

POLICY REGARDING PROSPECTIVE MEMBERS WITH PRE-EXISTING LEGAL/CONTRACTUAL RELATIONSHIPS

IRA Policy # 5

Adopted by Islander Residents Association Board of Directors on February 16, 2016

This Policy supplements the Membership and Lease Transfer Approval Policy/IRA Policy #3 and New Member Approval Policy/IRA Policy #4. The terms and definitions set forth in those policies are hereby incorporated by reference, to the extent applicable.

The Board of Directors has determined that residency in Islander Manufactured Home Park (the “Park”) and membership in IRA by a new Member who has a significant pre-existing contractual or legal relationship with IRA¹ could pose a material conflict of interest with respect to such person’s membership in IRA and participation in IRA’s operation of the Park. Similarly, residency in the Park and membership in IRA by someone who has obtained or will obtain funding for purchase of a membership or corresponding mobile home from a person or institution with such a pre-existing contractual or legal relationship would also pose a significant conflict of interest. The Board wishes to address these conflict of interest issues proactively by adopting this policy.

During the Membership and Lease Transfer Approval Process or New Member Approval Process, as applicable in a particular case, the President and Park Manager will seek information regarding whether a prospective Member either (i) has a significant pre-existing contractual or legal relationship with IRA, or (ii) has obtained or is obtaining funding for purchase of the IRA membership and/or corresponding mobile home from a person or institution with a significant pre-existing contractual or legal relationship with IRA. If it is determined that either (i) or (ii) as set forth in the prior sentence is the case, then the prospective Member shall be deemed automatically rejected by the Board, and the President will communicate that decision to the prospective Member. That determination may be made either as part of the initial collection of information about the prospective Member or at any time during the process that such information comes to the attention of the Board.

Authority for Creation of this Policy

This Policy is based upon Article 4 of IRA’s Restated Articles of Incorporation and sections 3.1 and 3.5 of IRA’s Bylaws. Bylaw 13.7 grants IRA’s Board of Directors the authority to pass rules and regulations that the Board, in its sole authority, deems desirable and incorporates such rules and regulations (including this Policy) into IRA’s Bylaws. Chapter 59.20 RCW also grants IRA the authority to adopt rules.

¹ A person who already owns, or has helped another person to fund ownership of, a membership in IRA does not, for the purposes of this Policy have a “significant pre-existing contractual or legal relationship with IRA” simply by way of owning, or helping to fund, an IRA membership.