

WESTSIDE WATER ASSOCIATION BY-LAWS
(ADOPTED MAY 27, 1986 AND AMENDED NOVEMBER 23, 2015)

ARTICLE I
MEETING OF MEMBERS

Section 1. Annual Meeting.

The regular annual meeting of the members of the Association shall be held on Vashon Island, in the month of May at such place and time as the trustees direct. It shall be the duty of the Secretary to give ten (10) days' notice by mail to the members of such annual meeting.

Section 2. Special Meetings of the Members.

Special meetings may be held at any time in the service area on call of the President, or, by written call signed by three or more of the Trustees, or signed by not less than one-third of the members. Calls for special meetings shall specify time, place, and object of the meeting, not less than ten days before date set for such a meeting notice mailed by the Secretary to all members of record to the address on the Association's books will constitute a notice duly sent.

Section 3. Quorum.

One-fourth of the total number of members, represented either in person or by a proxy signed by a member, shall be necessary to constitute a quorum for conducting business. When a quorum is present at a meeting duly called, a majority of the members represented thereat shall decide any matter brought before such meeting. In the absence of a quorum, the members present may adjourn from day to day but until a quorum is secured, may transact no business.

Section 4. Order of Business at Meetings of Members.

All meetings will be conducted in accordance with Roberts Rules of Order.

ARTICLE II
TRUSTEES

Section 1. Number and Authority.

The Board of Trustees shall consist of five (5) members and shall have entire charge of the property interests, business and transactions of the Association with full authority to manage the same, consistent with applicable federal, state and local laws.

Section 2. Terms of Office.

Trustees shall be elected at the annual meeting of the members, three of whom shall serve until the first annual meeting thereafter and two of whom shall serve until the second annual meeting thereafter. At each annual meeting after said first meeting, trustees shall be elected for two-year terms, three the first year and so on. Trustees shall hold office until their successors are elected, and when elected to serve a vacancy, such trustee shall hold office during the unexpired term of the trustee whose place he is elected and until his successor is elected and qualified.

Trustees shall be limited to no more than three (3) terms consecutively.

Section 3. Vacancies.

Any vacancy in the Board shall be filled for the unexpired term by the majority vote of the remaining Trustees. If a Trustee is removed by a vote of the members at the same meeting or a subsequent meeting called for that purpose, members shall elect a successor.

Section 4. Removal of a Trustee.

Any Trustee may be removed from office by a two-thirds vote of the members at any special meeting of the members called for such purpose. The Board may remove without cause a trustee who has missed three (3) meetings without prior notification to the Board.

Section 5. Quorum.

A majority of the Board of Trustees shall constitute a quorum at any Board meeting and no action except as hereinafter expressly provided shall be taken unless a majority vote of all Trustees is given in favor thereof.

Section 6. Compensation for Trustees.

All Trustees shall perform their board duties without compensation. With minutes passed by the Board, Trustees may be compensated for other services to the Association.

Section 7. Election of Officers.

Regular annual meetings of the Trustees shall be held immediately after the conclusion of the annual meeting of the members, at which meetings the Trustees shall elect from their number a President, Vice president, Secretary, Treasurer, or a combined Secretary Treasurer. In the event of a vacancy, the Board at any meeting duly called shall fill such a vacancy.

Section 8. Duties of Officers.

The duties of the officers shall be such as are usually imposed upon such officers of a corporation and as required by law, and as such may be assigned to them by the Board of Trustees. The President shall preside at all meetings and in his absence the Vice-President shall preside. The Secretary shall keep a record of all proceedings of the Board meetings and general membership meetings. The Treasurer shall collect and have charge of all funds of the company and disburse the same by check. All checks shall be co-signed by two officers.

ARTICLE III CERTIFICATES OF MEMBERSHIPS

There is to be no capital stock of the corporation but certificates of membership shall be issued signed by the President and the Secretary to members who are qualified and eligible.

ARTICLE IV
INTERESTS OF MEMBERS

It is understood that this corporation is formed under Chapter LV, of Title XXV, Corporations Not Formed for Profit, of Remington's Compiled Statutes of Washington, 1922; that the interest of each incorporation or member shall be equal to that of any other, and no incorporation or member can acquire any interest which shall entitle him to any greater voice, authority or interest in the corporation than any other member; that member certificates shall be assignable when the property of members is sold but assignable only to the purchaser of said property.

ARTICLE V
MEMBERSHIP

Section 1.

Property owners of the district served by the Association are eligible for membership, subject to the conditions in the following section.

Section 2.

The Board of Trustees shall establish the number of new members admitted to the corporation in a given twelve (12) month period; provided, however, that in the first twelve (12) month period following the adoption of these amended by-laws the number of new members admitted will not exceed eight percent (8%) of the total membership at the time of the adoption of these amended by-laws. In subsequent twelve (12) month periods the number of new members shall not exceed four percent (4%) of the total membership at the beginning of the period. If within a given period the limit of new members is not reached, then that number may be admitted during the subsequent periods without applying to that period's quota. The Board of Trustees shall not approve any new members of the corporation for the first sixty (60) days of any twelve (12) month period, and in no event shall the Board of Trustees approve any new members if there are no water rights available after present members have exercised their option to purchase additional water rights as described in Article VI.

ARTICLE VI
PURCHASE OF WATER RIGHTS

Section 1.

Each member shall have the right to purchase one water right for one residence located on the member's property.

Section 2.

In the first sixty (60) days after the adoption of these amended by-laws, and during the first sixty (60) days of each succeeding twelve (12) month period, existing members of the corporation may purchase one additional water right from the Corporation so long as such additional number of water rights sold does not exceed the number of new members allowed in Article V hereof and provided that no person or group may purchase more than one water right within a twenty-four (24) month period.

Section 3.

Water rights will be sold only upon the applicant supplying to the Board of Trustees proof of building plans for a residence on applicant's property. If the residence is not occupied within twelve (12) months from receipt of the water right, the water right will be returned to the corporation, and all money paid by the applicant refunded. Extension of time to complete the residence may be granted at the sole discretion of the Board of Trustees.

Section 4. Industrial and Non-Residential Water Rights.

At the sole discretion of the Board of Trustees water rights may be sold for industrial and non-residential installation. Such water rights costs will be established by the Board, and in no case will the cost be less than the residential water right cost.

Section 5. Cost and Payment.

Cost of a water right shall be determined by the Board of Trustees and shall include the water right and the use of one meter. Payment will either be in full at time of application or, subject to Board approval, by

paying 50% down at time of application with the balance to be paid over twelve (12) months with interest charged at 1% of the monthly outstanding balance. Hook-up costs will be borne by the new member. Any costs to extend present system to serve new water rights will be borne by the new water right holder.

Section 6. Transfer of Certificate and Reissue of Lost Certificate.

The Secretary will issue a new membership certificate to replace a lost one upon payment of \$10.00, said new membership certificate to be marked "duplicate". When membership is transferred upon sale of property, a \$10.00 transfer fee will be charged to the new owner.

ARTICLE VII OPERATION

Section 1. Rules and Regulations

The object of the corporation is to operate a water system for distribution of water to members. The Board of Trustees shall have the power to make rules and regulations for the taking and use of water from the Association system, which rules and regulations shall be enforced by the Board. Such rules shall be furnished each member upon request.

Section 2. Charges, Assessments and Dues.

Each member shall be liable to pay the Association charges. If any charges are not paid when due, service may be disconnected by the Trustees after thirty (30) days' notice in writing. Such member can be reconnected only upon payment of delinquencies, plus the sum of \$25.00 plus expenses of disconnecting and connecting such service. It is further understood that any member leasing or renting his property is responsible for any or all indebtedness to the Association by said Lessee or Renter.

Section 3. Records.

The books and records of the Association are to be open to inspection by any member at all reasonable times. The status of individual member accounts will not be subject to review by the general membership.

The books of the corporation will be reviewed each year by an Audit Committee appointed by the President.

ARTICLE VIII
AUTHORITY TO MORTGAGE SYSTEM

The Association shall have the power through its Board of Trustees to borrow funds for the purpose of improving the water system and may use corporation property and income as security for such purpose, so long as the principal balance at any time does not exceed \$100,000 (in 2015 dollars) and on such further terms as shall be provided by resolution adopted by the Board of Trustees.

ARTICLE IX
REAL PROPERTY

The Board of Trustees will not sell or acquire any real property without the concurrence of a majority of the members of the water Association voting at a duly constituted meeting called for the purposes of considering such a sale or acquisition.

ARTICLE TAMPERING

Any member of Westside Water Association found tampering with any of the Association's property or taking water illegally will be fined \$100.00 and water services will be disconnected. Such member can be reconnected only after payment of fine and payment of any other expenses.

ARTICLE XI AMENDMENTS

These Bylaws may be amended at any time by a two-thirds (2/3) majority vote of the members present in person, or by a proxy signed by a member, at any special meeting of the members duly called for that purpose.

ARTICLE XII
DISSOLUTION

In the event the Association is merged with a municipal or other water system and ceases to exist, any monies left after payment of all obligations of the Association shall be divided equally among all members in good standing.