIBIT A: Notes from September 21, 2019 Meeting

The following notes were found in a box of miscellaneous records of the Association:



9-21-19

AGENDA

Hellos- welcome new neighbors, meeting flow

Christopher

Yonatan. (vrbo) aldurt

Dimitri. Stankevich

Business:

Treasurer report

Board situation

Thanks to Mary Gardner and Kathryn Bowes

Staying on Soren, Jon, Elizabeth. Provisional lisa

and nomination Erik Hedeberg, approval vote

Sub committee future of org. sign up. sheet

Picnic volunteer sign up

Brief on bi-plane- table in back

Discuss VRBO's Biz = multi off island Infrastructure Density prob's

Following is an excerpt from an informal, contemporaneous meeting summary document provided by Lisa Steckley:

> *Board of Directors: Mary Gardner, Kathryn Bowes and Lisa Steckley are stepping down. Erik Hedberg has volunteered to step in as a new board member. As this will leave the board short by 1 person, Lisa has agreed to stay on as in interim member until year end. The slate of directors voted and approved are: Soren Bertleson, Elizabeth Staumbaugh, Jon Finney, Erik Hedberg and Lisa Steckley (interim)*

EXHIBIT B: Declaration of 2019 Board of Directors Election Results

I declare under penalty of perjury under the laws of the State of Washington (WAC 208-08-085) that the foregoing is true and correct:

1. I was present at the annual meeting of the Rosario Property Owners Association held at Rosario Resort on September 21, 2019.
2. It was a legitimate meeting conducted properly, with proper notice to members, and was the last such meeting of the Association.
3. Lisa Steckley, Soren Bertelsen, Jon Finney, Elizabeth Staumbaugh, and Erik Hedberg were duly and properly elected as the Board of Directors of the Association at the meeting.

BY:

Lisa Steckley	Eastsound 2-19-22	[redacted]
(Printed Name)	(Date and Place)	(Signature)

SOREN BERTELSEN	2/19/22 EASTSOUND	[redacted]
(Printed Name)	(Date and Place)	(Signature)

EXHIBIT C: Written Resignations of Former Directors



Gmail Gregory Hancock [redacted]

Re: RPOA official resignation from board

1 message

Erik Hedberg [redacted] Mon, Jan 24, 2022 at 5:04 PM

I hereby resign from the Rosario Property Owners Association.

Thank you,
Erik hedberg

Sent from my Galaxy Tab® S2

-------- Original message --------
From: Lisa Steckley <[redacted]
Date: 1/24/22 12:59 PM (GMT-08:00)
To: Elizabeth Stambaugh [redacted] Erik Hedberg [redacted]
Cc: Gregory Hancock [redacted]
Subject: RPOA official resignation from board

Hi

A couple neighbors are working on reviving the RPOA. They need your official resignation because you are on the last voted board members. unless

Please reply to this email with your response.

Hope you are well.... Thanks

PS: if you have Jon Finney's email, please forward to him. If not, Greg please consider him unreachable.

Lisa

EXHIBIT D: Contact Information

The contact information below is current and may be used for written communications with the listed individuals.

Lisa Steckley	[redacted]	[redacted]
Soren Bertelsen		
Erik Hedberg		
Gregory Hancock		
John Poletti		
Patrick Stockstill		

EXHIBIT E: Restated Bylaws

The following bylaws have been restated based on bylaws found in a box of old RPOA records combined with informal "meeting minutes" in which were recorded a handful of amendments which appear to have been properly approved by the Board of Directors and the Board of Trustees.

Declaration by Lisa Steckley Concerning RPOA Records Box

I declare under penalty of perjury under the laws of the State of Washington (WAC 208-08-085) that the foregoing is true and correct:

> The RPOA records box I provided to Gregory Hancock contained only genuine RPOA records that, to the best of my knowledge, represent the only existing written records of the Association.

BY:

Lisa Steckley	Eastsound 2-19-22	[redacted]
(Printed Name)	(Date and Place)	(Signature)

Declaration by Gregory Hancock Concerning Restatement of Bylaws

I declare under penalty of perjury under the laws of the State of Washington (WAC 208-08-085) that the foregoing is true and correct:

1. That I received a "banker's box" of RPOA paper records from Lisa Steckley, in which I found a copy of signed bylaws dated May 11, 1994 as well as multiple, identical copies of unsigned bylaws marked "Updated on June 03, 2002" and "Authors: Roy Blay and Rolf Nedelmann".
2. That I also found unsigned "R.P.O.A. Minutes" attributed to Eileen A. Pyka, Secretary, stating that various amendments, obviously referencing the 2002 bylaws, had been approved by the Board of Directors and the Board of Trustees at a meeting on February 5, 2007 held at Rosario Resort. The minutes show that Jobin Suthergreen, Carl Yurdin, Carol Berg, and Eileen Pyka were present.
3. That I transcribed the bylaws and incorporated the amendments in good faith, as accurately as I could, and made no changes to the text of the bylaws beyond incorporation of the amendments.
4. That I have provided the documents referenced above to be retained by the Association.

BY:

Gregory C. Hancock	EAST SOUND 19-FEB-2022	[redacted]
(Printed Name)	(Date and Place)	(Signature)

(The restated bylaws begin on the following page. Note that the bylaws include their own Exhibit A.)

RESTATED BY-LAWS
of
ROSARIO PROPERTY OWNERS ASSOCIATION (RPOA)

As amended on February 5, 2007

ARTICLE I – Purpose

RPOA is a voluntary association of individual property owners within the plats that county maps collectively designate as "Rosario". RPOA serves to foster a sense of a Rosario Community, which embraces the neighborhoods of several plats. RPOA further serves to address the interests of the Rosario community before San Juan County Government entities. RPOA's overriding mission is to foster the affairs of the community as a whole. RPOA shall have a Board of Directors that represents the mutual interests of paid RPOA members.

The Board of Directors of the RPOA generally strives to

(a) Represent and promote Rosario as a desirable community for home construction and repurchase, where property values represent a good investment with the view to the future;
(b) Offer advice and work with neighborhood homeowner groups formed to enforce neighborhood CC&Rs, to maintain roads, and for other neighborhood matters;
(c) Represent its members in devising appropriate structure for governance in the event this is required by future circumstances to address community infrastructure roads, water distribution, sewage disposal and ambiance; and
(d) Foster a sense of community through a periodic newsletter and through social events that are placed on an annual calendar.

ARTICLE II – Offices

The principle office of the corporation in the State of Washington shall be located in Eastsound, San Juan County. The corporation may have such other offices, either within or without the State of Washington, as the Board of Directors may determine or as the affairs of the Association may require from time to time.

The Association shall continuously maintain a registered office in the State of Washington,, as required by the Washington Nonprofit Corporation Act. The registered office may be, but need not be, identical with the principal office in the State of Washington, and the address of the registered office may be changed from time to time by the Board of Directors.

Article III – Members

Section 1: The corporation shall have two (2) classifications of members: Voting Members and Non-Voting Members.

(a) Voting Members are Rosario property owners with lots located approximately southwest of Olga Road and whose principal / initial access to their properties from Olga Road is via Rosario Road, Tomihi Drive, and/or Otters Lair Lane. Exhibit A of these By-Laws provides this geographic detail.
(b) Membership shall be on a family-unit basis, subject to the provision that each membership shall be entitled to only one vote.
(c) The terms "beneficial owner" and "family unit" shall have the meanings designated by the Board of Directors.

(d) Non-Voting Members are benefactors of the Association, who do not meet the stated qualifications and Rosario property ownership location criteria for Voting Members. While the association welcomes Non-Voting Members, with payment of dues they will receive the Association's periodic newsletter, and can attend meetings and RPOA social events. However, they are not allowed to vote on issues affecting Rosario properties, as herein defined, nor are Non-Voting Members eligible for membership on the Board of Directors.

Section 2: Election of Members: Owners of the lots referred to in Section 1 (a) above shall become a member in good standing upon payment of the annual dues.

Section 3: Voting Rights: Each member, as described in Section 1 (b), shall be entitled to one vote on each subject matter submitted to a vote of the members.

Section 4: Termination of Membership: The Board of Directors, by affirmative vote of two-thirds of all the members of the Board, may suspend or expel a member for cause after an appropriate hearing and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any member who becomes ineligible for membership. Default in the payment of dues for the period fixed in Article XIII of these By-Laws entails an automatic lapse of membership.

Section 5: Resignation: Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member resigning of the obligation to pay any dues, assessments or other charges theretofore accrued and unpaid.

Section 6: Reinstatement: Upon written request signed by a former member and filed with the Secretary, the Board of Directors may, by affirmative vote of two-thirds of the members of the Board, reinstate such former member to membership upon such terms as the Board of Directors may deem appropriate.

Section 7: Transfer of Membership: Membership in this corporation cannot be transferred or assigned. Qualification for Voting Membership is based upon the beneficial ownership of property in the platted areas described in this Article III. Disposition of beneficial ownership shall be grounds for termination of membership.

ARTICLE IV – Meetings of Members

Section 1: Annual Meeting: An annual meeting of the members shall be held in the fall (October, November) of each year for the purpose of electing directors and for the transaction of such other business as may become before the meeting. The Board of Directors shall determine the date, place and time of this annual meeting.

Section 2: Special Meetings: Special meetings of the members may be called by the President, the Board of Directors, or not less than one-tenth of the members having voting rights.

Section 3: Place of Meetings: The Board of Directors may designate any place on Orcas Island, San Juan County, as the location for any annual meeting or for any special meeting called by the Board of Directors.

Section 4: Notice of Meetings: Written or printed notice stating the place, day and hour of any meeting of members shall be delivered, either personally or by mail and/or e-mail, to each member entitled to vote at such meeting. The meeting notice shall be delivered at the direction of the President, or the Secretary, or the person calling the meeting not less than ten (10), nor more than fifty (50) days before the date of such meeting. In the case of a special meeting or when required by statute or by these By-

Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the United States mail with postage prepaid and addressed to the member at his/her address as it appears on the records of the Association,.

Section 5: Informal Action By Members: 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 a consent in writing, setting forth the subject matter of the action, the action taken, and such written consent shall bear the signatures of two-thirds of the members entitled to vote.

Section 6: Quorum: A quorum shall be defined as a majority of the voting members present. (one vote per property)

Section 7: 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 8: Voting by Mail and/or E-mail: Where directors are to be elected by members, such election may be conducted by mail and/or e-mail in such manner as the Board of Directors may determine.

ARTICLE V – Board of Directors/Officers

Section 1: General Powers: The affairs of the corporation shall be managed by its Board of Directors. Directors shall be Voting Members of the Association in good standing.

Section 2: Number and Tenure: Directors are nominated at each Annual Meeting conducted by the President of the Association. The number of directors shall not be less than five (5) nor more than nine (9). With the exception of the Vice-President, Directors are elected for a one-year term of office. The Vice President of one year shall automatically move to serve as President during the following year. A director or directors on the board during one year may be re-elected to serve during the following year.

Section 3: Procedure: Presided over by the President, the Directors elected at the Annual Meeting are essentially without title or position, although these may have been suggested at the meeting. The existing or extant titleholders shall continue in their roles until the next meeting of the Board of Directors. This shall be convened by the new President as soon as possible after the Annual Meeting. At this Board of Directors meeting the titles and positions of the new Directors, and those in other "support roles" will be formally established. Any advice and/or records shall be passed on to the new from the old Board. The new President may use the intervening period between the Annual Meeting and the first Board of Directors meeting to choose his/her new team and/or solicit additional volunteers as may be required.

Section 4: Titles and Responsibilities: All Directors will vote collectively and will have an equal vote. The Officers of the corporation shall be a President, Vice-President, Treasurer, and Secretary. All Directors shall have the protection of appropriate liability insurance carried by RPOA at RPOA's expense. Other Directors, all with equal voting rights, include the Newsletter Editor, Assistant Treasurer, Assistant Secretary, Activities Chairman, and Rosario Mansion Liaison.

Other participants, generally in advisory and support roles, include Rosario Mansion Liaison, Rosario Marina Liaison, Utilities (Water) Liaison, CC&R Chairman, and Assistants to the Activities Chairman.

Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 5: Special Meetings: Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Washington, as the place for holding any special meeting of the Board of Directors called by them.

Section 6: Notice: Notice of any special meeting of the Board of Directors shall be given at least ten (10) days in advance in writing delivered personally or by mail or e-mail to each director at his/her address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these By-Laws.

Section 7: Quorum: A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. In the event that less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 8: Manner of Acting: The act of a majority of the directors attending a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these By-Laws.

Section 9: Vacancies: Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of directors shall be filled by the Board of Directors for the unexpired term of the predecessor.

Section 10: Compensation: Directors shall not receive any stated salary for their service, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance or each regular or special meeting of the Board of Directors. Nothing contained herein shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation for such other service.

Section 11: Informal Action By Directors: Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting. However, such action requires a written consent, setting forth the action so taken, and two-thirds of directors shall sign the consent.

Section 12: Removal: Any officer elected or appointed by the Board of Directors may be removed by a two-thirds vote of the Board of Directors whenever, in its judgement, the best interests of the Association would be served by such action. This provision notwithstanding, any director, who has not physically attended three (3) consecutive Board of Directors meetings, shall be automatically deemed to have caused a vacancy in the Board of Directors (see Section 9 of this Article V).

Section 13: President: The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the association. He (or other Officer, by proxy) shall preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or any other Officer of the Association authorized by the Board of Directors, any

deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by statute to some other officer or agent of the Association. In general, the President shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 14: Vice-President: In the absence of the President or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President. When acting in this manner, the Vice-President shall have all the powers of and be subject to all the restrictions upon the President. Any vice-president shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 15: Treasurer: The Treasurer shall have charge and custody of, and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks or other depositories selected as provided in ARTICLE IX of these By-Laws; and in general perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 16: Secretary: The Secretary shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law; be custodian of the Association's records and the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under seal is duly authorized as provide in these By-Laws; and keep the register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform such other duties as from time to time may be assigned to him/her by the President or the Board of Directors.

Section 17: Assistant Treasurers and Assistant Secretaries: The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or the President or the Board of Directors.

Section 18: Representation of the Position of the RPOA on Rosario Community or San Juan County Matters: No Officer or Director, in his/her capacity as an Officer or Director, is to represent that the RPOA has taken a position on any matter, in writing, in a public forum, to a government entity, or in any manner which could be interpreted as being the official position of the RPOA, unless the content of the representation has been discussed and approved during an RPOA Board of Directors meeting by majority vote beforehand. This Section does not restrict Officers and Directors from expressing their personal opinions and positions, provided that they are clearly identified and expressed as a personal view, and provided further that there is no context in which the representation could be interpreted as having the approval of the RPOA, including by qualifying the presenter as an Officer or Director of the RPOA.

Any Officer or Director will be subject to censure, public disavowal by the Board of Directors, and/or removal from the Board of Directors, as may be appropriate to the circumstances, for misrepresenting the position of the Board of Directors.

ARTICLE VI – RPOA Newsletter

Section 1: Purpose: The RPOA Newsletter serves as an important communications instrument of the corporation to keep members currently up-to-date on the activities of the Association and on news related

to their properties. The newsletter particularly serves those members of the Association who own undeveloped property in the RPOA area and who live off-island. The RPOA Newsletter is usually issued three (3) times during the year, nominally during March, June, and October. just prior to RPOA social events, including the Annual Meeting in November.

Section 2: Distribution: The RPOA Newsletter shall be distributed by mail and/or e-mail. The March and June issues shall be mailed and/or e-mailed to paid-up members only. The October issue, published just prior to the Annual Meeting, shall be mailed and/or e-mailed to all paid-up and potential RPOA members. The October issue shall include a request for membership renewal, new memberships, and payment of dues, and will include stamped and addressed envelopes to facilitate these requests.

ARTICLE VII – Board of Trustees

Section 1: Purpose: The Board of Trustees serves to facilitate general continuity of purpose and programs from one year's Board of Directors to another and throughout our several Boards of Directors over time. The Board of Trustees serves primarily as an experienced resource for advice and counsel to the President and Vice-President on any issue where such advice and counsel is sought.

Section 2: Membership: Past Presidents of the RPOA become members of the Board of Trustees automatically as their term expires at the end of their service year as President, unless opposed by a vote of two-thirds of the members of the Board of Directors. Others may be elected to be a member of the Board of Trustees by a majority vote of the Board of Directors, provided the member so elected has had a minimum of two (2) years of prior service as an Officer of the RPOA Board of Directors. Any member of the Board of Trustees may be terminated at any time by a two-thirds vote of the Board of Directors. Such termination shall not preclude the possibility of subsequent reinstatement by a majority vote of the Board of Directors.

Section 3: Meetings: The Board of Trustees shall have one established meeting combined with the Board of Directors, just prior to the Annual Meeting during November of each year, primarily to discuss possible candidates for the next following Board of Directors. The President, Vice-President, or their designee may seek other special meeting(s) with the Board of Trustees. Such other meetings serve to review and discuss a specific matter or issue. The President and Vice-President shall have equal voting privileges with the Trustees.

Section 4: Tenure: A trustee may serve for as long as he/she is willing and able to do so. If elected, a trustee may serve simultaneously on the Board of Directors, there being no conflict of interest.

Section 5: Communications: The Board of Directors shall send to each Trustee a copy of the minutes of each Board of Directors meeting, including the Treasurer's report, within two (2) weeks following each meeting.

Section 6: Special Responsibilities: A Trustee may be asked to volunteer for temporary service on the Board of Directors if a vacancy should arise and if the President or Vice-President deem such action advisable. Also, any financial involvement by the RPOA that exceeds one-quarter of its funds shall require prior approval by the Board of Trustees, with the President and Vice-President participating with equal voting rights. Changes and/or amendments to these By-Laws shall have the approval of the Board of Trustees, as provided in ARTICLE XVI.

ARTICLE VIII – Committees

The Board of Directors, by resolution adopted by a majority of the directors in office, may designate and appoint one or more committees. Each committee shall undertake duties or assignments on behalf of the Board of Directors to the extent provided in the resolution. However, such appointed committee(s) shall be informal and shall not exercise the authority of the Board of Directors in the management of the corporation.

ARTICLE IX – Contracts, Checks, Deposits and Funds

Section 1: Contracts: The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by the By-Laws to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2: Checks, Drafts, Etc.: All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by an authorized officer or agent of the Association, provided that the sum is not an unusual, unauthorized payment. Unusual and previously unauthorized payments shall require the signature of the Treasurer or Assistant Treasurer and one additional authorized officer or agent.

Section 3: Deposits: All funds of the Association shall be deposited from time to time to the credit of the Association in such banks or other depositories as the Board of Directors may select.

Section 4: Gifts: The Board of Directors may accept, on behalf of the Association, any contribution, gift, bequests of devise for the general purposes or for any special purpose of the Association.

ARTICLE X – Certificates of Membership

The Board of Directors may provide for the issue of identification cards evidencing membership in the Association, which cards shall be in such fonn as the Board of Directors may determine. It is anticipated that Rosario Resort management will recognize such RPOA Membership cards, with validation dates extending for one (1) year, for special privileges.

ARTICLE XI – Books and Records

The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members and Board of Directors and shall keep, at the registered or principle office, a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or his/her agent or attorney for any proper purpose at any reasonable time.

ARTICLE XII – Fiscal Year

The fiscal year of the corporation shall begin in the first day of January and end on the last day of December in each year.

ARTICLE XIII – Dues

Section 1: Annual Dues: The Board of Directors may determine from time to time the amount of annual dues payable to the Association by members

Section 2: Payment of Dues: Dues shall be payable in advance on the first day of November for the following fiscal year. Dues of new members may, at the discretion of the Board of Directors, be prorated from the first day of the month in which such new member is elected to membership, for the remainder of the fiscal year of the Association.

Section 3: Default and Termination of Membership: When a member of any classification shall be in default in the payment of dues for a period of thirty (30) days from the beginning of the fiscal year or period for which such dues become payable, his/her membership is automatically terminated. Notwithstanding the foregoing, no member in default in payment of dues shall be entitled to vote at any annual or special meeting of the members.

ARTICLE XIV – Seal

The Board of Directors may provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Corporate Seal 1971".

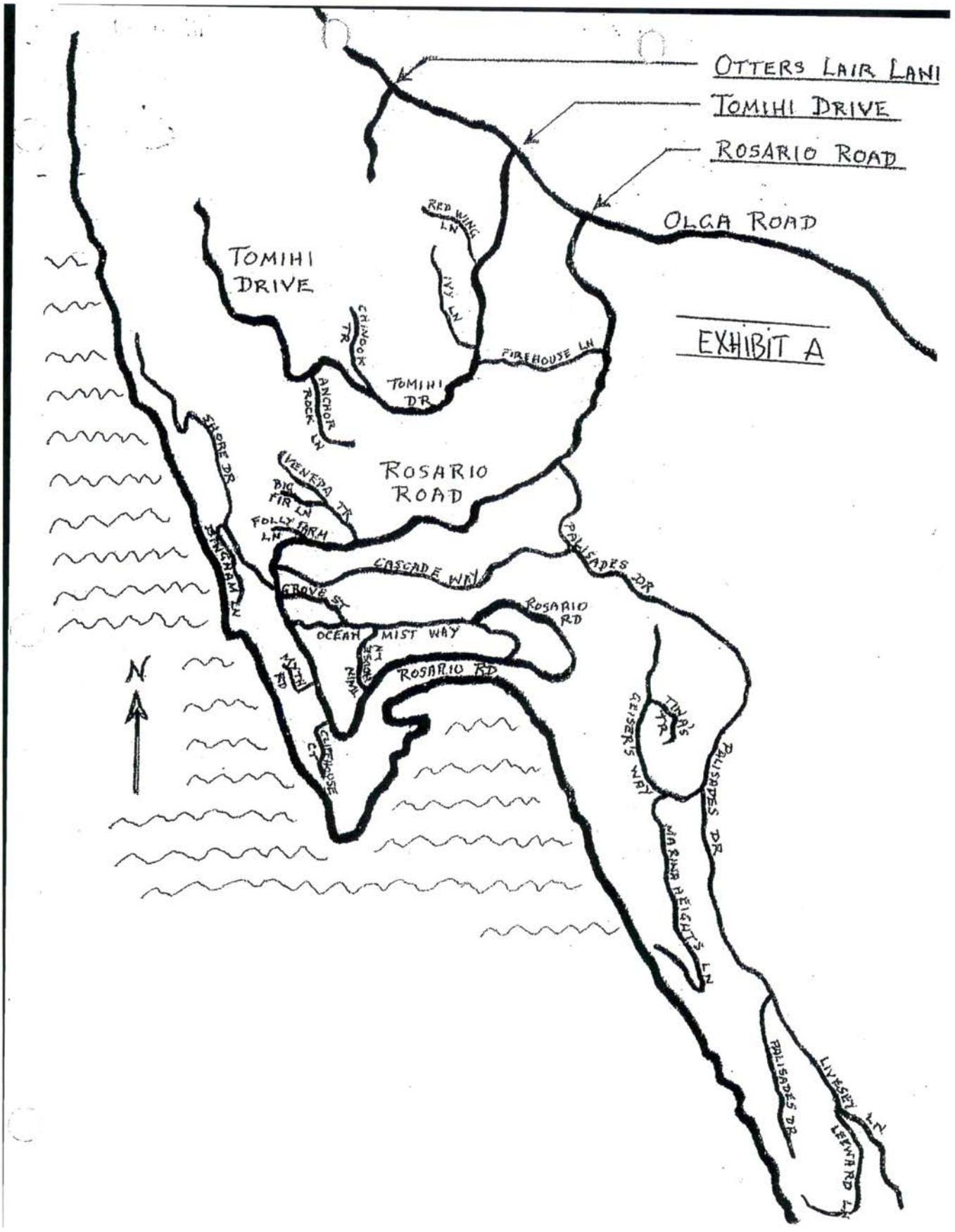
ARTICLE XV – Waiver of Notice

Whenever any notice is required to be given under the provisions of the Washington Nonprofit Corporation Act or under the provisions of the Article of Incorporation or the By-Laws of the Association, 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.

ARTICLE XVI – Amendments to By-Laws

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted, subject to two requirements: (1) approval by a majority of the Directors present at any regular meeting or at any special meeting, if at least five days written notice is given of the intention to alter, amend or repeal or to adopt new By-Laws at such meeting; and (2) approval by a majority of the Board of Trustees and the President and Vice-President of the Board of Directors, as communicated in writing by email or mail to the President of the Directors or his/her designee, and recorded in the minutes of the next Directors meeting.

Attached Exhibit A is made an integral part of these By-Laws


OTTERS LAIR LANI
TOMIHI DRIVE
ROSARIO ROAD
OLGA ROAD
EXHIBIT A
TOMIHI DRIVE
ROSARIO ROAD
RED WING LN
IVY LN
CHINOOK TR
FIREHOUSE LN
TOMIHI DR
ANCHOR ROCK LN
SHORE DR
VENERA TR
BIG FIR LN
FOLLY FARM LN
STAGHORN LN
CASCADE WAY
PALISADES DR
GROVE ST
ROSARIO RD
OCEAN MIST WAY
NORTH RD
WESTERN WAY
ROSARIO RD
CLIFFHOUSE CT
GEYSERS WAY
INDIA'S TR
PALISADES DR
MARINA HEIGHTS LN
PALISADES DR
LIVESEY LN
LEEWARD RD LN
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