

**CAMALOCH ASSOCIATION, INC.**  
**UPDATED BY-LAWS**  
**(2021)**  
**Updated 9/22/21**

**ARTICLE I - PURPOSES**

SECTION 1: The Corporation shall be conducted as a non-profit social and maintenance organization for the purposes set forth in the Articles of Incorporation and for the area of Island County, Washington described in Article II of the aforesaid Articles of Incorporation.

SECTION 2: The purposes for which this organization has been created may be altered, modified, enlarged or diminished by the vote of two-thirds of the members, at an annual meeting, or at any special meeting duly called for that purpose.

**ARTICLE II - MEMBERSHIP**

SECTION 1: The membership of the corporation shall consist of and be limited to the owners or purchasers of lots within any of the divisions of the Plat of Camaloch, situated in Island County, Washington. The privileges and facilities of the corporation will be extended to the majority owner with a single family per lot, consisting of not more than two persons living together full time as a couple and maintaining a single long term housekeeping unit, plus dependent relatives. Dependent relatives are those under the age of 21 or those claimed on the owner's tax return as dependents who reside with the owner full time. The privileges and facilities of the corporation are solely for the benefit of the declared majority owner of the lot, they are an inseparable package that cannot be sold or otherwise transferred apart from the package by its owner, provided, however, nothing within this Section shall be construed to prohibit the Association from renting its corporate facilities to non-members.

SECTION 2: Membership shall be inseparably appurtenant (belonging) to the lots owned or being purchased by the members, and upon the transfer of ownership, the membership appurtenant (belonging) thereto shall be deemed to be transferred to the new owner. No membership may be conveyed or transferred in any way "inter vivo" (between living persons). In the event of the death of a member, the membership shall pass in the same manner and to the same persons, as does the real property itself.

SECTION 3: No membership shall be forfeited, nor any member be expelled. No member may withdraw except upon the transfer of title to the lot to which his membership is appurtenant (belonging). No compensation shall be paid by the corporation upon any transfer of membership and no member whose membership is transferred shall be entitled to share or participate in any of the property or assets of the corporation.

## **ARTICLE III - MEETINGS**

SECTION 1: Annual meetings of the corporation shall be held at the principal place of business of the corporation, or at such place as the Board of trustees may elect, on the third Sunday in September of each year at 2 PM. The Secretary shall deliver notice thereof not less than 20 days before such meeting by one of the following methods:

(a) Hand-delivery to the mailing address of the owner or other address designated in writing by the owner;

(b) Prepaid first-class United States mail to the mailing address of the owner or to any other mailing address designated in writing by the owner; or

(c) Electronic transmission to an address, location, or system designated in writing by the owner.

Notice to owners by an electronic transmission complies with this section only with respect to those owners who have delivered to the secretary or other officers specified in the bylaws a written record consenting to receive electronically transmitted notices. An owner who has consented to receipt of electronically transmitted notices may revoke the consent at any time by delivering a written record of the revocation to the secretary or other officer specified in the bylaws. Consent is deemed revoked if the secretary or other officer specified in the bylaws is unable to electronically transmit two consecutive notices given in accordance with the consent.

The notice of any meeting shall state the time and place of the meeting and the business to be placed on the agenda by the board of trustees for a vote by the owners, including the general nature of any proposed amendment to the articles of incorporation, bylaws, 30-year funding plan, any budget changes in the previously approved budget that result in a change in assessment obligation and any proposal to remove a trustee. At such meetings, or by proxy, the members shall elect Trustees as herein provided and transact such other business as may properly come before them.

SECTION 2: Special meetings of the members of the corporation may be called at any time by the President or a majority of the Board of Trustees, or by the Secretary upon receipt of written request therefore signed by members owning at least 10% of the lots within the jurisdiction of the corporation. Notice of a special meeting, stating the purposes thereof, shall be given by the Secretary to all members in the same manner as notice is given for the annual meeting, except that it shall be mailed at least 20 days prior to the date of the meeting.

SECTION 3: A majority vote of a quorum shall be considered sufficient for deciding matters of interest to the membership unless a greater number of votes are required by law, the Articles of Incorporation, or these By-laws with respect to some specified action. In absence of a quorum, any meeting of the members may be adjourned from time to time by a vote of a majority of those present, but no other business may be transacted. Members present at any such duly-called meeting at which a quorum is originally present may continue to do business notwithstanding the withdrawal of members to the extent that less than a quorum may thereafter be present. Proxies will be allowed for the purpose of conducting any business appropriate to a member's meeting.

SECTION 3.1 Quorum: At all annual meetings of the corporation, 60% of the average number of members voting in person or by proxy at the last three annual meetings shall constitute a quorum. A majority vote of the quorum shall be sufficient for the purpose of conducting business.

SECTION 3.2 At least 40 days before the annual meeting, the Board of Trustees shall promulgate a proposed 12-month budget (“Operating Budget”) for the following fiscal year and a 30-year funding plan for maintenance, repair, or replacement of Corporation reserve components as specified in RCW 64.38.025. Said budget and funding plan shall be delivered to each member along with the notice of annual meeting. Unless at that meeting the owners of a majority of votes in the Association REJECT the budget, in person or by proxy, as specified in RCW 64.38.025, the budget is deemed ratified whether or not a quorum is present. In the event the proposed Operating budget and 30-year funding plan is rejected, or the required notice not given, the periodic budget last ratified by the members shall be continued until such time as the members ratify a subsequent budget proposed by the Board of Trustees.

SECTION 3.3 At least annually the Association shall prepare, or cause to be prepared, a financial statement of the Association. This shall be audited annually by an independent certified public accountant; provided, however, that this audit may be waived if sixty-seven percent (67%) of the votes cast by members, in person or by proxy, at the annual meeting of the Association, vote for that year to waive the audit, as per RCW 64.38.045.

SECTION 3.4 Members shall have the right to vote by proxy at each annual or special meeting of the members. Proxies may either appoint another member to vote in his or her discretion, or to appoint the Secretary to cast votes as specifically directed by the member. Each notice of meeting shall provide an appropriate form of proxy. No proxy shall be valid for more than one meeting.

SECTION 4: All members shall be entitled to cast one vote for each lot owned. For the purpose of voting, when more than one person owns an interest in any lot; all such persons shall be members. The vote of such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot.

SECTION 5: All meetings of the Camaloch Board of Trustees shall be announced. Board meetings must be open to all members of the Camaloch Association. The only exceptions to this open door policy shall be in the case of individual personnel problems or in the consideration of matters of litigation, or otherwise as provided by RCW 64.38.035 (2).

## **ARTICLE IV - TRUSTEES**

SECTION 1: The corporate powers of this corporation shall be vested in and exercised by or under the authority of a Board of Trustees. The number of Trustees who shall manage the affairs of the corporation shall be nine.

SECTION 2: The Trustees elected by the members at an annual meeting shall be elected for terms of three years. Each Trustee shall serve until a successor is duly elected and qualifies to replace that Trustee whose term has expired. Each Trustee shall be a member in good standing. No more than one Trustee position shall be held at one time with respect to one lot.

SECTION 3: In the event a Trustee can no longer qualify as an owner or purchaser of a lot and ceases to be a member, or is not a member in good standing because of non-payment of dues or

otherwise, he/she shall thereupon also automatically cease to be a Trustee and the office shall become vacant without the necessity of any action by the Board, which shall announce the fact upon the minutes of its next meeting. Any vacancy occurring in the Board of Trustees shall be filled by appointment by a majority vote of the remaining Trustees. A Trustee appointed to fill a vacancy shall hold office until the next annual meeting of the members, at which time the general membership shall elect a Trustee to fill the unexpired balance of the term, if any.

SECTION 4: The Board of Trustees shall meet at least once a month during the months of February, March, April, May, June, July, August, September and October and within 30 days following the annual meeting of the members. Special meetings of the Board may be called at any time by the President, or a majority of the Board. The Secretary shall give each Trustee notice personally, verbally or by mail or telephone or email of all regular and special meetings sufficient to enable such Trustee to attend, and in any case at least one day in advance. A written waiver of notice signed by the Trustee, whether before or after the time fixed in the required notice, or the presence of the Trustee at the meeting without formal objection on the ground of want of notice, shall be deemed the equivalent of the required notice for all purposes.

SECTION 5: Any and all expenditures that have not been included in the current budget or cannot be accommodated by the current income will be submitted, by the Board of Trustees, to the members of Camaloch Association for approval by a simple majority of votes cast. The budget shall not include addendums listing unfunded special projects or capital improvements. The Board of Trustees shall not borrow money of any amount without membership approval, except in cases of an emergency. The determination by the Board as to whether an emergency exists shall be conclusive. This Article is not intended to limit the Board from its normal operation, but to limit it from making major improvements without approval of the Camaloch Association members. Approval of expenditures shall be as covered by the By-laws.

SECTION 6: The members by a majority vote of the voting power in the Association present, in person or by proxy, and entitled to vote at any meeting of the owners at which a quorum is present, may remove any member of the Board of Trustees with or without cause, provided that the Notice of Meeting gave notice of the proposal to remove that Trustee.

## **ARTICLE V - POWERS AND DUTIES OF TRUSTEES**

SECTION 1: Subject to any limitation in the Articles of Incorporation and these By-laws and the laws of the State of Washington, all the business and affairs of the corporation shall be controlled by the Board of Trustees. Without prejudice to such general powers, and subject to the sale limitations, it is hereby expressly agreed that the Trustees shall have the following powers and duties.

SECTION 2: To elect and remove all officers, hire and remove all agents and employees of the corporation, prescribe such powers and duties for them as may be consistent with the laws of Washington, the Articles of Incorporation and these By-laws and fix their compensation, if any.

SECTION 3: 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 the members, showing in detail the condition of the affairs of the corporation.

SECTION 4: To promulgate and propose a 12 month balanced budget such as to accomplish the stated purposes of the Corporation.

SECTION 5: Appoint an Architectural Control Committee of not less than three nor more than five members, for the purpose of carrying out and enforcing the Building and Use Restrictions affecting said property. All members of the committee shall be members in good standing of the corporation. This shall be a standing committee of which a majority shall constitute a quorum.

SECTION 6: To do whatever may be necessary and proper for the enforcement of the provisions of the Building and Use Restrictions above described.

SECTION 7: Members of the Board of Trustees shall receive no compensation for their services of Trusteeship to the corporation, but shall be reimbursed by it for such reasonable expenses as they may necessarily incur in the pursuance of the Trustee-related business of the corporation. Trustees may not be hired or retained by the Association to perform skilled or casual labor jobs for said Association.

SECTION 8: The Trustees shall have the right at all times, but shall not be under obligation, to enter upon all lots, tracts or parcels of platted divisions of Camaloch to care for, cut the grass upon, and destroy or remove weeds and rubbish from any such lot if the owner thereof shall not have corrected any such condition after reasonable notice, for the purpose of maintaining an attractive overall appearance for said property; and to charge the owner of said lot the actual cost, plus 15% for services rendered in alleviating any such unsightly condition, which charge shall constitute a lien against the property enforceable in the same manner as the foreclosure of a chattel mortgage by notice and sale or, in the alternative, the Trustees shall have the right to either cut off the water or refrain from supplying water to said lot until the charges are paid.

SECTION 9: The Trustees shall conduct the business of Camaloch Association in accordance with established policies and procedures until such policies and procedures have been changed.

## **ARTICLE VI - OFFICERS**

SECTION 1: The Board of Trustees, at its first meeting following the annual meeting of the members each year, shall elect a President, Vice-president, Secretary and Treasurer who shall be Trustees as defined in Article 1V, Section 2 of these By-laws. They shall serve for terms of one year or until their successors are duly-elected and qualified.

SECTION 2: Any officer may be suspended or removed by a majority vote of all the Trustees. Any vacancy occurring in an elective office shall, and any vacancy occurring in an appointive office may, be filled by the Board of Trustees.

SECTION 3: Any officer, other than the President, may occupy two offices concurrently if the Board of Trustees so desires.

## **ARTICLE VII - DUTIES OF OFFICERS**

SECTION 1: The President shall act as Chairman at all meetings of the members and preside at all meetings of the Board of Trustees. He/she shall sign as President all contracts or instruments for the Corporation, and perform such other duties as may be required of him/her by the Board of Trustees.

SECTION 2: The Vice-president shall preside at all meetings in case of the absence or disability of the President, assuming all duties of the President during such periods of absence or disability, and shall perform such other duties as the Board of Trustees may require.

SECTION 3: The Secretary shall issue all notices and shall attend and keep the minutes of all meetings of the members and of the Board. He/she shall have charge of all corporate books, records and papers, and the corporate seal. He/she shall attest with their signature and impress with the corporate seal all instruments executed for the corporation. He/she shall perform all such other duties as are incidental to their office or as may be required by the Board of Trustees.

Section 4: The Treasurer shall collect, safeguard, disburse and make periodic reports of all funds, to include securities and liquid assets of the corporation, collected in the name of the Association. The disbursement of the corporation funds will be made only under the direction of the Board of Trustees on checks signed by at least one officer of the corporation and one other board member He/she shall keep full and accurate books of account and shall make such reports of the finances and transactions of the corporation as may be required by the Board of Trustees, and shall prepare and present to the annual meeting of the members a full statement showing in detail the financial condition of the affairs of the corporation. He/she shall perform all such other duties as outlined in a job description approved and required of him/her by the Board of Trustees.

SECTION 5: All officers or other persons authorized to handle or disburse the funds of the corporation shall be bonded, at the expense of the corporation, in such amounts as the Board shall determine to be adequate for the protection of the corporation.

## **ARTICLE VIII - DUES**

SECTION 1: For the purpose of financing the business of the Corporation, annual dues shall be assessed by the Association and paid by all members on a per-lot basis. Dues increases and special assessments sufficient to finance the affairs of the Corporation will be proposed based on the 30-year funding plan. The levying of special or separate charges to particular interest groups such as trail fees for golf cart owners, swimmers for use of the pools, etc., will be expressly prohibited. The

amount of the annual dues shall be established by the proposed funding plan budget and disclosed along with the proposed budget.

SECTION 2: The Treasurer shall cause a statement of annual dues to be mailed, either electronically or via USPS, to each member at the address shown on the corporate records not later than December 10th of the year preceding the year to which the dues apply. A member shall have the right to elect to pay their annual dues not less than monthly, which payments shall be due not later than the first day of each month. If any annual dues payment is not paid by the 10th day of the month then due, a late charge of 10% of the delinquent payment amount shall be added to a member's account balance, and be immediately payable. After the 10th day of the month due, any unpaid dues amounts shall be considered delinquent and shall accrue interest at the highest legal rate of interest allowed for such obligations in the State of Washington. Notice of Supplemental dues that are payable the 1st of any other month, must be mailed by the 10th of the month preceding the due date. Delinquent dues, with penalty and interest, shall automatically constitute a lien on the lot to which they apply, and shall further constitute a personal obligation of the member owning the lot at the time of such delinquency. Collection of delinquent accounts shall follow the procedure specified in Section 4 below.

SECTION 3: At an annual meeting of the membership, or a special meeting called for that purpose, the Board shall propose an Operating Budget for the following fiscal year and a 30-year funding plan, which may entail an increase in dues or include a special assessment. The Operating Budget and 30-year funding plan shall be voted on by the members pursuant to Article III, Section 3.2 above. Any special assessment must be levied against all lots equally. Delinquent special assessments shall bear the interest at the highest legal rate of interest allowable for such obligations in the State of Washington, and shall constitute a lien against the lot to which they apply; they shall further constitute a personal obligation of the member owning the lot at the time of such delinquency. Collection of delinquent accounts shall follow the procedure specified in Section 4 below.

SECTION 4: Delinquent annual dues and special assessments may be collected by the Association in any or all of the following methods:

- a) Lien: All such delinquencies shall constitute a lien upon the lot to which they apply, and the Association shall file notice of said lien in the office of the Island County Auditor within 120 days after the delinquency accrues. Upon payment in full of the account, plus accrued interest and the costs incurred by the Association in filing and releasing the lien, a release of the lien shall be filed by the Association. If litigation is required to foreclose a lien, the lot owner shall be liable for all costs; disbursements and reasonable attorney's fees incurred by the Association, and the total of the same shall be included in the lien amount. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. All monies owed to the Association must be paid prior to the sale or through escrow upon the transfer of any lot. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.
- b) Personal Obligation: In addition to being a lien against the subject property, delinquent accounts, plus accrued interest, costs, disbursements and reasonable attorney's fees, shall also be a personal obligation of the persons owning the lot at the time of the delinquency. The Association may pursue collection efforts through lien foreclosure or by obtaining a personal judgment against the lot owners, or both.

c) Suspension of Privileges: Membership privileges including, but not limited to, use of Association facilities, Water service and voting rights, may be suspended when a member is not in good standing by being delinquent on dues or assessments.

## **ARTICLE IX - MISCELLANEOUS**

SECTION 1: Corporate Seal: The corporate seal shall be in the form and manner as impressed on the margin hereof.

SECTION 2: Gate transmitters are owned by the Association, and Lot Owners may lease a transmitter upon entering into a written agreement with the Association, and paying a deposit amount as set by the Board of Trustees.

SECTION 3: Fiscal Year: The fiscal year of this corporation shall end on December 31 in each year.

SECTION 4: Amendments: Unless provided for elsewhere in these By-laws, these By-laws may be amended only by the members of the corporation at an annual or special meeting of the corporation duly-called for that purpose. Any bylaw change recommendation must be reviewed by legal counsel prior to submission to membership for a vote.

1) Individuals may submit recommendations for changes to the By-laws. These recommendations will be reviewed by the Board of Trustees and voted on as to whether or not to submit them to the membership for approval or disapproval at an annual or a special meeting of the corporation duly called for that purpose.

2) Individuals may submit recommendations for changes to the By-laws by obtaining the signature of 10% (owners of 47 lots) of the membership (in good standing) supporting the recommendation. The Board of Trustees shall submit such a request to the membership for approval or disapproval at an annual or a special meeting of the corporation duly called for that purpose.

SECTION 5: Indemnification: To the full extent permitted by the Washington Non-Profit Corporation Act, the Association shall indemnify any person who was or is a party or is threatened to be made a party to any civil, criminal, administrative or investigative action, suit or court proceeding (whether brought by or in the right of the corporation, or otherwise) by reason of the fact that he/she is or was a director, trustee, officer, employee, volunteer or agent of this Association, or is or was serving at the request of the Association as a director, trustee, officer, employee, volunteer or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonable incurred by him/her in connection with such action, suit or proceeding, except in relation to matters as to which he/she shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. The Board of Trustees may, at any time, approve indemnification of any other person, which the Association has the power to indemnify under the Washington Non-Profit Corporation Act. The indemnification provided by this section shall not be deemed exclusive of any of the rights to which the person may be entitled under any by-law, agreement or vote of the Board of Trustees or members, or otherwise.



SECTION 6: Administrative Penalties: If any member, or person in a member's family, or guest, agent or employee of a member, or renter of a member's property in Camaloch, knowingly violates any provision of the Building and Use Restrictions of the Plat of Camaloch, or any provision of these By-laws, the Board of Trustees shall be authorized to assess a monetary penalty against said member in the amount of \$10.00 per day for each day that the violation continues. In the case of repeat violators, the Board of Trustees shall additionally be authorized to suspend membership privileges for up to 30 days. Any order of the Board of Trustees assessing a penalty or suspending membership privileges shall be in writing and shall be delivered personally to the member or sent by certified mail. Within ten days after receipt of said order, the member shall have the right to request an appeal hearing before the Board of Trustees. If a member fails to pay a monetary penalty, which has been duly assessed by the Board, it shall be added to the annual dues, owed by the member for his or her lot.

SECTION 7: a.) CORPORATION RESERVE ACCOUNT: A Corporation Reserve Account will be established and shall only be used for maintenance, repair, or replacement of Camaloch Association reserve components. The Corporation Reserve Account shall be funded as follows:

- 1) By deposit of annual dues in the amount of \$100/lot/year or an amount as determined by the approved funding plan.
- 2) By deposit of all rental fees from rental property, restaurant and meeting spaces.
- 3) By deposit of unallocated funds in excess of \$5000 from the previous year's Operations budget.
- 4) By deposit of fees based on the sale price for each lot sold within the plats of Camaloch, together with any previously outstanding assessments, costs, fees or fines due from said lot, regardless if a valid lien exists or not. The fee shall be 0.5% of the home sale price with a minimum of \$1500 paid out of escrow to Camaloch Association. All money derived from this fee shall be put into the Corporation's Reserve Account and shall only be used to repair, restore or replace reserve components (as defined in RCW 64.38.010) in Camaloch Association except through a vote of the membership as described herein. Collection of this fee falls under the same rules outlined in Article VIII-Dues, Section 4.

SECTION 7: b.) Operating Reserve Account: The Association's golf course business is seasonal in nature and revolves around the weather. This operating cash flow reserve is currently set at a minimum of \$50,000.00, which is for the purpose of supplementing an income shortage due to unforeseen circumstances. In the event of a cash flow shortage and it becomes necessary to borrow funds from this account, top priority shall be given to replacement of those funds by cutting non-essential expenditures as necessary until all the borrowed funds have been replaced.

SECTION 7: c.) Any and all Capital Improvements to be funded using the Corporation's Reserve Account will be included as part of the following year's Operating Budget to be voted on by the membership at the Annual Meeting (or at a Special Meeting).

SECTION 8: WATER/Water Service: Each lot owner will receive water service from the Corporation. Each lot owner receiving water service provided by the Corporation shall:

- 1) Receive water only through a water meter provided by the Corporation
- 2) Shall pay the rates, charges and fees established by the Board of Trustees and all assessments adopted in accordance with these by-laws. Each lot owner will be responsible for the protection of their respective water meter against damage, loss, or destruction.

## **ARTICLE X - OPERATING RULES AND REGULATIONS**

For the preservation and management of Association property, and for the health, safety and welfare of all persons occupying or visiting Camaloch, the following operating rules and regulations shall apply, except in cases where they are inconsistent with duly-adopted provisions of the Building and Use Restrictions.

SECTION 1: All motorized vehicles operated within Camaloch shall be licensed to operate on public roads before they can be operated within Camaloch, with exception of golf carts. Any damage or injury caused by the operation of any vehicle shall be the responsibility of the vehicle owner. Registration of golf carts by the property owner is required for operating on the roads of Camaloch.

SECTION 2: Work permits issued by the Association shall be required before any person builds a new structure on any lot, installs or modifies any utility connection, installs or modifies any storm drainage facilities, or transports or operates construction equipment or vehicles on Camaloch roadways.

SECTION 3: Disposal of slash and associated debris for the purpose of construction or clearing of any lot shall be by removal only. Disposal of such slash and debris by method of burning is prohibited. Any violation of this By-law shall be subject to a fine of up to \$2,500.00 per day.

SECTION 4: No lots of Camaloch, Division 1, 2, 3 and 4 shall be accessed by road or trail for vehicular use from any adjoining private property.

SECTION 5: A member shall advise the Association of the identity of any persons renting said member's property in Camaloch within two weeks of the date of occupancy. Members shall be responsible for acts or omissions of their renters which violate any provision of the Building and Use Restrictions of the Plat of Camaloch or any provisions of these By-laws. A renter must sign a minimum 6 month lease with the Member. For clarity, Association Members are not permitted to exchange money or goods for use of their home for less than a 6 month period of time. Short-term rentals and vacation rentals are prohibited.

SECTION 6: Residents of Camaloch shall control their pets so they are not a nuisance to other residents. Should two or more written complaints, from different residents, be received by the Association office, a letter of warning will be sent to the offending resident. Said letter will inform them of the penalties for infractions of these Bylaws per Article IX, Section 6 and that the complaint may be filed with Island County Animal Control per ICC 6.08.130.