

Nonprofit Corporation Bylaws
(One Class of Members)

BYLAWS
OF
RACCOON POINT ROAD MAINTENANCE ASSOCIATION

ARTICLE I

Operation of the Association

(1) Form of Corporation. The Association has been incorporated as a non-profit corporation under the laws of the State of Washington under the provisions of the Washington Nonprofit Corporation Act, RCW 24.06.

(2) Operation. The corporation was formed for the purpose of regulating the use and operation of Raccoon Point Road, pursuant to the Road Maintenance Agreement filed with the San Juan County Auditor's File No. _____. These Bylaws are meant to govern the operation of the corporation, which is also referred to as the Association. Any capitalized terms that are not defined herein are defined in the Road Maintenance Agreement, which is incorporated herein by reference.

(3) Authority. The Association is the governing entity and is responsible for granting the right to use the Road, maintaining and regulating the use of the Road, and ensuring compliance with the Road Maintenance Agreement and these Bylaws. The Association through its Board of Directors has the authority to adopt reasonable rules and regulations (including reasonable penalties for violation of those rules and regulations) governing the maintenance and use of the Road, incur reasonable expenses in the maintenance and regulation of use of the Road and levy Assessments, as defined below, against the Lot(s) and Lot Owner(s).

(4) Voting Rights. Each Lot is allocated one (1) indivisible vote. When there is more than one individual or entity owning a Lot, the vote for that Lot shall be exercised as determined by the Lot Owners of that Lot. If the Lot Owners of a Lot are unable to agree on how the vote is to be cast in any instance, then the vote shall not be counted. Current county zoning provides for only single family residences on each Lot. In the event San Juan County permits multi-family residences or commercial use, the Board of Directors shall determine the appropriate assessment multiplier and number of votes for any resulting multi-family or commercial use Lots.

(5) Administrative Regions. The Association shall initially have three Administrative Regions (the "Region" or "Regions"). The expenses associated with the maintenance and regulation of the Road shall be allocated among the Lot Owners according to their respective Region. The Regions are initially defined as follows:

- a. *Region A.* Owners with Lots adjoining the Road between the County Road traveling east approximately 0.6 miles (for visual reference the boundary of

Region A is just east of the Timbercove access driveway), plus owners with Lots on Wright Road and Puffin Lane and any other Lots in this area with access to the Road. The specific Lots included in Region A are listed in Appendix A.

- b. *Region B.* Owners with Lots adjoining the Road between Region A eastern boundary and the Raccoon Point Gate, as well as the residents of Day Lake (north portion), Key Drive, Coho Point Road and any other Lots in this area with access to the Road. The specific Lots included in Region B are listed in Appendix A.
- c. *Region C.* Owners with Lots adjoining the Road beyond Raccoon Point Gate. This includes all residents of Raccoon Point, Twin Lakes Bluebell Springs and any other Lots in this area with access to the Road. The specific Lots included in Region C are listed in Appendix A.

The Board of Directors shall monitor the balance and representation of the Administrative Regions and shall propose any changes to Lot Owners for approval, as provided for in Article X. The Board's objectives, to the extent reasonably practical, will be to maintain the representation approximately equal across all regions and to simplify the administration of the Association.

(6) Assessments. Assessments of the expenses of the Association, as defined in the Road Maintenance Agreement, shall be allocated by Region as determined by the Board of Directors. It is specifically contemplated that the Assessments paid by the Lot Owners will be based on the Region in which the Lot Owner's property is located. Each Lot and the Lot Owner(s) owning the Lot shall be assessed an equal share of the expenses allocated to the Region.

The expenses of the Association are initially allocated among the Regions as follows:

Region A	Region B	Region C
18%	28%	54%

(7) Special Assessments for Improvements and Upgrades. A Special assessment is defined as any cost in excess of twenty-five percent (25%) of the annual budget incurred for the improvement or replacement of the Road. The Board of Directors may assess the Lots for the costs associated with an improvement or upgrade to the Road, provided that the improvement or upgrade has been approved by majority vote of the Lots. Any such Special Assessment is an Assessment of the Association.

(8) Regional Assessments. The Lot Owners within each Region may elect, by an 80% vote of approval, to request and pay for maintenance, improvements or

upgrades in addition to those performed by the Association to that section of the Road crossing their Region, and the Association may assess the Lots within that Region for those additional expenses of maintenance, improvements or upgrades to that Region of the Road.

(9) Member in Good Standing. A Lot Owner is considered a Member in Good Standing provided that all obligations under the Bylaws and Agreement have been satisfied, including, but not limited to payment of liens, fines, Assessments, Special Assessments, Regional Assessments or any other Enforcement action. At any time, the Board of Directors may vote to change the status of a Lot Owner to "Delinquent" provided that the Lot Owner has been notified of the outstanding obligations at least 30 days prior to the vote.

(10) Lot Owner obligations. A Lot Owner shall notify the Association in writing, at the address of the Association, of (i) any change of mailing address or contact information; and (ii) the transfer of ownership of the Lot. The current address of the Association is P.O. Box 453, Eastsound, Washington 98245.

(11) Lot Owner Road repairs. A Lot Owner shall notify the Association in writing 7 calendar days prior to beginning any modifications or repairs to the Road. In the case of emergency repairs, where persons or property are in danger, the Lot Owner shall notify any member of the Board of Directors as soon as practical.

ARTICLE II

Members

(1) Number and Class: The corporation has one (1) class of members ("members" or "Lot Owners").

(2) Disbursement: The corporation shall not make any disbursement of income to its members.

ARTICLE III

Members' Meeting

(1) Meeting Place: All meetings of the members shall be held at such place as is determined from time to time by the Board of Directors, and the place at which any such meeting is held shall be stated in the notice of the meeting.

(2) Annual Meeting Time: The annual meeting of the members, for the transaction of such business as may properly come before the meeting, shall be held each year during the month of October at the specific date and time stated in the notice of meeting.

(3) Annual Meeting - Order of Business: At the annual meeting of members, the order of business shall be as follows:

- (a) Calling the meeting to order.
- (b) Proof of notice of meeting (or filing waiver).
- (c) Reading of minutes of last annual meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Presenting for approval the next year's annual budget, by a majority vote of the Lots present in person or by proxy.
- (g) Approval of any special assessment proposed by the Board of Directors.
- (h) Election of directors.
- (i) Miscellaneous business.

(4) Special Meetings. Special meetings of members may be called at any time by the President, by any two directors, or upon the request of ten percent (10%) of the members of the Association, at the date, time and location provided in the notice of the meeting. Any business that is conducted at an annual meeting of the Association may be conducted at a special meeting of the Association.

(5) Notice. Notice of the time and place of any meeting of the members shall be given by delivering personally or mailing a written or printed notice of the meeting at least ten (10) calendar days, and not more than sixty (60) calendar days, prior to the meeting.

(6) Waiver of Notice. Attendance of a member at a meeting constitutes a waiver of notice of that meeting, except where the member attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

(7) Quorum. Except as otherwise required by law, a quorum at any annual or special meeting of members consists of members holding fifty percent (50%) of the votes entitled to be cast, represented in person or by proxy. The vote of the majority of the votes entitled to be cast by the members present or represented by proxy, at a meeting at which a quorum is present, is necessary for the adoption of any matter voted upon by the members unless a greater proportion is required by law. If a quorum is not present at the meeting, the Association may call a subsequent meeting at which twenty-five percent (25%) of the votes entitled to be cast, represented in person or by proxy, constitutes a quorum sufficient to conduct business.

(8) Proxies: A member may vote in person or by proxy executed in writing, email or fax by the member to another member or to the member's duly authorized attorney-in-fact. No proxy is valid after eleven months from the date of its execution.

ARTICLE IV

Board of Directors

(1) Number, Powers and Term: The management of all the affairs, property and interests of the corporation shall be vested in a Board of Directors consisting of six (6) directors elected by Administrative Region. Region A shall elect two (2) directors. Region B shall elect two (2) directors. Region C shall elect two (2) directors. The number of directors in each Region is generally based on the number of Lots in the Region. The Board of Directors shall be initially appointed in the corporation's Articles of Incorporation and shall hold such office until resignation, or until their successors are elected and qualified.

The Association's powers shall be exercised by or under the authority of, and the business affairs of the Association shall be managed by the Board of Directors, except as may be otherwise provided by the Articles of Incorporation, the Road Maintenance Agreement, or the Washington Nonprofit Corporation Act, RCW 24.06. This includes the power and authority to perform all acts reasonably necessary to comply with the Road Maintenance Agreement, including, but not limited to, the authority to determine allocation of costs by Region, and levy and collect Assessments on behalf of the Association. In addition to the powers and authorities expressly conferred upon it by these Bylaws and the Articles of Incorporation, the Board of Directors may exercise, in good faith, all such powers of the corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances, and do all such lawful acts as are not required by statute, the Articles of Incorporation, the Road Maintenance Agreement, or these Bylaws directed or to be exercised or done by the members.

Board members shall serve staggered two (2) year terms, with the director receiving the least number of votes in each Region serving an initial term of one year, and thereafter, each director shall serve a two (2) year term.

(2) Change of Number: With a 75% vote of the Directors, the number of directors may at any time be increased or decreased by amendment of these Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director.

(3) Vacancies: All vacancies in the Board of Directors, whether caused by resignation, death or otherwise, may be filled by the affirmative vote of a majority of the remaining directors, which vote does not require a quorum of the Board of Directors. A director elected to fill any vacancy shall hold office for the unexpired term of that director's predecessor and until a successor is elected and qualified.

(4) Removal of Directors: Any director elected by members or by the Board of Directors may be removed, with or without cause, by two-thirds vote of the Lots in that region, in person or by proxy, at a meeting of members at which a quorum is present.

(5) Regular Meetings: Regular meetings of the Board of Directors, or any committee designated by the Board of Directors, may be held with or without notice at such place as the Board of Directors may from time to time designate.

(6) Special Meetings: Special meetings of the Board of Directors, or any committee designated by the Board of Directors, may be called at any time by the President, or in the President's absence or upon written request, by any two directors, to be held at any place as the directors may from time to time designate.

(7) Notice: Notice of all meetings of the Board of Directors shall be given to each director a minimum of three (3) calendar days before the meeting, by email, letter, fax or personally. The meeting notice also shall be posted on the association website and an email notice shall be sent to all members who have registered an email address with the association. The notice need not specify the business to be transacted at or the purpose of the meeting.

(8) Quorum: A majority of the whole Board of Directors constitutes a quorum for the transaction of business at a meeting. The act of the majority of the directors present at a meeting at which a quorum is present is the act of the Board of Directors unless the act of a greater number is required by law.

(9) Waiver of Notice: Attendance of a director or a committee member at a meeting constitutes a waiver of notice of that meeting, except where a director or a committee member attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. A waiver of notice signed by the director or directors, whether before or after the time stated for the meeting, is equivalent to the giving of notice.

(10) 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 of which shall consist of one or more directors and Lot Owners. The designation and appointment of any such committee and the delegation of authority to that committee does not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed by law or these Bylaws.

(11) Remuneration: The Board of Directors shall not be compensated by the corporation; however, upon approval of the Board of Directors, a director may be reimbursed for reasonable expenses incurred on behalf of the corporation, provided that expenses greater than \$100 shall be approved by the Board prior to any commitment.

(12) Action by Directors without a Meeting: Any action that is required or that may be taken at a meeting of the directors or an appointed committee may be taken without a meeting if consent in writing or email, setting forth the action to be taken, has been submitted by all of the directors before the action. Such consent shall have the same effect as a unanimous vote.

(16) Action of Directors by Communications: Directors may participate in a meeting of directors by means of a conference telephone or email or similar communications allowing all persons participating in the meeting to see or hear each other's comments and actions. Participation by such means constitutes presence in person at a meeting.

ARTICLE V

Officers

(1) Designations: The officers of the corporation are a President, a Vice President, a Secretary and a Treasurer. The officers shall be appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

(2) Delegation: In the case of absence or inability to act of any officer of the corporation and of any person authorized to act in that officer's place, the Board of Directors may from time to time delegate the powers or duties of that officer to any other officer or any director or other person whom it may select.

(3) Vacancies: Vacancies in any office arising from any cause may be filled by the Board of Directors at any meeting of the Board.

ARTICLE VI

Depositories

The monies of the corporation shall be deposited in the name of the corporation in such bank or banks or trust company or trust companies as the Board of Directors designates, and shall be drawn out only by check or other order for payment of money signed by the persons and in the manner determined by resolution of the Board of Directors.

ARTICLE VII

Notices

Except as may otherwise be required by law, any notice to any director or member may be delivered personally or by mail. If mailed, the notice is deemed to have been delivered when deposited in the United States mail, addressed to the member's last known address in the records of the corporation, with postage prepaid.

ARTICLE VIII

Indemnification of Officers, Directors, and Agents

(1) The corporation shall has power to indemnify any director, officer or committee member ("Representative") made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that the Representative is or was a director, officer or committee member against judgments, penalties, fines, settlements and reasonable expenses actually incurred by the Representative in connection with that proceeding if:

(a) The Representative acted in good faith, and (i) in the case of conduct in the Representative's own official capacity with the corporation, the Representative reasonably believed the conduct to be in the corporation's best interests, or (ii) in all other cases, the Representative reasonably believed the conduct to be at least not opposed to the corporation's best interests; and

(b) In the case of any criminal proceeding, the Representative had no reasonable cause to believe the conduct was unlawful.

The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, be determinative that the Representative did not meet the requisite standard of conduct set forth in this subsection.

(2) A Representative shall not be indemnified with respect to any proceeding, whether or not involving action in the Representative's official capacity, in which the Representative has been adjudged to be liable on the basis that the Representative personally received a benefit in money, property or services to which the Representative was not legally entitled.

(3) Unless otherwise limited by the Articles of Incorporation, a director who has been wholly successful, on the merits or otherwise, in the defense of any proceeding referred to in this Article shall be indemnified against reasonable expenses incurred in connection with the proceeding.

ARTICLE IX

Books and Records

The corporation shall keep the following:

- (1) Current Articles and Bylaws;
- (2) A record of members, including names, addresses, email, phone and classes of membership, if any;
- (3) Correct and adequate records of accounts and finances;
- (4) A record of officers' and directors' names and addresses;
- (5) Minutes of the proceedings of the directors, and any minutes which may be maintained by committees of the board. Records may be written, or electronic if capable of being converted to written.
- (6) Annual report by the President on the status of the association.

The records are open at any reasonable time to inspection by any member, at the location at which the records are then kept by the Secretary of the association.

Use or sale of members' lists by any member is prohibited.

ARTICLE X

Amendments

Except as provided below, only the Board of Directors has power to make, alter, amend and repeal the Bylaws of this corporation. The Bylaws may at any time be amended by a 75% vote of the Directors; provided however, any changes to (i) Sections 4, 5, 6 and/or 7 of Article I and (ii) Sections 1 and/or 2 of Article IV shall require approval by the 75% of all Lot Owners. Any amendments shall be recorded with the San Juan County Auditor's Office.

Adopted by resolution of the corporation's Board of Directors on October 24, 2006.

Secretary

Exhibit A
Region Lot Designations

Region A

<u>Parcel Number</u>	<u>Current Owner</u>
170734002000	THOMAS J & MARION E WEINDL
170734005000	CHARLOTTE S CHRISTENSEN
170734007000	ANNETTE DEON
170734010000	REBECCA C EARNEST, VAUGHN E PLOEGER
170734011000	WILLIAM P HEIDEN
170734012000	CHARLES & ESKA WILSON
170734014000	ALANA K LEEPER
170734015000	MARGARET M ALIC
170743001000	MICHAEL T BUCK & MARIAH PICONE
170743002000	JACQUELENE CHANDRA HAHN
170743003000	CLYDE A STENERSON
170743004000	SUSAN F GREENWOOD, ANDREA E FIGLER
170743005000	JAMES A & GALE T DEUEL
170743006000	LOIS E BRANDT
170743009000	JAMES & ELIZBETH HANKS II,
170743010000	ERIN & SUSAN GARNER
170743011000	295 RACCOON LLC
170743012000	CHERYL LEE CASTAGNA
170743013000	CHERYL LEE CASTAGNA
170743014000	LYNN S & GLENNA RICHARDS
170743015000	SHARIN J LEE
170743016000	GORDON K & ANN L GABRIELSON
170743017000	LEMOINE GARDINER
170743018000	JOHN R & SALLY J BENNETT
170743019000	GEORGE M HUDSON, ARSINCE SPELIOTOPOULOS
170743020000	BRIAN R & CHRISTINA JOHNSTON
170744001000	JACQUELENE CHANDRA HAHN
170744002000	GORDON K & ANN L GABRIELSON
170744003000	CARL V & DEBBIE A DIEHL
170744004000	EARL D ROBERTSON
170744005000	JOHAN G KOOYMAN
170744006000	JOHN M & JULIE S GOTTMAN
170744008000	JOHN M & JULIE S GOTTMAN
170744009000	JAMES R PLIHAL
170744010000	JAMES R PLIHAL
170744011000	EDWARD KIRSCHBAUM, JR
170744015000	SAN JUAN PRESERVATION TRST

170744016000	JACQUELENE CHANDRA HAHN
171812002000	T L MAY,TTEE; T H FOOTE; & W J WALLACE
171821003000	GEORGE R & SUZANNA M BOARD
171821004000	GUISSEPPE JOHN PICONE & HELENE L WALTERS-PICONE
171821005000	WILLIAM J WALLACE
171821008000	MICHAEL B MILLER
171821009000	KEVIN J & LISA M CONNER

Region B

<u>Parcel Number</u>	<u>Current Owner</u>
170744012000	HERBERT J & CAROLINE BELCH
170744013000	KAREN K & KENNETH L SPECK
170744014000	CURTIS & MICHELE REED
170833001000	MICHAEL BOERO & VALERIE WOODRU
170833004000	JONATHAN H BERG
171712002000	FRANCIS D & NADINE HANLEY
171712003000	JAMES B & SANDRA A DAGNON
171712004000	KAREN K & KENNETH L SPECK
171713003000	DOUGLAS EMERICK & PAMELA S CHARLESWORTH
171713004001	PHYLLIS J KEY
171713004002	PHYLLIS J KEY
171713005000	ROBERT H GREENE
171713007000	MARGARET T SCHULZ
171713008000	OWEN J & RITA E ONSUM
171713009001	FRANKLIN M & BARBARA L TRUNKEY
171713009002	FRANKLIN M & BARBARA L TRUNKEY
171713011000	FRANKLIN & BARBARA TRUNKEY
171714001000	PATRICIA LOHMAN
171714002000	ANDREA PIERCE
171714003000	CAMERON P HINTZEN & THEA ULEN
171714004000	JAMES B & SANDRA A DAGNON
171714005000	DONNA L DELONG
171714007000	PATRICIA LOHMAN
171721002000	MICHEAL HOOVER
171721003000	MADRONA POINT PROPERTIES LLC
171724004000	CARROLL & RUTH WILT
171724005000	ROBERT B CONNELL
171724009000	DONALD & SUSAN DRAYBUCK-FAHNESTOCK
171724010000	DANIEL C CROSSMAN & TRACEY A LEVINE
171750054000	LASLO
171750063000	MICHAEL J SAKS & ROSELLE L WISSLER
171750064000	MICHAEL J SAKS & ROSELLE L WISSLER
171750065000	BERRY C COLLINS, INC
171750066000	PEGGY M HANCHETT
171750067000	BATHAN O&EDITH VICTORIA SHANER
171750068000	BATHAN O&EDITH VICTORIA SHANER
171750069000	JONATHAN H & PATRICIA T BERG
171750070000	LEONARD G & MAUREEN RICKEY

171750071000	GREGORY R NEBEKER
171750072000	TRAVIS L & JOANNA K STOVALL
171750073000	DONALD J & CARLA L WESTON
171750074000	DONALD J WESTON & CARLA L NOVAK

Region C

<u>Parcel Number</u>	<u>Current Owner</u>
171622001000	BARBARA BROCKETT KRIEGER
171624001000	IRWIN SIEGEL
171624002000	MICHAEL HARRIS, VICTORIA CHRISTIANSEN
171624003000	JAMES & ESTHER MCCULLOUGH
171632001000	DAVID W & RIFAAT FAY
171632002000	RACCOON POINT INC
171633001000	PAUL N SMITH & BONNIE L HEYER
171643001000	ALLEN D WILCOX & CONNIE R COLLINGSWORTH
171650001000	WILLIAM KIMES
171650002000	HANS W & VIRGINIA E THIEISEN
171650003000	JOHN & ANN THERESE NESBIT
171650004000	SUZANNE W FRECH
171650005000	MICHAEL & MARY WHITEHEAD
171650006000	ARJEAN FILMER-BENNETT
171650007000	JOHN & PAMELA CARR
171650008000	GERALD D & GEORGIA PHILBROOK
171650009000	JAMES BASIL & ANN HAMILTON
171650010000	SHAWN & LEILA ELIFF
171650011000	LINDA J KEMP
171650012000	PHILLIP JONES & SUZANNE QUINN
171650013000	DIANA M BARRY
171650014000	HAROLD F & JOAN E MORGADO
171650015000	WILLIAM L & DOROTHY C HARRIS
171650016000	STEVE & LORI RODGERS
171650017000	SUZANNE DEGE
171650018000	JULIET B JOHNSON
171650019000	ANTHONY & LUCINDA SCHMITT
171650020000	JAMES J MCKEON
171650023000	ROBERT C TUCKER
171651021000	MARSHA E WOLF & KENNETH R LINKHART
171651022000	MARSHA E WOLF & KENNETH R LINKHART
171651023000	MOUNZER AGHA & DOUHA SAFAR
171651024000	RACCOON POINT INC
171651025000	MARIS MADIGAN
171651026000	RICHARD & SHERRIE SCHIFF
171651027000	NATALIE L VINSON CARDINEL
171651028000	DALE N KOWALCHUK
171651029000	BRUCE RYLANDER

171651030000	DANIEL P & CATHY TORRES
171651031000	JAMES C & SYLVIA S BIDDICK
171651032000	STEVE & LORI RODGERS
171651033000	ROBERT & WENDY LUCAS
171651034000	BRIAN & ORGELINA WIESE
171651035000	WILLI J & PATSY B KUEHLE
171651036000	WILLI J & PATSY B KUEHLE
171651037000	REUEL R ROBERTSON & CHRISTINE UPCHURCH
171651038000	REUEL R ROBERTSON & CHRISTINE UPCHURCH
171651040000	REUEL R ROBERTSON & CHRISTINE UPCHURCH
172111002000	B J & BARBARA IWARSSON
172111003000	RALPH & TERREL KAPLAN
172111004000	ROBERT J & PATRICIA L HERBOLD
172111005000	ALLEN WILCOX
172112001000	G FRANK & PAIGE A MCCORMICK
172112002000	MYSOREY Y JAISIMHA & SUSMITA SHARMA
172113003000	GERALD MUNOFF & ELEANORE STEWART
172113005000	RICHARD & MYRNA FANT
172113006000	DONALD & FRANCES PRITCHETT
172113007000	KAY T POPE
172222001000	HAWAII LOA REALTY