

BY LAWS  
OF  
DEER LAKE PROPERTY OWNERS ASSOCIATION

Amended by Vote of the Membership on June 21, 2014

ARTICLE I

(Name)

Section 1.1      The name of the association shall be "DEER LAKE PROPERTY OWNERS ASSOCIATION" hereafter referred to and known as "DLPOA".

ARTICLE II

(Purpose)

- Section 2.1      To organize the property owners adjacent to the shores and secondary lot owners, per the zoning ordinances in effect for Deer Lake, Stevens County, Washington.
- Section 2.2      To preserve and protect Deer Lake and its immediate surroundings.
- Section 2.3      To enhance the environmental health of the lake and the overall quality of life of its residents and visitors.
- Section 2.4      To provide a forum by which property owners might access and assist governmental agencies in the planning, maintenance, and delivery of services.
- Section 2.5      To promote and advance a sense of participation, inclusion and community among the Deer Lake owners.

### ARTICLE III

#### (Membership and Dues)

- Section 3.1 Membership shall be defined as anyone who has paid his or her dues to DLPOA.
- Section 3.2 Deer Lake property owners have all privileges associated with membership. Non property owners have all the privileges except holding office and voting.
- Section 3.3 The fiscal year shall be the calendar year January 1st through December 31<sup>st</sup>.
- Section 3.4 Annual dues are due and payable on or before the annual meeting in June of each year.
- Section 3.5 Special assessments may be levied by a vote of the membership at the annual meeting or special meeting, provided a thirty day notice is given.

### ARTICLE IV

#### (Elections)

- Section 4.1 The officers of DLPOA shall be President, Vice-President, Secretary and Treasurer. All members seeking to become an Officer shall be a current member of the Board of Directors. Election of Officers will be by the current Board of Directors subject to ratification by vote of the Membership at the annual meeting. The Board of Directors shall not exceed 16 members including the officers.
- Section 4.2 The Board of Directors shall be ratified annually at the annual meeting by a vote of the membership and shall hold office until their resignation or until they are voted off of the Board by the Board. Removal may occur by majority vote of the Board at any regular or special meeting of the Association duly called, with or without cause. Any Board Member whose removal has been opposed by the Board shall be given an opportunity to be heard at the meeting.
- Section 4.3 Association members interested in becoming a Board member must submit a brief oral or written resume to the Board expressing their interest and outlining any specific experience or qualifications they may have. When an opening on the Board occurs the prospective member will be invited to a Board meeting to be interviewed by the Board and voted on.
- Section 4.4 The Vice-President shall preside over the ratification voting at the annual meeting.

Section 4.5 Vacancies on the Board may be filled at the discretion of the Board and will be ratified at the annual meeting.

## ARTICLE V

### (Meetings and Quorum)

- Section 5.1 Board of Director Meetings shall be held at least once per month in February, March, April, May, June, September, October and November. The President shall have the authority to schedule such additional meetings as deemed necessary as well as cancel any meeting due to inclement weather or other circumstances. Notice of such meetings can be given by any of the following methods: (1) Posting meeting date(s) in the DLPOA Calendar and/or Newsletter; (2) Notation in prior meeting minutes; (3) Delivery by mail in which case notice shall be deemed to have been given upon deposit in the United States mail, postage prepaid, addressed to each Member. (4) Personal delivery. Attendance by any Officer, Board Member or Member at any such meeting shall constitute a waiver of notice of such meeting excepting therefrom attendance for the sole and only purpose of challenging whether proper notice was given in which case said Member must submit to the President immediately after the meeting is called to order a written objection stating the grounds or basis thereof, signed and dated. In the event of such a challenge the Board shall consider and vote upon the validity of such challenge before any other business is carried out by the Board.
- Section 5.2 A quorum shall consist of a simple majority of the Board of Directors. Unexcused absences from three consecutive meetings during their term shall constitute grounds for removal from the Board.
- Section 5.3 Special membership meetings may be called by the President or any 10 Members of the Board. The notice of all regular and special meetings shall be given as provided in Section 5.8 of the By Laws, and shall state the nature of the business to be undertaken. No business shall be transacted at a special meeting except as stated in the notice, unless by consent of the Members holding at least ten percent (10%) of the paid Membership in the Association, either in person or by proxy.
- Section 5.4 The annual membership meeting will be held in June of each year. This meeting will include ratifications, a financial report for the past fiscal year, Committee reports from active committees, nominations of potential Board Members, and open floor discussions.

- Section 5.5 All membership meetings (annual or special) to be valid must have a quorum of 10% of the paid membership present.
- Section 5.6 Each member shall be entitled to one vote.
- Section 5.7 As used in these By Laws, the term "Majority of Members" shall mean those Members representing fifty-one percent (51%) of the quorum participating in said meeting. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the early withdrawal of enough Members to leave less than a quorum.
- Section 5.8: The notice of each annual or special meeting of the Association, stating the purpose thereof as well as the day, hour and place where such meeting is to be held, shall be given to each Member of record by any of the following methods: (1) Posting meeting date(s) in the DLPOA Newsletter; (2) Delivery by mail in which case notice shall be deemed to have been given upon deposit in the United States mail, postage prepaid, addressed to each Member. (3) Personal delivery. Attendance by any Member at any such meeting shall constitute a waiver of notice of such meeting excepting therefrom attendance for the sole and only purpose of challenging whether proper notice was given in which case said Member must submit to the President immediately after the meeting is called to order a written objection stating the grounds or basis thereof, signed and dated. In the event of such a challenge the Members in attendance shall consider and vote upon the validity of such challenge before any other business is carried out by the Members. The notification may set forth time limits for speakers and procedures for the nominations.
- Section 5.9 If any meeting of the Association cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting to a time not less than ten (10) days nor more than thirty (30) days from the time the original meeting was called. Such adjourned meeting may be held without notice thereof as provided in Article V, except that notices shall be given by announcement at the meeting at which such adjournment is taken. If a meeting is adjourned for more than thirty (30) days, notice of the adjourned meeting shall be given as in the case of an original meeting.
- Section 5.10 The order of business at all meetings shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) reading of minutes of preceding meeting; (c) reports of officers; (d) reports of committees; (e) election of Board Members; (f) unfinished business; and (g) new business. Meetings shall be conducted by the Officers of the Association in order of their priority.

- Section 5.11 Any action, which under the provisions of the Washington Non-Profit Corporation Act may be taken at a meeting of the Association, may be taken without a meeting if authorized in writing and signed by all the Members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary. Any action so approved shall have the same effect as though taken at a meeting of the Members.
- Section 5.12 The transactions of any meeting of the Association, either annual or special, however called and noticed, shall be as valid as though transacted at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if either before or after the meeting each of the Members not present in person or by proxy signed a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers consents or approvals shall be filed with the Association records or made party of the minutes of the meeting.
- Section 5.13 Minutes or a similar record of the proceedings of meetings, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.
- Section 5.14 Votes may be cast in person or by proxy. Proxies must be in writing and filed with the Secretary at least twenty-four (24) hours before the appointed time of each meeting. Every proxy shall be revocable at the pleasure of the Member who executed the proxy and shall automatically cease after completion of the meeting of which the proxy was filed, if filed for a particular meeting. In no event shall a proxy be valid after eleven (11) months from the date of execution.
- Section 5.15 Meetings of the Association shall be held at an appointed location at Deer Lake, Washington or such other suitable place as close to the Property as practicable as may be designated by the Board Members.
- Section 5.16 Roberts Rules of Order shall govern the conduct of all formal meetings of DLPOA to include Special, Board, and Annual Association meetings. Questions of protocol shall be referred to the parliamentarian for clarification.

## ARTICLE VI

### (Officer and Director Responsibilities)

- Section 6.1        The President shall:
1. Preside at all regular, annual and special meetings of DLPOA and shall be the chairperson of the Board of Directors.
  2. Prepare the agenda for all meetings.
  3. Be one of the officers authorized to sign DLPOA checks.
  4. Appoint all committee chairpersons.
  5. Have supervision over any printed publication pertaining to DLPOA.
  6. Be one of the two officers to sign any major contracts voted on by the membership.
- Section 6.2        The Vice-President shall:
1. Preside in the absence of the President at any scheduled meetings.
  2. Be one of the officers authorized to sign DLPOA checks.
  3. Become President in the event of a vacancy of that office by anything other than the normal election process.
  4. Be responsible for ratification voting at the annual meeting.
  5. Act as parliamentarian.
- Section 6.3        The Secretary shall:
1. Keep an accurate record of all scheduled meetings.
  2. Keep on file all records of DLPOA meetings including committee reports and the annual fiscal report.
  3. Be one of the officers authorized to sign DLPOA checks.
  4. Provide notice of annual or special meetings in accordance with Section 5.8 of the By Laws.
- Section 6.4        The Treasurer shall:
1. Be the custodian of all funds of DLPOA and shall deposit those funds in a Bank designated by the Board of Directors.
  2. Maintain an itemized account of all receipts and disbursements as specified by the board approved procedures.
  3. Be one of the officers authorized to sign DLPOA checks.
  4. Maintain records on identifying membership in DLPOA in conjunction with the newsletter editor.
  5. Prepare an annual budget for the coming fiscal year with a board approved financial committee.
  6. Provide an annual financial report for the annual meeting and interim year-to-date reports for the board of directors meetings.

7. File all required tax returns and other financial reports and documents as required by law.

Section 6.5

The Board Members shall:

1. Act as chairperson or co-chairperson on committees as directed by the President.
2. Conduct business governing the activities of DLPOA and report on the activities at the annual meeting.
3. Ratify bills for payment, grant obligation authority and assist in the preparation of the annual budget voting at the annual meeting.
4. Approve official forms and logos used by DLPOA.
5. To recruit and help in new board member orientation.
6. Board Members shall not receive any salary or other compensation for their services on the Board, provided however, that nothing herein contained shall be construed to preclude any Board Member from serving the Association in some other capacity and receiving compensation therefore.

#### ARTICLE VII

(Benefits of Members)

Section 7.1

Members of the Deer Lake Property Owners Association shall enjoy the benefits of membership including, but, not limited to participation in the preservation and protection of and its immediate surroundings, enhancement of the environmental health of the lake and the overall quality of life of its residents and visitors, availability of a forum by which members have access to and assist governmental agencies in the planning, maintenance, and delivery of services, and to help promote and advance a sense of participation, inclusion and community among the Deer Lake owners.

#### ARTICLE VIII

(Committees)

Section 8.1

Committees shall be created and maintained as needed and terminated when they are no longer needed.

Section 8.2

Committee chairpersons will maintain a continuity file containing information on points of contact, policies and procedures, goals, and past activities. This file will be passed on to the new chairperson at time of appointment.

- Section 8.3 Chairpersons may prepare an article for each newsletter and a report of activity for the annual membership meeting.
- Section 8.4 Chairpersons are encouraged to enlist the help of other DLPOA members with their duties.
- Section 8.5 For newly formed committees the chairperson may prepare a set of goals and procedures in a file to present to the next board meeting.

#### ARTICLE IX

##### (Conflicting Provisions)

- Section 9.1 In case any of these By Laws conflict with any provision of the laws of the State of Washington, such conflicting By Laws shall be null and void upon final court determination to such effect, but, all other By Laws shall remain in full force and effect. In case of any conflict between the Articles of Incorporation and these By Laws, the Articles shall control.

#### ARTICLE X

##### (Indemnification and Insurance)

- Section 10.1 For the purposes of this Article "agent" means any person who is or was a director, officer, or employee or other agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, or was a director, officer, employee or agent of a corporation which was a predecessor corporation of the Association; "Proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, and "expenses" includes with limitation attorney's fees and costs and any expenses of establishing a right to indemnification under Section 10.3 or paragraph (c) of Section 10.4.
- Section 10.2 The Association shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of this Association to procure a judgment in its favor) by reasons of the fact that person is or was an agent of this Association, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding if all such person acted in good faith in a manner such person reasonably believed to be in or not opposed to the best interests of the Association and , in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such persons was unlawful. The



termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the persons reasonably believed to be in or not opposed to the best interests of the Association or with respect to any criminal proceeding that the person had reasonable cause to believe that the person conduct was unlawful. However, no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the Association in the performance of such persons' duty to the Association, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all circumstances of the case, such person is fairly and reasonably entitle to indemnity for the expenses which such court shall deem proper.

Section 10.3 To the extent that an agent of the Association has been successful on the merits in defense of any proceeding referred to in Section 10.2 or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

Section 10.4 Except as provided in Section 10.3, any indemnification under this Article shall be made by the Association only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Section 10.2, as determined by:

- (a) A majority vote of a quorum consisting of Board Members who are not parties to such proceeding;
- (b) Approval or ratification by the affirmative vote of a Majority of Members entitled to vote represented at a duly held meeting of the Association at which a quorum is present or by the written consent of a Majority of Members entitle to vote. For purposes of determining the required quorum of any meeting of the Association called to approve or ratify indemnification of an agent and the vote or written consent required therefore, an agent who is a Member to be indemnified shall not be entitled to vote thereon;
- (c) The court in which such proceeding is or was pending, upon application made by the Association or the agent or the attorney or other persons rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Association; or
- (d) Independent legal counsel in written opinion, engaged at the direction of a quorum of disinterested Board Members.

- Section 10.5 Expenses incurred in defending any proceeding may be advanced by the Association prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount, if it shall be determined ultimately that the agent is not entitled to be indemnified as authorized in this Article.
- Section 10.6 No indemnification or advance shall be made under this Article, except as provided in Section 10.3 or paragraph © of Section 10.4, in any circumstance where it appears:
- (a) That it would be inconsistent with a provision of the Articles of Incorporation, these Bylaws, a resolution of the Board Members or the Membership or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or
  - (b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.
- This Article shall create a right of indemnification for each agent referred to in this Article, whether or not the proceeding to which the indemnification relates arose in whole or in part prior to adoption of this Article; and in the event of the death of such agent's legal representatives. In addition, to the maximum extent permitted by applicable law, the right of indemnification hereby given shall not be exclusive of or otherwise affect any other rights such agent may have to indemnification, whether by law or under any contract, insurance policy or otherwise.
- Section 10.7 The Association may purchase and maintain insurance on behalf of any agent of the Association against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Association would have the power to indemnify the agent against such liability under the provisions of this Article.

Article XI  
(Miscellaneous)

- Section 11.1 All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed by at least two current DLPOA officers.
- Section 11.2 The Board Members, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or

execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board Members, no officer, agent or employee shall have the power or authority to bind the Association by any contract or engagement or to pledge the Association's credit or to render the Association liable for any purpose or in any amount.

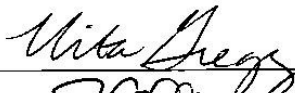
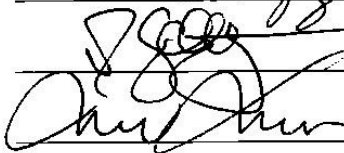
Section 11.3 The Association shall keep in such other place designated by the Board, the original or a copy of these Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members at reasonable times, upon reasonable advance notice to the Association. The books, records and papers of the Association shall at reasonable times, and upon reasonable advance notice, be subject to inspection by any Member. The Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, or such other place designated by the Board, upon reasonable advance notice, where copies may be purchased at reasonable cost.

Section 11.4 The Association shall keep and maintain such other place designated by the Database, a book containing the name and address of each Member.

ARTICLE XII  
(Amendments to the Bylaws)

Section 12.1 These Bylaws may be amended at the annual membership meeting by a two-thirds vote of the members present, provided the amendments have been submitted to the Board Members for review and provided that the amendments have been made available to the members at least 10 days prior to the annual meeting.

We the undersigned, being the Board Members of the Association and the duly elected Secretary of the Association do hereby certify that the foregoing Bylaws were duly adopted as the official Bylaws of the Association in accordance with Article XII hereof on the 21st day of June, 2014.

  
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Michael B Phillips

Mike Egan

Kenneth Ring

Seibner

Ken Sinton

Clude Carl Walk

Cecil A. Rasley

Richard J. Jorries

Ronald L. Johnson

[Signature]

Position Vacant

Position Vacant

Position Vacant

Read and Approved:

Nita Gregg

Nita Gregg

, Secretary