

RLCA - RWA Merger Information

January 11, 2024

Dear Lake Community Owners,

As RLCA Directors, we do our best to work for the greater good of the community owners. This letter attempts to describe how this merger happened without our participation.

At the **February 2023** RLCA Board meeting the RWA approached the RLCA with a proposal to merge based on a poll conducted by the RWA board of their membership. In consideration of the RWA request, the RWA sent ballots polling the entire RLCA membership about the merger, in addition to presenting some bylaw changes deemed necessary if the merger were to take place. The membership approved the concept of the merger, they did not approve the proposed bylaw changes.

The current RLCA Board has worked on needed revisions of the merger documents since July. On **November 7, 2023**, at RLCA Board's monthly meeting the Directors passed a motion to share the merger documents with the 136 owners in the RLCA lake community and hold a vote of the lot owners on the details of the merger agreement.

Two days later, on **November 9, 2023**, the RWA board quietly filed merger documents, or caused them to be filed and paid our filing fee with the Secretary of State. The RLCA Board was not aware that the RWA members of the board intended to take this action, and was not notified by the RWA Board that they filed the merger. As noted on **November 7, 2023** the RLCA board intended to delay any action on the merger until all the documents were complete and the bylaws and policies were written, reviewed by the board, and presented to the community. The RLCA Board, if told the merger was filed would have stopped the request to merge. The RWA merging attorney likely knew that Secretary of State's office is a public records agency and does not fact-check documents for accuracy, or the approval of all the parties.

On **November 15, 2023** an email arrived to our RLCA president's inbox thanking him for the merger application. This was the RLCA Board's first notification that the water association board applied for a merger without RLCA Board approval. The RLCA president also received a certificate of merger from the Secretary of State, stating we are now the owners of a dissolved nonprofit corporation formally known as the Reflection Water Association. This unexpected merger came with strings attached: full liability, full responsibility, no management plan, no bylaws, and a huge amount of work.

This sobering move to merge without approval will impact this community and every owner for years to come, and especially the 60 owners that depend on the water system. You can check the information in this letter by going to the RLCA Board minutes for November 7, 2023 posted on our website (reflectionlake.net). Also, you can phone (360-725-0377) Secretary of State's office for Corporations and Charities Division and they are very willing to share public information regarding this merger. They will also tell you that there is no way to appeal or rescind the merger through the Secretary of State. It must be decided by a judge.

This unexpected merger has created a dilemma for the lake board and the community owners. Rescind the merger, implement the merger, the path is unclear and a difficult choice for some.

A majority of the Reflection Lake Community Association Directors approved this letter. Seven of the nine Directors have notarized affidavits stating that they were not aware of the merger filing until notification of approval was sent.


Jim Boothby, RLCA President

UNITED STATES OF AMERICA

The State of Washington


Secretary of State

CERTIFICATE OF MERGER

I, **STEVE R. HOBBS**, Secretary of State of the State of Washington and custodian of its seal, hereby certify that documents meeting statutory requirements have been filed and processed with the Secretary of State merging the below listed "Merging Entity/Entities" into:

REFLECTION LAKE COMMUNITY ASSOCIATION

WA NONPROFIT CORPORATION
UBI: 601 496 905
Effective Date: 11/15/2023
Filing Date: 11/15/2023

Merging Entities:
601 098 836 REFLECTION WATER ASS'N., WA NONPROFIT CORPORATION



Given under my hand and the Seal of the State
of Washington at Olympia, the State Capital



Steve R. Hobbs, Secretary of State
Date Issued: 11/15/2023

ARTICLES OF MERGER

The undersigned, acting as directors of two merging corporations, Reflection Water Ass'n, a Washington Corporation and Reflection Lake Community Association (known as merging corporations), a Washington Corporation, have approved a formal plan of merger of the aforementioned corporations, and hereby adopt the following Articles of Merger for said corporations.

ARTICLE I.

Reflection Water Ass'n, shall merge with Reflection Lake Community Association, as of July 11, 2023.

ARTICLE II.

Reflection Lake Community Association, shall be the surviving corporation and Reflection Water Ass'n, shall be dissolved, on July 11, 2023.

ARTICLE III.

Reflection Lake Community Association, shall continue its current operations and those of the prior Reflection Water Ass'n, after the merger, on July 11, 2023.

ARTICLE IV.

One hundred percent (100%) of the directors of Reflection Water Ass'n approved by unanimous vote, in the respective directors' meeting held on July 11, 2023, the merger, as aforesaid.

not
true

ARTICLE V.

One hundred percent (100%) of the directors of Reflection Lake Community Association approved by unanimous vote in a directors' meeting held on July 11, 2023, the merger, as aforesaid.

not
true

ARTICLE VI.

Title to all real and personal property of both corporations to be held by the surviving corporation.

ARTICLE VII.

All liabilities, existing in the merging corporations, will continue to be held by surviving corporation.



Articles of Merger - 1

REFLECTION LAKE COMMUNITY ASSOCIATION
UBI: 601 496 905 (surviving corporation)

REFLECTION WATER ASS'N
UBI: 601 098 836 (merging corporation)

Merger of the RWA into the RLCA

	RWA Before the Merger	RLCA Before the Merger	Water System Committee After the Merger	RLCA After the Merger
Responsibility for water system	100%	0%	0%	100%
Liability for water system	100%	0%	0%	100%
Sustainability	RWA incorporated in 1980.	RLCA incorporated in 1978	The committee will depend on volunteers.	RLCA Board will make all decisions for the water system.
Management Plan	Article of Incorporation Bylaws Covenants Non-profit certificate Federal Tax ID # Paid system operator	Very little in our covenants about the RWA. 1.8, 1.9. 2.4, 4.2, 2.4.8	Operating Manual for the water system	Rewrite is needed for RLCA Bylaws and Covenants to support the merger.