

# **ELGIN PROPERTIES ROAD MAINTENANCE ASSOCIATION**

## **BYLAWS**

### **RECITALS**

1. Elgin Properties Road Maintenance Association was formed as an unincorporated association in 1977.
2. Elgin Properties Road Maintenance Association ("Association") was formed as a Washington nonprofit corporation on June 10, 2004.
3. These Bylaws replace the Bylaws adopted on October 25, 2023.

### **ARTICLE 1. PURPOSES AND POWERS**

- 1.1 Purposes. This Association shall be conducted as a nonprofit association for the purposes set forth in the Association's Articles of Incorporation and for the mutual benefit of the Members of the Association.
- 1.2 Powers. The Association shall have power to levy and collect assessments against its Members and to enforce the same as herein set forth and to exercise such other powers as may be lawfully established under the Washington non-profit Association act, RCW 24.03A, as the same may be amended.
- 1.3 Inconsistency. If at any time any provision of these Bylaws conflicts with any applicable law, these Bylaws shall be deemed amended to comply with then-current law.

### **ARTICLE 2. DEFINITIONS**

- 2.1 "Association" means and refers to Elgin Properties Road Maintenance Association, its successors, and assigns.
- 2.2 "Covenants" means the Declaration recorded under Pierce County Auditor's File Number 2779575 and any amendments thereto which are currently in effect.
- 2.3 "Electronic Transmission" means any electronic communication not directly involving the physical transfer of a record in a tangible medium and that may be retained, retrieved, and reviewed by the sender and the recipient thereof, and that may be directly reproduced in a tangible medium by the sender and recipient. Electronic Transmission includes fax, email, and all methods of electronic transmission not currently in existence or use that become generally accepted and in general use at some time in the future.

2.4 "Elgin Properties" means the Pierce County Large Lot Subdivision #2010 for Elgin Associates, Gig Harbor, Washington, as depicted in a survey of record under Book 21 of Surveys, Page 10, of the Pierce County Auditor's records.

2.5 "Member" means and refers to those persons who are owners of any Parcel in Elgin Properties.

2.6 "Owner" means the record fee owner or a purchaser under a recorded real estate contract, whether one or more persons or entities, of any Parcel in Elgin Properties, but excluding those having such interest merely as security for the performance of an obligation.

2.7 "Parcel" means any of the residential lots within Elgin Properties.

2.8 "Record date" means the date on which the Association determines the identity of its Members and their voting rights with respect to a particular Meeting or action. The record date shall be as of 12:01 a.m. on the day prior to the issuance of Notice of any Meeting or action.

2.9 "Remote Communication" means communication through which Members not physically present may participate in the Meeting substantially concurrently, vote on matters submitted to the Members, pose questions, and make comments.

2.10 "Roads" means the roads located within Elgin Properties and depicted on the Survey which are maintained by the Association for the common use and enjoyment of the Members.

2.11 "Survey" means the survey of Pierce County Large Lot Subdivision #2010 for Elgin Associates, Gig Harbor, Washington, of record under Book 21 of Surveys, Page 10, of the Pierce County Auditor's records.

### **ARTICLE 3. MEMBERS**

3.1 Member. Every Owner shall be a Member of the Association. When more than one person or entity holds an interest in any Parcel, all Owners are Members. All Members shall comply with the Covenants and these Bylaws.

3.2 Good Standing. A Member is in good standing if the Member is current on all dues and other assessments owed to the Association and who is in compliance with the Protective Covenants and these Bylaws.

3.3 Voting. Each Parcel shall have one vote, regardless of the number of Owners of a Parcel. If any Parcel is owned by two or more persons or entities, the several Owners shall determine among them who shall be entitled collectively to cast one vote per Parcel owned. Members may vote in person, by proxy, or by Remote Communication. Any action to be taken by the Members shall be made by a majority of the Members

present in person, by proxy, by attorney-in-fact, or by Remote Communication at a properly-called Meeting where a quorum is present.

3.4 Certificates. The Association is not required to issue Certificates evidencing Membership in the Association.

3.5 Withdrawal and Transfer. No Member may withdraw from the Association or transfer the Member's interest in the Association except in connection with the sale, transfer, or other conveyance of the Member's Parcel.

3.6 Proof of Ownership. The Association may require proof of ownership of a Parcel or proof of a recorded real estate contract from any person or entity in possession of a Parcel.

3.7 The Association may assess a fee not to exceed \$25.00 to transfer a Membership in the books and records of the Association.

#### **ARTICLE 4. DISSOLUTION**

If the Association is dissolved by voluntary action or otherwise, all known liabilities and obligations of the Association must be paid, satisfied, and discharged as provided in RCW 24.03A.906. The remaining net assets of the Association shall be distributed to the Members of the Association in the same proportion as their then existing ownership of Membership shares of the Association.

#### **ARTICLE 5. MEETINGS OF MEMBERS**

5.1 Annual Meeting. The Annual Meeting of the Members shall be held each year at such convenient date and time during the year as the Directors shall determine. At any Annual Meeting, the Members shall elect Directors to fill any vacancies on the Board of Directors and consider the Association's annual budget and may transact any other lawful business related to the Association.

5.2 Special Meetings. Special Meetings of the Members may be called by the President, the Board of Directors, or by a majority of the Members. At any Special Meeting of the Members, only the business purpose specified in the Notice shall be conducted unless all Members are present or consent in writing to the transaction of the other business.

5.3 Notice of Meetings. Notice of the Annual Meeting or any Special Meeting of the Members shall comply with Article 9 of these Bylaws.

5.4 Quorum. A quorum exists at any Annual or Special Meeting of the Members if at least ten percent (10%) of the Members who are entitled to vote per Article 3.3 are present in person, by proxy, or by Remote Communication at a properly-called Meeting.

5.5 Participation in Meetings. A Member may participate in any Annual or Special Meeting of the Members in person or by Remote Communication.

5.6 Proxy. At an Annual or Special Meeting, a Member or a Member's attorney-in-fact may appoint no more than one (1) proxy per Parcel to vote or otherwise act for the Member by executing a written Appointment of Proxy. An Appointment of Proxy shall be signed and dated by the Member or the Member's attorney-in-fact and reference the date of the Meeting that the Proxy covers. An Appointment of Proxy shall be provided to the Association Secretary prior to or at the Meeting and shall be valid for that Meeting only. The Secretary shall ensure that the President and Members are aware of any proxies received prior to voting. No Member may hold more than three (3) proxies for other Members, and no Member may purchase the right to vote by proxy from any other Member.

5.7 Conduct of Meetings. The President, or in the President's absence a Chair elected by the Members present, shall call the meeting of the Members to order and shall preside over the Meeting. The Secretary shall act as a secretary at all meetings of the Members. In the Secretary's absence, the presiding Officers may appoint any person to act as Secretary.

5.8 Voting. The vote of a majority of the Members present at any Meeting in person, by proxy, or by Remote Communication shall be required to pass any resolution.

5.9 Election of Board of Directors. At the Annual Meeting of the Members, the Members entitled to vote shall elect a Board of Directors to serve until the next Annual Meeting or until their successors are elected and qualified.

5.10 Adjourning Meeting. Any Regular or Special Meeting of the Members at which there is a quorum present may adjourn from day to day, or from time to time, without further notice, until its business is completed.

## **ARTICLE 6. DIRECTORS**

6.1 Number of Directors. The authority to manage the affairs of the Association shall be exercised, conducted, and controlled by a Board of not less than three (3) and no more than eleven (11) Directors. The Directors may also be known as Trustees.

6.2 Qualifications. Any person of legal age who is not legally incompetent and who is a Member of the Association may serve as a Director.

6.3 Term. Each Director shall serve a minimum of one (1) year or until resignation, removal, or a successor is appointed.

6.4 Election. The Directors shall be elected at the Annual Meeting of the Members as provided in Article 5.

6.5 Removal. The Directors serve at the pleasure of the Members and may be removed by the Members at any time with or without cause. If a Director is removed by the Directors for cause, the grounds shall be stated in the notice of removal.

6.6 Compensation and Reimbursement. No Director shall receive compensation for serving as a Director of the Association except by resolution adopted by the Members. A Director shall be reimbursed for actual expenses incurred by the Director in performing the Director's duties to the Association upon submission of proof of the expenditure to the Treasurer.

6.7 Annual Meeting. The Annual Meeting of the Directors shall be held no later than two (2) weeks after the Annual Meeting of the Members. At the Annual Meeting, the Directors shall elect the Officers to serve until successors are elected and may transact any other lawful business.

6.8 Special Meetings. Special Meetings of the Directors may be called by the President, the Secretary, or a majority of the Directors upon notice to the Directors as provided in Article 5 of these Bylaws. At any Special Meeting of the Directors, only the business purpose specified in the Notice shall be conducted unless all Directors are present, as provided in these Bylaws, or consent in writing to the transaction of the other business either before or after the Meeting.

6.9 Regular Meetings. The Directors may hold regular meetings at agreed dates, times, and places.

6.10 Notice of Annual or Special Meetings. Notice of Annual or Special Meetings of the Board of Directors shall be in accordance with Article 9.

6.11 Participation in Meetings. A Director may participate in any Annual or Special Meeting of the Members in person or by Remote Communication. Voting by proxy or by attorney-in-fact is not permitted.

6.12 Quorum. At any Meeting of the Directors, a quorum exists if a majority of the Directors in office when the Meeting begins are present in person or by Remote Communication at a properly-called Meeting.

6.13 Voting. Each Director has one (1) vote. Directors may vote in person, by Remote Communication, or by Electronic Transmission. Any action to be taken by the Directors shall be made by majority of the Directors present in person or by Remote Communication at a properly-called Meeting where a quorum is present. Voting by proxy or by attorney-in-fact is not permitted, and cumulative voting is not permitted.

6.14 Consent in Lieu of Meeting. In lieu of attending any Meeting of the Directors, the Directors may take any action by unanimous written consent.

6.15 Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors even though they constitute less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of the Director's predecessor in office.

## **ARTICLE 7. POWERS AND DUTIES OF BOARD OF DIRECTORS**

7.1 Powers of Directors. Subject to limitations in the Articles of Incorporation and these Bylaws and the laws of the State of Washington all powers of the Association shall be exercised by or under the authority of, and the business affairs of the Association shall be controlled by, the Board of Directors. Without limiting such general powers, and subject to any limitations on the same, the Directors shall have the following powers:

7.1.1 To appoint and remove at pleasure all Officers, committees, agents, and employees of the Association, describe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient.

7.1.2 To fix, establish, levy, and collect such fees, dues, charges and/or assessments as may be necessary, in the judgment of the Board of Directors, to carry out any and all of the purposes for which this Association is formed, but not in excess of the maximum from time to time fixed by these Members.

7.1.3 To adopt and publish rules and regulations governing use of the Association property and facilities and the personal conduct of the Members and their guests thereon.

7.1.4 To establish and enforce minimum Road Edge Preservation Requirements which may be adopted by the Board of Directors from time to time.

7.1.5 To cause to be kept a complete record of all its acts of the Directors and to present a statement thereof to the Members at any Annual Meeting or Special Meeting of the Members when requested by Twenty Percent (20%) of the Members in writing.

7.1.6 To supervise all Officers, agents, and employees of this Association and to see that their duties are properly performed.

7.1.7 To fix the amount of the assessment against each Parcel.

7.1.8 To send written notice of each assessment to every Owner subject thereto.

7.1.9 To borrow money on behalf of the Association and to authorize the execution of promissory notes or other evidence of indebtedness on behalf of the Association, except that the Association may not borrow money from any Member, Director, or Officer of the Association.

7.1.10 To purchase, sell, convey, alienate, transfer, assign, exchange, lease, or otherwise dispose of any personal property on behalf of the Association.

7.1.11 To generally to do and perform, or cause to be done and performed, any and every act which the Association may lawfully do and perform.

7.2 Limitations on Board Authority. Except for emergencies related to the Association's roads, the Board may only expend up to 85% of the Association's then-current funds balance and shall not acquire personal property in excess of \$5,000.00 by contract or purchase unless approved by the Members in the annual budget or by a majority vote of the Members at any Annual or Special Meeting of the Members where a quorum is present.

7.3 Construction Duties. The Board of Directors shall monitor the impact of all new construction occurring within Elgin Properties on the Association's roads. Any new damage done to black topped or other roads, by construction equipment, or by any other construction-related activity, shall be repaired by the fee owner or contract purchaser who contracted or arranged for such construction within 60 days of the damage. If the damage is not repaired within 60 days, the Association shall repair the damage and charge the fee owner or contract purchaser for the cost of repairs, which must be paid within 30 days. In the event that the Board of Directors finds it necessary to initiate legal proceedings in order to enforce and/or collect such fees, dues, charges and/or assessments, the prevailing party shall be entitled to an award of costs and reasonable attorney fees.

7.4 Assessments. The Board of Directors is responsible for administering Assessments as provided in Article 11.

7.5 Waiver of Conflict of Interest. No transaction entered into by the Association shall be affected by the fact that any Members, Directors, and/or Officers of the Association are personally interested in it. Every Member, Director, and/or Officer of the Association is hereby relieved from any disability that might otherwise prevent the person, or any entity in which the person may be in any way interested, from contracting with the Association for the person's or entity's financial benefit, provided that such Member, Director, and/or Officer has fully disclosed such interest. The fact that the Members, Directors, and/or Officers of the Association are in whole or in part the same as those of any other entity shall not in any way affect the validity or enforceability of any agreement or transaction between the two entities.

7.6 Fiduciary Duties. The Directors stand in a fiduciary relation to the Association and shall discharge their duties in good faith and with that diligence, care, and skill which ordinarily prudent persons would exercise under similar circumstances in like positions.

## **ARTICLE 8. OFFICERS**

8.1 Daily Operations. The day-to-day operations of the Association shall be managed by the Officers, which shall consist of a President, Secretary, and Treasurer and such other Officers, including a Vice President, as the Directors designate from time to time. One person may hold more than one office except the offices of President and Secretary.

8.2 President. The President shall be the chief executive officer of the Association and is duly authorized to bind the Association on contracts and transactions on behalf of the Association with the approval of a majority of the Directors, except for emergencies.

8.3 Vice President. If a Vice President is appointed, the Vice President shall fulfill the role of the President in the President's absence and shall perform such other duties as the President or Directors assign.

8.4 Treasurer. The Treasurer shall maintain the financial records of the Association and shall prepare a budget, financial statements, and annual financial report as required by Articles 10 and 12 and shall ensure that the Association's Annual Report is filed with the Washington Secretary of State. The Treasurer shall ensure that all tax returns are promptly filed with the state and federal taxing authorities. The Treasurer shall also prepare and maintain the Membership records required by Article 12.

8.5 Secretary. The Secretary shall maintain the corporate records of the Association specified in Article 12.

8.6 Term. The Officers shall serve until the officer resigns, is removed, or a successor is appointed.

8.7 Removal. The Officers shall serve at the pleasure of the Directors and may be removed by a majority vote of the Directors at any time with or without cause.

## **ARTICLE 9. NOTICES**

9.1 Who is Entitled to Notice. The record date for determining the Members entitled to receive Notice of an Annual or Special Meeting of the Members or a Special Meeting of the Board of Directors called by the Members is the day prior to the date the Notice is given to the Members. Only Members entitled to vote on the record date are entitled to Notice of Member meetings. Except for Notice of a Special Meeting of the Board of Directors called by the Members, Notice of Meetings of the Board of Directors is not required to be given to the Members; however, Members are welcome to attend any Meeting of the Directors and may request notice of any Meeting of the Directors at any time.

9.2 Content of Notice. Except as otherwise specified in this Article, whenever Notice is required to be given by these Bylaws or law, the Notice shall be in writing and shall



specify the date, time, place of the meeting. For any meeting at which the Members may participate by means of Remote Communication, the Association shall deliver the Notice of the meeting to each Member by a means which the Directors have authorized and provide complete instructions for participating in the meeting by Remote Communication. Whenever notice would otherwise be required to be given pursuant to these Bylaws or law, the Notice need not be given if Notice of two (2) consecutive Annual Meetings, and all Notices of meetings given during the period between those two (2) consecutive Annual Meetings, have been returned undeliverable or could not be delivered. If a Member delivers to the Association a notice stating the Member's then current address, then the requirement that Notice be given to that Member is reinstated as of the date that the current address is provided.

9.3 Annual Meetings. Notice of the Annual Meetings of the Members and the Board of Directors shall be provided to those Members entitled to vote at the Meeting at least ten (10) days and not more than sixty (60) days prior to the Annual Meeting date. If the Association's budget and Annual Assessment will be considered at the Annual Meeting as provided in Article 10, the Annual Meeting shall be scheduled no less than fourteen (14) nor more than fifty (50) days after the Board of Directors provide the proposed budget and Annual Assessment to the Members for consideration.

9.4 Special Meetings. Notice of Special Meetings of the Members shall be provided to those Members entitled to vote at least ten (10) days and not more than sixty (60) days prior to the Special Meeting date and shall state the purpose of the Meeting. Special Meetings of the Board of Directors called by the Directors or any of them may be held with forty-eight (48) hours' notice and need not state the purpose unless the purpose of the Meeting is to remove a Director. Emergency meetings of the Board of Directors may be called by the Directors or any them utilizing any form of notice then in use by the Directors, such as telephone or text. Notice of a Special Meeting of the Board of Directors called by the Members shall be provided to the Members at least ten (10) days in advance of the Special Meeting and shall state the purpose of the Meeting.

9.5 Regular Meetings. Notice of Regular Meetings of the Directors is not required.

9.6 How Notice is Given. Notice may be made by personal delivery, mail, email, fax, or Electronic Transmission. Notice to Members and Directors shall include any material required or permitted to accompany the Notice.

9.7 Waiver of Notice. A Member or Director may waive Notice in a signed writing delivered to the Secretary of the Association no more than sixty (60) days before or sixty (60) days after the date and time stated in the Notice of the Meeting or action. A Member or Director waives Notice of a Meeting by attendance at a Meeting unless the Member, at the beginning of the Meeting or immediately upon arrival at the Meeting, objects to holding the Meeting or transacting business at the Meeting.

9.8 When Notice is Effective.

9.8.1 Electronic Transmission. Notice provided in an Electronic Transmission is effective when the notice is delivered by electronic transmission to the Member's or Director's address shown in the Associations' current record of Members.

9.8.2 Notice by Mail. Notice by mail is effective five days after deposit in the United States Mail or with a commercial delivery services if the postage or delivery charge is paid and the notice is correctly addressed to the member's address shown in the Association's current record of Members.

9.8.3 Notice by Personal Delivery. Notice by personal delivery is effective when left at the recipient's residence.

## **ARTICLE 10. FINANCIAL**

10.1 Fiscal Year. The Association shall operate on a fiscal year commencing on February 1 and terminating the following January 31.

10.2 Financial Accounts. The Association shall maintain one or more financial accounts in the name of the Association as the Board of Directors determines with at least two Officers designated as signers on all accounts at all times. The President and the Treasurer shall have signing authority on all Association financial accounts unless otherwise determined by resolution of the Board of Directors. All checks must be signed by both Officers.

10.3 Deposits. All funds of the Association shall be deposited to the credit of the Association in a financial account maintained by the Association and designated by the Treasurer.

10.4 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in the Association name unless authorized by a resolution of the Board of Directors. Such authority may be general or limited to a specific loan. No Director, Officer, or Member may lend money to or borrow money from the Association.

10.5 Contracts. Following resolution of the Directors, the Directors may authorize any Officer or Officers, agent, or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or limited to a specific contract. Notwithstanding the foregoing, the President has the authority to contract for emergency services necessary to protect life, Association property, or prevent or minimize liability up to the amount of \$500 without the prior authorization of the Directors, provided that such contract does not violate Article 13 of these Bylaws. The President shall immediately notify the Directors and shall provide all details regarding the contract.

10.6 Financial Statements. Financial statements detailing the income and expenses of the Association shall be prepared quarterly by the Treasurer and provided to the

Board of Directors. An annual financial report and annual financial statements shall be prepared and provided to the Members at or prior to the Annual Meeting of the Members.

10.7 Budget. No later than thirty (30) days prior to the date of the Annual Meeting of the Members, the Board of Directors shall prepare a budget for the upcoming fiscal year and shall recommend the amount of the Annual Assessment to the Members. The budget shall include:

10.7.1 The projected income to the association by category;

10.7.2 The projected common expenses and those specially allocated expenses that are subject to being budgeted, both by category;

10.7.3 The amount of the assessments per unit and the date the assessments are due;

10.7.4 The current amount of regular assessments budgeted for contribution to the reserve account;

10.7.5 A statement of whether the association has a reserve study that meets the requirements of RCW 64.90.550 and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and

10.7.6 The current deficiency or surplus in reserve funding expressed on a per unit basis.

The Directors shall communicate the reasoning for the proposed Annual Assessment to the Members at the Annual Meeting of the Members held in accordance with these Bylaws.

10.8 Reserves. The Association may, but is not required to, prepare a reserve study, or maintain a reserve account pursuant to RCW 64.38.070 unless otherwise required by law.

## **ARTICLE 11. ASSESSMENTS**

11.1 Use and Purpose. All assessments levied by the Association shall be used exclusively for maintaining, repairing, and improving the Associations Roads and related activities.

11.2 Annual Assessment. Each Parcel Owner shall pay the Annual Assessment for the Owner's Parcel. The Directors shall propose the Annual Assessment to the Members in accordance with Article 10.7. The Members shall consider the Annual Assessment for the upcoming fiscal year at the Annual Meeting of the Members. Unless a majority of Members present in person, by proxy, by attorney in fact or Remote Communication vote to reject the Annual Assessment, the budget and the Annual Assessment is ratified, whether or not a quorum is present. The Secretary and/or Treasurer shall communicate the Annual Assessment due to the Members within ten (10) days following the approval at the Annual Meeting. Payment of the Annual

Assessment is due no later than sixty (60) days after notice of the Annual Assessment is provided to the Members.

11.3 Special Assessment. The Board of Directors may propose a special assessment to cover unbudgeted expenses. Such assessments require a majority vote of the Members at any Annual Meeting or at any Special Meeting called for that purpose.

11.4 Automatic Lien. Assessments shall become an automatic lien on the Parcel for which they are assessed and shall be paid when due. An unpaid lien shall be paid upon sale of a Parcel and may be foreclosed in accordance with the provisions of RCW 64.38.100.

11.5 Delinquent Assessments. Any assessment which is not paid when due shall bear interest at the rate of twelve percent (12%) per year from the date when payment of the assessment was due. The costs of collection, including reasonable attorney fees, court, and other costs, and/or the fee assessed by any collection agency, shall be added to the assessment amount, and may be collected and/or foreclosed as provided herein. Any Member who does not pay the Member's assessment when due is delinquent and the Member's voting rights shall be automatically suspended until the assessment and all outstanding interest, fees, and costs, are paid in full.

## **ARTICLE 12. ASSOCIATION BOOKS AND RECORDS**

12.1 Books and Records. The President shall ensure that the Association maintains adequate books and records, which records shall be kept and managed as provided in these Bylaws. The records may be maintained in an electronic or paper format.

12.2 Financial Records. The Association shall maintain financial records sufficiently detailed to enable the Association to fully declare to each Owner the true statement of its financial status and such records are the property of the Association.

12.3 Association Records. The Secretary shall maintain the following records of the Association either in paper format or electronically:

- 12.3.1 All of the Association's filings with the Washington Secretary of State;
- 12.3.2 All duly-adopted Bylaws of the Association and any amendments thereto;
- 12.3.3 Minutes of all meetings of the Members and of the Board of Directors;
- 12.3.4 Consents in Lieu of Meetings signed by the Directors;
- 12.3.5 Proxies signed by the Members;
- 12.3.6 All Notices and other written communications to the Members within the past six (6) years, including the financial statements furnished to the Members for the past six (6) years; and
- 12.3.7 A list of the names and addresses of the Association's current Directors and Officers.

12.4 Membership Records. The Treasurer shall maintain a record of the Association's Members in a form that permits preparation of a list of the names and addresses of all Members, in alphabetical order and/or by Parcel number and/or street address, showing the number of votes each Member is entitled to cast. If more than one person or entity owns a Parcel, all owners of the Parcel shall be listed together. The Membership List shall be available for inspection by the Members, beginning two (2) business days after notice of a Meeting is given for which the list was prepared and continuing through the date of the Meeting, at a place identified in the Meeting notice. A Member or the Member's agent, on written demand, may inspect, subject to the limitations of RCW 24.03A.405(1) and 64.38.045(6), RCW and the requirements of RCW 24.03A.215(4) and RCW 64.38.045(5), and copy the list during regular business hours and at the Member's expense during the period when the Membership List is available for inspection. No Member may sell the Membership records or use the Membership records to solicit the Members or for other commercial purposes or financial gain.

12.5 Inspection of Books and Records. The Association's books and records shall be available for inspection and copying by the Members, holders of mortgages on the Parcels, and their respective authorized agents on reasonable advance notice during normal working hours at the offices of the Association or its managing agent. The Association shall not release the unpublished telephone number of any owner. The Association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the association in providing access to records.

### **ARTICLE 13. CONFLICTS OF INTEREST**

13.1 Definitions and Examples. As used in these Bylaws, the term "actual or potential personal or financial interest" means any existing or possible interest which the person now has or may have regarding any business of the Elgin Properties Road Maintenance Association.

13.2 Duty to Disclose. A Member or Director who has any actual or potential personal or financial interest in any matter involving the Association has a duty to disclose the actual or potential interest to the Board of Directors, who shall disseminate such information to the Members, as necessary.

13.3 Abstention from Voting. Except for matters that benefit all Members, no Member or Director may vote on any matter in which the Member or Director has a personal or financial interest and shall not attempt to influence any other Member or Director in voting on such issue; for example, where the Director has a financial interest in a contract the Directors are contemplating or where a Director is seeking Board approval of a permit to do work on the Director's home or Parcel.

13.4 Abstention from Decision Making. No Member or Director may participate in decision making that does not require a vote regarding any matter in which the Member or Director has a personal or financial interest and shall not attempt to influence any other Member or Director in deciding such issue.

13.5 Violations. If a Member or Director fails to disclose a conflict of interest and/or violates any provision of Article 11, the Directors shall determine whether the outcome would have been different. If so, the Directors shall take appropriate action immediately to remedy the situation, which may include cancelling contracts or scheduling a new vote. The Directors shall fully disclose in Minutes or a Consent the actions taken to remedy the violation of this Article.

## **ARTICLE 14. INDEMNIFICATION**

14.1 Indemnification Authorized. The Association may provide to any person who is or was a Director or Officer of the Association or is or was serving at the request of the Association as a Director or Officer of the Association, an indemnity against expenses of suit, litigation or other proceedings to the extent permissible under applicable law and consistent with the provisions of Article 10. The Association shall indemnify a Director or Officer against all expenses, including attorney fees, reasonably incurred by or imposed upon a Director or Officer in connection with any proceeding to which they may be made a party, or in which the Director or Officer may become involved, by reason of the Director or Officer being or having been a Director or Officer of the Association, whether or not the person was a Director or Officer at the time such expenses are incurred, provided that the Director or Officer acted in good faith or reasonably believed that the Director's or Officer's conduct was in the Association's best interests or at least not opposed to the Association's best interests. The Association may not indemnify a Director or Officer where the Officer or Director is adjudged liable to the Association or where the Officer or Director was adjudged liable on the basis that personal benefit was improperly received.

14.2 Approval of Settlement Required. In the event of a settlement, the foregoing indemnification shall apply only when the Board of Directors approves such settlement.

14.3 Insurance. The Board of Directors may, in its discretion, direct the purchase of liability insurance to implement the provisions of this Article.

## **ARTICLE 15. TRAFFIC REGULATIONS AND ROAD STANDARDS**

15.1 Only street-legal motor vehicles, driven by legally licensed drivers, are allowed to operate on Elgin Properties community roadways. All State of Washington traffic laws as codified in the Revised Code of Washington and the Washington Administrative Code apply to these said vehicles and drivers.

15.2 The maximum legal speed limit is 15 miles per hour for any vehicle driven on Elgin Properties community roadways.

15.3 One written warning will be given if a traffic regulation is violated. Thereafter, a \$25 fine per violation will be assessed against any driver who violates these regulations. The fine shall be paid to the Elgin Properties Road Maintenance Association's

Treasurer within 30 days. If not paid within 30 days, the fine or fines will be added to the Member's Road Maintenance dues for the current year.

15.4 Road Edge Preservation Requirement. The Association shall establish a Road Edge Preservation Requirement from time to time, which is imposed on an Owner of any Parcel abutting any road or street maintained by the Association, to ensure that any vegetation or other encroaching impediment (such as trees, branches, boulders or other such obstructions) is removed from the shoulder of such road or street.

15.5 Culvert Requirement. All new driveways shall include a culvert, with a minimum of 12 inches in diameter, which extends the width of the driveway and aligns with the road edge drainage ditch.

15.6 Failure to Comply. If an Owner fails to timely comply with the Road Edge Preservation Requirement or the Culvert Requirement, the Board of Directors may contract to have the road edges and driveways brought into compliance with these requirements and charge the Owner for the cost incurred for the work.

## **ARTICLE 16. DISPUTES**

If a dispute arises between a Member and the Board of Directors relating to these Bylaws, the Declaration, or the Articles of Incorporation, and the parties are unable to resolve the dispute, the Board of Directors may refer the parties to mediation with a mutually-agreed mediator prior to either party taking legal action.

## **ARTICLE 17. ENFORCEMENT**

The Association may take legal action on behalf of the Association necessary to clarify the rights and obligations contained in, or to enforce, the Covenants and Bylaws, as the same may be amended from time to time. If litigation is necessary for any reason, the prevailing party shall be entitled to reasonable legal fees and costs. If legal fees and costs are assessed against the Association, the Board of Directors shall pay the legal fees and costs from Association funds and may impose a special assessment if there are insufficient funds to pay the amounts owed.

## **ARTICLE 18. AMENDMENT TO BYLAWS**

These Bylaws may be amended by a vote of a majority of the Directors at any Annual, Regular, or Special Meeting or by Consent in Lieu of Meeting. Upon adoption of amended Bylaws, the Secretary shall provide copies of the amended Bylaws to the Members or post the Bylaws on the Association's website or other electronic community page (if applicable) within ten (10) days of adoption. The Members may override Bylaws adopted by the Directors by a vote of a majority of the Members present in person or by proxy at any Special Meeting of the Members called for that purpose.

THE FOREGOING BYLAWS WERE ADOPTED BY A VOTE OF NO LESS THAN A MAJORITY OF BOARD OF DIRECTORS ON JULY 16, 2024.

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Jennifer Ford, Director

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Justin Strong, Director

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Phil Latos, Director

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Andy Beeler, Director

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Nathan Walker, Director

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Kirsten Lindgren, Director

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Justin Borchers, Director

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Tim Handy, Director

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Sarah Simpson, Director

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Justin Nastansky, Director