

BYWATER WAY ROAD MAINTENANCE ASSOCIATION BYLAWS
Revised November 1, 2005

Article I
TITLE

This organization shall be known as the Bywater Way Road Maintenance Association, hereinafter the "Association." Principal Office. The principal office of the Association shall be in the State of Washington. The Association may have such other offices as the Board may determine or as the affairs of the Association may require.

Article II
GOALS AND OBJECTIVES

Section 1: The Association is a voluntary, not-for-profit organization whose primary goals are to establish and administer a road maintenance program for the property owners whose properties are accessed via Bywater Way, Bywater Way North, Hidden Springs and other subsidiary roads accessed off of the aforementioned streets in Port Ludlow, Jefferson County, Washington.

Section 2: The Association shall represent the Members in following the guidelines as set forth in the recorded Road Maintenance Agreement (hereinafter "Road Maintenance Guidelines") as filed with Jefferson County, Washington, and as they may be subsequently amended or modified by action of the property owners.

Section 3: The Association, through its Board of Directors, shall:

- A. Make recommendations to the Members regarding the maintenance and improvements of said roads and their easements, including, but not limited to, brush cutting, emergency tree and branch clearing, drainage, signage and other related activities;
- B. Establish budgets for 3A above; preliminary budget to be reviewed and approved at the annual meeting.
- C. Make recommendations to the Members regarding the selection of road maintenance contractors and road maintenance materials;
- D. Obtain and review bids from prospective contractors for road maintenance and award contracts;
- E. Make recommendations to the Members regarding general liability insurance for the association.
- F. Obtain and review bids and award contracts for selected insurance.
- G. Oversee all contracted road work in an effort to assure the quality of work meets the contractual agreement;
- H. Recommend to the Members a road maintenance assessment to be collected from all lot owners; the amount shall include a pro-rata share of all anticipated association costs including road maintenance, insurance, and administrative costs.
- I. Collect said assessment on an annual basis and hold these funds in trust in a bank account; and;
- J. Disperse said funds in accordance with work accomplished and approved by the members of the Board of Directors of the Association and otherwise as necessary to accomplish the purposes of the Association.

Article III MEMBERSHIP

Section 1: The Members of this voluntary Association (hereinafter the "Members") shall consist of those property owners whose properties are subject to the Covenants and Private Road Easement and Maintenance Agreement dated November 16, 1988 and recorded under Jefferson County, Washington auditor's file number 31866 (the "Original Declaration"), which Covenants were modified by a Declaration of Road Maintenance Covenants, Conditions and Restrictions dated January 16, 1989 and recorded under Jefferson County, Washington auditors file number 319389 (the "Amended Declaration"). The included properties and roads are represented graphically on the map attached. The real property subject to the Declaration shall be referred to herein as the "Property". Each individually subdivided parcel of the property shall be referred to herein as a "Lot."

Section 2: Initial membership in the Association shall be those property owners of record as of May 1, 2001.

Section 3: Each Member in good standing (road maintenance assessment paid) shall have one (1) vote.

Section 4: The owner(s) of each legally subdivided lot (each a "property") shall be eligible for membership. If a property is divided into multiple parcels, then membership rights and responsibilities shall be bestowed upon the owners of each of the created parcels, each parcel receiving one (1) vote.

Section 5: If a property is sold, the prior owner(s) shall relinquish all rights to membership in the Association and those rights and responsibilities shall be transferred to the designated purchaser(s).

Section 6: The Association shall issue no certificates of membership or certificates of stock.

Section 7: In the event that the roads included within the purview of this Association are legally transferred to the County or other governmental entity, all monies held by the Association on behalf of the membership, shall be distributed equally among the current Members in good standing, one share per Member.

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**Article IV
MEETINGS**

Section 1: Regular Meetings. An annual meeting of the Members of the Association shall be held on the last Saturday of April at 12:00 noon at a location to be announced by the Board of Directors no later than March 31 of that year.

Section 2: Special meetings of the Members may be called by the Board of Directors or upon a petition of twenty percent (20%) of the current Members. Notification of the date, time, place and purpose of such meeting will be delivered to each Member in person or by mail to the last address of record at least ten (10), but no more than fifty (50) days prior to the meeting date, by or at the direction of the Director, officer or other person calling the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 3: Voting

A. All voting shall be by each Member in person or by written proxy. The proxy may be given by any Member to another and must specify the issue on which it is to be cast.

B. All meetings of the Association shall be governed by Robert's Rules of Order (current edition).

C. All motions shall be approved by a simple majority of those present or represented by proxy.

D. A Quorum consisting of 25% of the members in good standing must exist for all votes.

**Article V
BOARD OF DIRECTORS**

Section 1: The business of the Association shall be managed by a Board of Directors, consisting of a minimum of five (5) and a maximum of seven (7) current Members of the Association. Each Director shall serve until the next annual meeting and until his/her successor is elected or appointed.

Section 2: During its first year of existence, the Board of Directors shall consist of those property owners who have volunteered to serve, their term being for one year or until the first annual meeting of the Association. Thereafter, Members shall be elected at the annual meeting and serve for one year.

Section 3: Vacancies in the Board of Directors shall be filled by a majority vote of the Board and each person so elected or appointed shall be a Director until a successor is elected by the Members at the next annual meeting, or at a special meeting called for that purpose.

Section 4: The term of each Director shall be for one (1) year.

Section 5: Any Director can be removed from the Board, with or without cause, prior to the end of his/her term by a majority vote of Members of the Association at any special meeting called for that purpose. Upon removal of a Director, a successor shall then and there be elected by the members of the association to fill the vacancy for the remainder of the term of such Director.

Section 6: Directors are to serve without compensation for their service. This section shall not prevent any Director from being reimbursed for expenses authorized by the Board to be incurred on behalf of the Association. Nothing herein or in the Articles of Incorporation shall prohibit the Association from compensating a Director, or any entity affiliated with a Director, for services or supplies furnished to the Association in a capacity other than as a Director pursuant to a contract or agreement with the Association, provided that such Director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board, excluding the interested Director.

Section 7: The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs.

Section 8: In accordance with the Articles, the Association shall have the right to contract with any person for the performance of various duties and functions.

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Article VI MEETINGS OF THE BOARD OF DIRECTORS

Section 1: The Board of Directors shall meet at a time and place determined by its membership, Special meetings of the Board may be called at any time by its Chairperson or at the request of any two of its Members, with a minimum or 3 days notification.

Section 2: Quorum and Voting

A. A majority of the members of the Board shall be necessary to constitute a quorum for any meeting and each Board member shall possess one (1) vote.

B. Proxy votes shall be allowed, but only if submitted in writing and signed by the Board member requesting the proxy.

Section 3: An affirmative vote of a majority of the whole of the Directors shall be required for any decision. All findings requiring action by Members of the Association shall be communicated to each Property owner along with a Board recommendation and a minority report, if requested.

Section 4: Open Meeting. All Board meetings shall be open to all Members; Members other than Directors may participate in any discussion or deliberation. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session, excluding Members to discuss matters of a sensitive nature, such as pending or threatened litigation and personnel matters.

Section 5: Minutes. Minutes of all regular and special meetings of the Board of Directors shall be taken and kept by the Secretary and distributed in person, by mail or electronically to each Director prior to the next scheduled meeting.

**Article VII
OFFICERS OF THE ASSOCIATION**

Section 1: Officers of the Association shall consist of a President, Secretary and Treasurer who shall be elected by the Board of Directors at the annual meeting of the Association to serve until the next annual meeting or until their successors have been elected. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 2. President

A. The President shall preside over all meetings of the Association and of its board of Directors.

B. The President shall call any special meetings of the Association and instruct the Secretary to inform all Members of such meetings.

C. The President shall set the agenda for meetings of the Association and of the Board of Directors.

D. The President shall execute, on behalf of the Association, all contracts in writing that may be required by the Board, and approved by the Association.

Section 3: Secretary

A. The Secretary shall record the proceedings of the meetings of the Association and of the Board of Directors.

B. The Secretary shall keep and preserve the minutes, records and papers of the Association and of its Board of Directors.

C. The Secretary shall issue all written notices of special meetings of the Association as called by the President.

D. The Secretary shall answer all communications directed to the Board or to the Association.

E. The Secretary shall have at each business meeting a copy of the Bylaws of the Association, a list of all then-current Members and the minutes from the preceding 12 business meetings of the Board of Directors.

F. The Secretary shall, in the absence of the President, perform the duties of that office until the return or replacement of the president.

Section 4: Treasurer

A. The Treasurer shall collect all money due the Association and document these transactions by written receipts.

B. The Treasurer shall keep a regular accounting of money received and shall pay out monies for bills approved by the board of directors accrued on behalf of the Association.

C. The Treasurer shall prepare an annual itemized report of the income and expenses of the Association, each accompanied by proper vouchers.

D. The Treasurer shall submit the books annually to a committee appointed by the President, to enable them to make a proper audit.

E. Any expenditure of more than \$50.00 shall require the signature of at least two board members.

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**Article VIII
COMMITTEES**

Section 1: General. Committees are hereby authorized to perform such tasks as may be delegated to a committee under Washington law and to serve for such periods as may be designated by Board resolution. Each committee shall operate under the terms of the Board resolution designating the committee and the rules adopted by the Board governing such committee.

**Article IX
MISCELLANEOUS**

Section 1: Inspection by Members. The Bylaws, and Articles, any amendments to the foregoing, the rules of the Association, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Member of the Association. Reasonable procedures will be established by the Board and all duplicating costs will be paid by the requesting member.

**Article X
AMENDMENTS**

Section 1: Changes in these Bylaws may be proposed by any Member of the Association and shall be presented, in writing, at a regular meeting of the board of directors.

Section 2: Proposed amendments to these Bylaws together with a ballot shall be mailed to all Members at least thirty (30) days prior to a meeting at which action is to occur. Ballots shall be returned to the President in sealed envelopes. Ballots shall be opened and counted at the designated meeting of the Board of Directors.

Section 3: A two-thirds vote of the voting membership is required for passage of any amendment to these Bylaws.

Section 4: Amendments to any article or section of these Bylaws shall not result in modification or alteration of any other section not directly affected by the amendment or modification.

**Article XI
FISCAL YEAR**

Section 1: The fiscal year of this Association shall begin on the first day of April and shall terminate on the last day of March of each year.

**Article XII
DISSOLUTION**

Section 1: The Association may only be dissolved by a two-thirds (2/3) majority vote of all the Members of the Association.

Section 2: Upon the dissolution of this Association, the assets, after payment of all debts, liabilities and taxes then due, shall be distributed in equal shares to each current Member in good standing of the Association.

**Article XIII
ORDER OF BUSINESS**

Section I: The order of business at annual meetings shall be:

- A. Call to Order
- B. Secretary's Report
- C. Treasurer's Report
- D. Old Business
- E. New Business
- F. Communications
- G. Adjournment