

BY-LAWS
OF
ROCKY POINT HEIGHTS COMMUNITY CLUB
A Non-Profit Corporation

DEFINITIONS

- “**member**” - Everyone who owns property in Rocky Point Heights is a “corporate member” (“**member**” for short)
- “**The Board**” or “**Board**” - The governing body is called the “Corporate Board”(“**The Board**” or “**Board**” for short)
- “**Member(s)**” – **members** serving on **The Board** are elected by the **members** or when necessary, in accordance with these Bylaws, selected by **The Board**. They are **Board Members** (“**Members**” for short)
- “**Officers**”– The corporation is run by “**Members**” from which “Corporate Officers”(“**Officers**” for short) are elected by **The Board**

ARTICLE I

General

Section 1. This corporation shall be conducted as a non-profit corporation for those purposes set forth in the Articles of Incorporation and Articles of Amendment filed with the Secretary of State of Washington.

Section 2. This corporation shall have power to levy and collect assessments against its **members** and against the tracts owned or purchased by them for the purposes in its Articles of Incorporation and these By-Laws.

Section 3. Construction plans for a new home, appurtenant structure, addition, or modification of any portion of the exterior of an existing structure within Rocky Point Heights Division 1 & 2 must be submitted to and approved by **The Board** prior to beginning construction.

Section 4. The purposes set forth in the Articles of Incorporation and approved amendments for which this corporation was created may be altered, modified, enlarged, or diminished by the vote of two-thirds of the **members** at a meeting duly called for such purpose; notice of which meeting shall be given in the manner provided by law.

ARTICLE II

Membership

Section 1. The membership of the corporation shall be limited to the owners of parcels in Rocky Point Heights Divisions 1, 2, and 3 located in., Island County, Washington, and such other property owners in the vicinity as may be approved by **The Board**. A purchaser under a contract of purchase shall be deemed to be a **member** for membership purposes. If any lot is held by two or more persons, the several owners of such interest shall be entitled collectively to cast one vote. Owners of parcels or portions of parcels combined into one Island County tax parcel shall be limited to one vote for the parcel. Any **member** not current in membership dues and/or other assessment payments shall forfeit voting privileges until current in payment.

Section 2. Membership in the corporation shall be inseparably appurtenant to the parcels owned by the **members**, and upon transfer of ownership or execution of a contract for the sale of any such lot, the membership shall ipso facto be deemed to be transferred to such

grantee or vendee. No membership may be transferred, assigned, or conveyed in any other manner than herein set forth. In the event of the death of a **member**, the membership shall become the property of the person entitled thereto under the laws of the State of Washington and until such ones are determined, a duly appointed personal representative of the decedent shall have all the rights, privileges, and liabilities of such deceased **member**.

Section 3. No membership shall be voted unless represented, by the **member**, duly appointed proxy, or grantee/vendee under Section 2 above.

Section 4. No membership shall be forfeited, and no **member** may withdraw except upon transfer of title to the real property to which his membership is appurtenant or as elsewhere provided in these By-Laws.

ARTICLE III

Dissolution

Section 1. In the event of the dissolution of the corporation, each person who is then a **member** shall receive their pro rata proportion of the corporation assets after all corporation debts have been paid. Except that if a **member** is delinquent in payment of dues or other assessments the delinquent amount shall be withheld from that **member's** disbursement and distributed equally to those **members** current in their payments.

ARTICLE IV

Board Members and Officers

Section 1. Powers of the corporation shall be vested in a board of seven (7) **members**. Said **Board Members** shall manage the affairs of the corporation.

Section 2 **Board Members** must be a corporation **member** in good standing having paid all dues, assessments, fines, penalties, and liens appurtenant to their membership. Additional qualifications of **Board Members** may be established by the Nominations Committee (hereinafter created.) **members** in good standing may apply for consideration or present the name(s) of other **member(s)** for consideration by the Nominating Committee.

Section 3 At each Annual Meeting pursuant to Article VI Meetings, the Nominating Committee shall present the names of qualified nominees and call for the names of any additional qualified candidates for consideration.

Section 4 **Board Members** shall be elected by majority vote of **members** in good standing at each Annual Meeting and shall serve for a term of two (2) years beginning and ending on the date of the relevant Annual Meeting. **Board Members** may serve more than one term. **Board Members** serve on a voluntary basis and may resign at any time for any reason.

Section 5 –**Board Members** may be removed with or without cause by a majority vote at a meeting of the **members** pursuant to Article VI Meetings. **Board Members** not in good standing may be suspended by a majority vote of **The Board** until the next annual meeting of **members**. All vacancies occurring between Annual Meetings shall be filled by majority vote of **The Board** to serve out the vacant term except a vote of the **members** is required for service beyond the next Annual Meeting.

Section 6 **The Board** shall, at its first meeting after each Annual Meeting of the **members**, elect **Officers** from among its ranks including President, Vice President, Secretary and Treasurer. An **Officer** may be removed from office by majority of **The Board** without affecting the membership status of the removed **officer**.

Section 7. No **Board Member** or **officer** shall receive any salary or compensation from the corporation. However, any **Board Member** may be reimbursed for actual expenses incurred in the performance of their duties or as approved by **The Board**.

ARTICLE V

Meetings of The Board

Section 1. Regular Board Meetings. Regular meetings of **The Board** shall be held quarterly at such place and hour as may be fixed from time to time by resolution or motion of **The Board**. Said meetings may be in person or virtual, a quorum must be present, and any action of **The Board** must be approved by a majority of the **Board**.

Section 2. Other Board Meetings. Other meetings may be called by the President of **The Board** or by any two others of **The Board** with notice by mail, phone, or e-mail to all **Board Members**. Said meetings may be in person or virtual, a quorum must be present, and any action of **The Board** must be approved by a majority of **The Board**.

Section 3. Addresses. Each **Board Member** shall register his address, e-mail address and telephone number with the Secretary, and notices of meetings given to such address, phone number or email shall be valid notices thereof.

Section 4. Quorum. A majority of the number of **The Board** shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of **The Board** shall be regarded as the act of **The Board**.

Section 5. Action Taken Without a Meeting. In the absence of a face-to-face virtual, or in person meeting pursuant to Sections V.1 & 2, **The Board** may take any action which they could take at such a meeting by obtaining the approval by mail, phone, or e-mail of a majority of **The Board**. Said action shall be recorded in the minutes of the next regularly held meeting and shall have the same effect as though taken at a meeting of **The Board**.

Section 6. Notification of Meetings. Not less than fourteen nor more than sixty days in advance of any meeting of **The Board** a written notice shall be provided to each **Member** by: (a) hand delivery to the mailing address of **The Board**, (b) Prepaid first-class mail to the mailing address specified by the **Member** or (c) electronic transmission to those **Members** who have provided consent to receive electronically transmitted notices. **The Board** can upon the affirmative action of **The Board** convene in a closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the governing documents and matters involving the possible liability of a **member**. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless voted upon in an open meeting on such motion or action.

ARTICLE VI

Meetings of Corporation Members

Section 1. Annual meetings of the **members** of the corporation shall be held in the month of May unless scheduled otherwise by **The Board** due to unforeseen circumstances such as but not limited to a governmental declared emergency or disaster.

Section 2. Special meetings of the **members** may be called at any time by the President, a majority of the **The Board**, or a written request to **The Board** stating the subject of such requested meeting together with the requested date, time and location and notarized signatures of no less than ten **members** making such request.

Section 3. Notice of the annual and/or a special meeting, stating the subject, date time and location thereof, shall be given by the Secretary by sending such notice per *ARTICLE V Section 6. Notification of Meetings*. The mailing shall include as appropriate a) a list of items to be voted upon; b) absentee ballots with instructions for absentee voting c) a proxy form with instructions for completion and return of proxy form to the corporation.

Section 4. Absentee ballots must be signed by the **member** and mailed to RPHCC Attn: Secretary, PO Box 292, Stanwood WA 98292 postmarked seven (7) business days or emailed three (3) calendar days prior to the scheduled meeting date.

Section 5. Proxy statements must include the **member's** name, RPHCC property street address or if no street address has been established parcel number, name of the person to whom the proxy is given and be signed by the **member**. Proxy statements must be presented to the secretary no later than the time at which the annual meeting is called to order. Proxies shall not be valid for a period over twelve months.

Section 6. Quorum. At all annual and special meetings of the **members**, the presence in person, by absentee ballot, or by proxy of twenty (20) percent of the total **members** shall constitute a quorum, and each **member** as set forth in these Bylaws *ARTICLE II Section 1* shall be entitled to one (1) vote: provided that **member's** dues and other assessments are current. In the event a quorum is not represented the details of any proposed action including the election of **The Board**, that is favored by a majority of the votes cast at such meeting, will be mailed by the Secretary of **The Board** to all **members** not represented at the meeting within five days after the meeting. Such mailing will include appropriate ballots and instructions requesting their vote. At a meeting at which there was not a quorum all votes received at the meeting and those received by the Secretary of **The Board** not later than 45 days after the meeting will be tallied and the majority of those votes will constitute an approval or rejection of any action presented at the annual or special meeting.

ARTICLE VII

Powers and Duties of The Board

Section 1. Subject to limitations in the Articles of Incorporation, Restrictive Covenants and these By-Laws, and the laws of the State of Washington, all powers of the corporation shall be exercised by or under the authority of, **The Board** which shall control the business and affairs of the corporation. Without prejudice to such general powers, and subject to the same limitations, it is hereby expressly declared that **The Board** shall have the following powers:

A. To conduct the business of the corporation necessary to provide dependable water service to all **members**. To bring resources to bear to maintain, care for and responsibly manage the current water system. To assess needs for water system improvements or replacements. To make plans for needed water improvements or replacements. To accumulate needed financial reserves through annual **member** assessments and to obtain other financial assets sufficient to accomplish needed water maintenance, improvements or replacements including but not limited to loans and governmental grants. To enter into contracts for water improvements including but not limited to design, engineering, and construction.

- B. To select, suspend until the next annual meeting and replace as necessary all officers, agents and employees of the corporation and prescribe such powers and duties for each of them consistent with the governing documents of the corporation.
- C. To conduct, manage and control all the affairs and business of the corporation, and to amend these Bylaws and to make such rules and regulations it deems necessary to enforce the association Covenants and these Bylaws. Amendments of the Bylaws should be ratified by a majority vote of those present at an annual meeting at which a quorum is present.
- D. To assess annual dues to finance repayment of the USDA-RD watermain improvement project loan, day to day operations and miscellaneous expenses including but not limited to office, accounting, bookkeeping, legal, utility services of the corporation and other assessments for operational or capital purposes.
- E. To procure and maintain adequate liability insurance.
- F. To cause to be kept a complete record of all minutes and acts and to present a full statement to the regular annual meeting of **members** showing in detail the condition of the affairs of the corporation.
- G. To enforce the restrictive covenants of Divisions One and Two as follows:
 - 1) Obtain, review and act upon the recommendations of the various committees hereinafter established including but not limited to Building and Design
 - 2) Receive review and respond to **member** complaints and reports of Covenant violations and seek and pursue resolution of all issues including but not limited to filing of liens against **member** properties for past due amounts owed the corporation
 - 3) Establish maintain and enforce Rules and Regulations in support of these Bylaws.

ARTICLE VIII

Duties of Board Officers

Section 1. President. The president shall submit the agenda for and preside at all meetings of **The Board** and **members**; he shall sign as president all contracts or other instruments in writing authorized by **The Board**; he shall call special meetings of **The Board** or of the **members** whenever he deems it necessary; he shall have and exercise under the direction of **The Board** the general supervision of the affairs of the corporation.

Section 2. Vice-president. The vice-president shall preside at all meetings in the absence of the president, and in case of the absence or disability of the president, shall perform all other duties of the president which are incidental to his office.

Section 3. Secretary. The secretary shall issue all notices and shall attend and keep the minutes of all meetings; they shall have charge of all corporate books, records, and papers they shall attest their signature upon all written contracts of the corporation and shall perform all such other duties as are incidental to the office. The secretary may take audio and/or video recordings of meetings including recording guests. Guests must request permission to make audio and/or video recordings of meetings.

Section 4. Treasurer:

The Treasurer or his designee shall provide for the receipt and deposit in appropriate bank accounts all monies of the Association and shall provide for the appropriate disbursement of funds from said accounts in compliance with generally accepted systems of internal financial control.

The Treasurer shall provide for appropriate financial record keeping and preparation of financial statements including but not limited to statements of Income, Expenditure and Fund Balance for presentation to **The Board** at its regular quarterly meetings and annually at the meeting of the **members**.

The Treasurer shall present to **The Board** at its regular 4th Quarter **Board** meeting a draft corporation budget for the upcoming calendar year, said draft to be considered, revised and approved by **The Board** for appropriate presentation to the **members** for their approval.

The Treasurer shall surrender to the Secretary of **The Board** for archival safe keeping all financial records accumulated pursuant to his or her term of office

Section 5. Delegation of duties:

With approval of a majority of **The Board** an **Officer** may delegate certain of their duties to another **Board Member**. With approval of **The Board** the duties of an **officer** may be performed with or without pay by a person or agency, such as an accountant or other, not a part of **The Board**.

ARTICLE IX

Combined Water System (CWS) Representatives

Section 1. The Board shall appoint two **members** of the corporation to serve on the Combined Water System (CWS) board.

- A. Any **member** in good standing is eligible to serve on the CWS board.
- B. The two **members** from the RPHCC corporation shall conduct all business associated with CWS in accordance with the CWS articles and Bylaws as well as stated CWS policies and procedures.
- C. The RPHCC representatives serving on the CWS board shall update the RPHCC **Board** on the operation of CWS at all regularly scheduled, or special meetings, of **The Board**.
- D. They shall provide a CWS update for **members** at the RPHCC corporation annual meeting and at special meetings if applicable.

ARTICLE X

Assessments

Section 1. Dues. The expenses of operating the Corporation of Rocky Point Heights Community Club, maintaining and/or replacing the property, infrastructure owned by Rocky Point Heights, repaying and securing the USDA-RD loan over the 40-year term shall be paid for by the Corporation with the funds received by payments of annual dues. The **members** of the corporation shall be liable for the payment of such annual dues as may be fixed and levied by **The Board** pursuant and subject to the Articles of Incorporation and these By-Laws.

Section 2. Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, the Corporation may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement.

Section 3. Assessment collection policy **The Board** shall levy charges and assessments against all **members** as follows: Annual dues statements will be sent to all Rocky Point Heights Divisions 1, 2 and 3 **members** in August of each year at the last known mailing and/or email address.

- A. Delinquent dues payments will be assessed fees and costs per the Rocky Point Heights Community Club Rules and Regulations.
- B. Delinquent special assessment payments will be assessed fees and costs per the Rocky Point Heights Community Club Rules and Regulations.
- C. A **member**, upon approval of building plans by the RPHCC Building and Design Committee and issuance of required building permits for a new home will be assessed \$2,000 made payable to RPHCC for a first-time water meter installation.

Section 4. First mortgage liens placed upon any of said tracts which are recorded in accordance with the laws of the State of Washington shall be, from the date of the recordation of such, superior to such assessments and liens resulting there from as are levied by the corporation subsequent to the date of the recordation of the first mortgage; PROVIDED, however, that the corporation is notified in writing of such first mortgage within thirty (30) days after recordation of such.

ARTICLE XI

Covenant Enforcement

Section 1. All **members** of the Plat of Rocky Point Heights, Divisions 1 and 2 are bound by Restrictive Covenants concerning use and occupancy such covenants being of record on 10/27/1994 in Island County, WA, Volume 679 of Plats, Pages 2858 - 2864 inclusive, File No 94022603, and the Modification of Restrictive Covenants recorded in Island County on 11/19/2007 which by this reference are incorporated herein.

Section 2. The Covenants will be enforced as prescribed in these bylaws and by the Rules and Regulations.

ARTICLE XII

Committees

Section 1. **The Board** SHALL appoint the following committees:

Building and Design Committee: The building and design committee consisting of no less than three (3) nor more than five (5) **members** shall be responsible for reviewing the plans of all proposed new construction, additions, or modifications, for compliance with the restrictive Covenants Concerning Use and Occupancy of Plat of Rocky Point Heights, Division No. 1 & 2. The building and design committee shall report their review and recommendations to **The Board** for approval within 15 days of receipt of a submittal.

A. The chairperson of the Building and Design committee will provide a written response of **The Board** decision of submitted documents within five (5) business days of **The Board's** review.

B. For a new home construction, the Secretary of **The Board** will submit **The Board's** approval to a member of the Combined Water Service requesting the required Water Availability Verification be issued to the owner allowing them to request a building permit from Island County.

Section 2. **The Board** MAY appoint other committees as deemed appropriate in carrying out its purposes.

Audit Committee to be formed at the request of ten (10) percent of **members** or a majority of **The Board** to review the financial status and proceedings of the Corporation. The Audit Committee may at the direction of **The Board** work with an independent person or firm to provide a financial review of the corporation's financial statements.

Maintenance Committee which shall advise **The Board** on all matters pertaining to the maintenance, repair, or improvement of the water system, and shall perform such other functions as **The Board**, in its discretion, determines.

Publicity Committee shall inform the **members** of activities and functions of the RPHCC, and shall after consulting with **The Board**, make APPROVED public releases and announcements.)

ARTICLE XIII

Amendment

Section 1. These Bylaws may be amended by majority vote of **The Board**, subject to ratification by majority of **members** voting at a meeting of the corporation with a quorum.

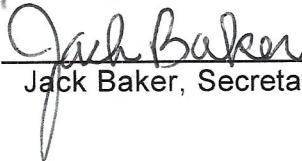
ARTICLE XIV

Date of Adoption

These Bylaws, as amended, were adopted by unanimous vote of **The Board** on January 26, 2023

By: 

Carlos Veliz, President

Attest: 

Jack Baker, Secretary