

CORPORATE BYLAWS OF CARROLLS WATER ASSOCIATION
(A Washington Nonprofit Corporation)

ARTICLE 1
NAME AND LOCATION

Section 1-01. Name. The name of corporation shall be CARROLLS WATER ASSOCIATION, hereafter referred to as the 'corporation'

Section 1-02: Registered office. The registered office of the corporation in Washington shall be at the place designated in the Articles of Incorporation, subject to transfer as may be permitted by law.

ARTICLE 2
PURPOSE AND POWERS

Section 2-01. Purpose. The purpose of the corporation, as stated in its Articles of Incorporation, is to operate and manage a nonprofit water system.

Section 2-02. Powers. As stated in its Articles of Incorporation, the corporation shall have all powers granted by the Washington Nonprofit Corporation Act necessary or convenient to carry out its purposes. Additionally, no part of the corporation's net earnings shall inure to the benefit of any member, contributor, director, officer or other individual; no substantial part of the activities of the corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, the corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office.

ARTICLE 3
CORPORATE SEAL

Section 3-01: Corporate Seal. The Corporation shall not have a corporate seal.

ARTICLE 4

MEETINGS

Section 4-01: Place of Meetings. The meetings of the Board of Directors may be held at such place within Southwest Washington as the President may designate, or as may be designated in the notice of a particular meeting.

Section 4-02: Annual Meeting. The annual meeting of the Board of Directors shall be held each year to review operations during the immediately preceding year, and transact such other business as may properly be brought before the meeting. Notice of the annual meeting shall be sent to each water customer via US Mail or by e-mail not less than 14 days before the annual meeting.

Section 4-03: Regular Meetings. Regular meetings of the Board of Directors may be held at such times as the Board may determine, but not less often than once each twelve-month period.

Section 4-04: Special Meetings. Special meetings of the Board of Directors may be called at any time by the President. Any such request by the President shall state the purpose of the meeting and the time and place of the proposed meeting.

Section 4-05: Notice. Notice of regular or special meetings shall be deemed to have been properly given to a director when delivered personally, when deposited in the United States mail, or when sent by e-mail.

Section 4-06: Quorum. A majority of the directors in office shall constitute a quorum at any meeting of the Board.

Section 4-07: Adjournment. Adjournment of any regular or special meeting may be taken, and it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted other than by announcement at the meeting which such adjournment is taken.

ARTICLE 5
DIRECTORS AND OFFICERS

Section 5-01: General Powers. The Board of Directors may exercise all such powers of corporation and shall manage the affairs of the corporation.

Section 5-02: Number of Voting Directors. Membership on the Board of Directors shall consist of no fewer than three and no more than nine voting members.

Section 5-03: Term of Office of Voting Directors. Each director shall serve as long as necessary, or until a successor has been elected and qualified by the Board of Directors.

Section 5-04: Vacancies. Vacancies in the Board of Directors shall be filled by the Board of Directors.

Section 5-05: Salaries. Members of the Board of Directors shall not be compensated but may by action of a majority of the entire Board of Directors recover costs incurred in serving the Board.

Section 5-06: Removal of Directors and Officers. Any officer of the corporation may be removed or his or her authority revoked by resolution of the Board of Directors, whenever in its judgment the best interest of the corporation will be served.

Section 5-07: Indemnification of Directors and Officers. The corporation shall, to the fullest extent permitted by law, indemnify any person who was as a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, civil, criminal, administrative or investigation (and whether brought by or in the right of corporation) by reason of the fact that he or she is or was a director or officer of the corporation against expenses (including attorney fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred in connection with such action, suit or proceeding.

Section 5-08: Transactions with Directors and Officers. No contract or transaction may occur between the corporation and one or more of its directors or officers, or between the corporation and any other corporation, partnership, association or other organization in which one or more of its directors are directors or officers, or have financial interest.

ARTICLE 6

POWERS AND DUTIES OF OFFICERS

Section 6-01: Officers. The officers of the corporation shall be natural persons of legal age, and shall be a President, a Vice President, a Secretary and a Treasurer. (The office of Vice-President may remain vacant and the offices of Secretary and Treasurer may be combined at the option of the Board.) These officers shall be elected by the Board of Directors from among the Board of Directors and shall serve until their successors are elected and have qualified.

Section 6-02: Powers and Duties of the President. The President shall preside at all meetings of the Board of Directors, and shall have such powers and duties as the Board may prescribe. The President shall be chief executive officer of the corporation. He or she shall make such reports of the affairs of the corporation as the Board may require. He or she shall have general charge and supervision of the business of the corporation. He or she shall be responsible to the Board of Directors for the application and implementation of policies adopted by the Board of Directors.

Section 6-03: Powers and Duties of the Vice President. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. The Vice President shall also have such powers and perform such duties as may be assigned to him or her by the Board of Directors.

Section 6-04: Powers and Duties of the Secretary. The Secretary shall attend all sessions of the Board and record all the votes and minutes of the meeting in books to be kept for that purpose; He or she shall give notice of all meetings for the Board of Directors, and shall perform such other duties as may be prescribed by the Board or by the President.

Section 6-05: Powers and Duties of the Treasurer. The Treasurer shall be the chief financial officer and shall cause full and accurate accounts of receipts and disbursements to be kept in books belonging to the corporation. He or she shall see to the deposit of all moneys and other valuable effects in the name and to the credit of the corporation in such depository or depositories by the Board of Directors, subject to disbursement or disposition upon order signed in such manner as the Board of Directors shall prescribe. Whenever requested by the Board, he or she shall give an account of all of his or her transactions as Treasurer and the results of operations and financial condition of the corporation. The Treasurer shall be bonded, at the corporation's expense, in such sum and with such surety as may be satisfactory to the Board for the faithful discharge of the duties of his or her office, and for the restoration of all books, records, money and other property of whatever kind in his or her possession or under his or her control belonging to the corporation, in case of his or her death, resignation, retirement, or removal from office.

Section 6-06: Delegation of Officers' Duties. In case of the absence of any officer of the corporation, or any other reason that the Board of Directors may deem sufficient, the Board may delegate or authorize the delegation of his or her powers or duties for the time being, to any person.

ARTICLE 7

CORPORATE RECORDS

Section 7-01: Corporate Records. The corporation shall keep at its registered office: records of the proceedings of the Board of Directors; the original or a copy of its Bylaws, including all amendments and alterations; and complete and accurate books of records of account.

Section 7-02: Right of Inspection. Every director shall have a right to examine, in person or by agent or attorney during the usual hours for business, for any proper purpose, the books and records of account, and records of the proceedings of the directors and to make copies or extracts.

Section 7-03: Execution of Written Instruments. After authorization in the manner provided by law or in these Bylaws, all contracts, deeds, mortgages, obligations, documents and instruments may be executed by the President or Vice President and attested by the Secretary or the Treasurer or may be executed or attested, or both by resolution by the Board of Directors. All checks, notes, drafts and orders for the payment of money shall be signed by such one or more officers as the Board of Directors may designate.

ARTICLE 8

DISSOLUTION

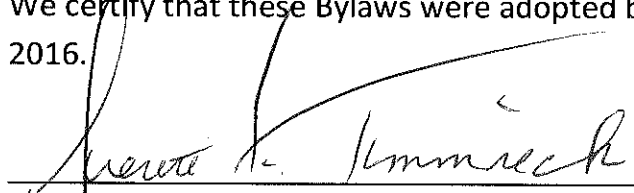
Section 8-01: Dissolution. In the event of dissolution or winding up of the corporation, the corporation's assets after all debts and expenses have been paid or provided for shall be distributed in the manner provided in its Articles of Incorporation.

ARTICLE 9

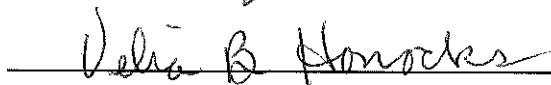
AMENDMENTS OF BYLAWS

Section 9-01: Amendments. The Bylaws may be amended, only by the vote of a majority of all members of the Board of Directors then holding office at any regular or special meeting duly convened after at least ten (10) days written notice to each director. The notice of the meeting, whether a regular or special meeting, must state the proposed amendment to the Bylaws.

We certify that these Bylaws were adopted by the Board of Directors on February 24, 2016.

 _____, President

 _____, Secretary

 _____, Treasurer