

BY-LAWS
OF
DISCOVERY BAY LEASEHOLDERS ASSOCIATION –
Revised: TBD

PART 1
GENERAL

1.1 Name. The name of the corporation shall be Discovery Bay Leaseholders Association, hereafter "DBLA" or the Association, a Washington nonprofit corporation. Its successors and assigns shall include the Board of Directors, officers and other authorized agents as the context requires.

1.2 Location. DBLA is a gated community located in Jefferson County at 2261 Old Gardiner Road, Sequim, Washington 98382. The entrance is located at 276875 US Highway 101.

1.3 Purpose. DBLA is formed to constitute the council of Co-Leaseholders and to serve as the governing body to preserve the values and amenities in and upon the property for the benefit of the community of leaseholders.

1.4 Reference to Declaration. The words and terms used herein shall be deemed to have the same definitions and meanings as in the Declaration of Covenants, Conditions and Restrictions for the Discovery Bay Leaseholders Association, as amended from time to time (the "Declaration"), as initially recorded on February 29, 1996, under Auditor's File No. 389065.

PART 2
DBLA MEMBERSHIP

2.1 General. DBLA membership consists of all legal Leaseholders of Lots located on the Property. When any Member ceases for any reason to be a Leaseholder, their membership shall automatically terminate. The new Leaseholder shall automatically succeed to such membership in the Association. Members are in good standing when they have no outstanding assessments or fines.

2.2 Voting Rights. Each lease issued by DBLA is granted ONE undivided vote, regardless of the number of members on each lease, provided there are no outstanding assessments or fines assigned to any member on the lease.

2.3 Privileges. Membership confers the use of all common areas in accordance with DBLA rules, and the privilege to serve on committees and attend meetings. Members in good standing are allowed to run for the Board of Directors, hereafter the "BOD."

2.4 Requirements. Membership requires each member to follow all the rules and regulations as set forth in the Association documents as they now exist or may become formulated in the future.

2.5 Books and Records. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for review by any member at the Office of the Association. All books, records, and papers of the Association shall be subject to inspection by any member

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during reasonable business hours. Copies may be purchased by Leaseholders at a reasonable cost for printing. Electronic copies are available at no cost.

2.6 Notice by Electronic Transmission. Notices to members and directors may be transmitted electronically if consent, in the form of a record, is provided. A member or director who provides consent shall designate in the consent the message format accessible to the recipient, and the address, location, or system to which these notices may be electronically transmitted. A member or director who has consented to receipt of electronically transmitted notices may revoke the consent by delivering a revocation in the form of a record to DBLA. The consent of any member or director is revoked if the corporation is unable to electronically transmit two consecutive notices and this inability becomes known to the person responsible for giving the notice. The inadvertent failure by the corporation to treat this inability as a revocation does not invalidate any meeting or further action.

PART 3
DBLA MEMBERSHIP MEETINGS

3.1 Annual Meetings. Annual Meetings of the Members shall be held on the first Saturday in August. The Secretary, at the direction of the BOD, will provide written notice of the Annual Meeting of Leaseholders specifying the place, day and hour of the meeting. Notices will be communicated by mail or by electronic means not less than fourteen (14) days and not more than sixty (60) days before such meeting. Notice will be sent to each lot's leaseholder (s) entitled to vote at such meeting and will be addressed to the leaseholders' contact information last supplied to the Association. In case of an emergency, the BOD may reschedule, with due notification. Any Leaseholder in good standing may submit agenda items to the Secretary of the BOD up to fifteen (15) days prior to the Annual Meeting. The BOD will set the agenda based on items submitted by leaseholders and the needs of the Association. The BOD will preside over the Annual Meeting.

3.2 Special Meetings. Special Meetings of the Members to consider issues of importance and urgency may be called by:

- A. The President,
- B. A majority of the Directors.
- C. At least ten percent (10%) of all members eligible to vote, when they request a Special Meeting in writing.

3.3 Notice of Special Meetings. Notice of Special Meetings of the Members and agenda will be posted in public areas of the park and communicated by electronic means, not less than fourteen (14) days and not more than sixty (60) days before the meeting.

3.3 Quorum. The existence of a quorum at any meeting of the members shall be a minimum of thirty-four percent (34%) of Leaseholders in good standing, including proxies.

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3.4 Proxies. In connection with all annual and special meetings of members, any member in good standing may vote by proxy. All proxies shall be in writing and filed with the Secretary of the BOD prior to the meeting at which the proxy is to be used. All proxies shall be revocable and shall automatically terminate upon conveyance of the member's lot. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy. A General proxy allows the leaseholder to authorize the Secretary of the BOD to vote in favor of the BOD's recommendations. A Limited proxy allows the leaseholder to select another leaseholder or the Secretary to vote each topic in a specific way as designated by the member granting the proxy.

PART 4
MEMBER COMMITTEES

4.1 General. Committees, standing or ad hoc, are established to support the DBLA community and the BOD in accomplishing the work at hand or achieving common goals. Standing Committees may be activated, de-activated, or delegated additional duties by the BOD, based on workload and community need. The BOD may approve committees to engage in fund-raising activities to cover operating costs, projects, products, or services which benefit the DBLA community

4.2 Composition. DBLA Committees are comprised of a Chair, a minimum of two (2) and maximum of twelve (12) volunteer leaseholders, and a BOD liaison. Long term renters may participate on committees identified as "residential." Sign-up sheets for committees shall be posted in the office lounge or other designated area, by the end of April. Volunteers may either sign up on the actual sign-up sheet or by email notice to the Office Staff. Prior to the regular June BOD meeting, the current Chair shall schedule a committee meeting to select or affirm the Chair and committee members. At the June BOD meeting, the BOD will vote on the proposed Chair for each committee and committee members.

4.3 Removals, Vacancies, or Other Changes. A Committee Chair or member may be removed with or without cause by a majority vote by the BOD. In the event of death, resignation or removal of a Committee Chair, the Board Liaison will call for a meeting of the impacted committee to select a new Chair. Changes in Committee Chairs or membership during the year will be identified to the BOD for approval.

4.4 Operating Procedures. Prior to each BOD Meeting, the Chair of each Committee shall prepare a written report and submit it to the Secretary of the BOD. Any procedures adopted by committees shall be submitted to the BOD for approval. Requests for reimbursement of costs to support committee activities must be approved by the Committee Chair and the Board Liaison (or other BOD member). Committee Chairs shall coordinate with the Facilities or Office Managers as needed for scheduling events and activities, and forward information for the Community Calendar.

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4.5 Standing Committees - Leaseholders Only

A. **Architectural/Landscape Review Committee (ALRC).** The ALRC assists the Leaseholder in achieving the desired level of individual lot design, while being consistent with the design concept of DBLA, and those codes required by local, state and federal agencies applicable to the type of building proposed. Upon request, the committee will assist the leaseholders in choosing appropriate plants and ground coverings to meet the requirements of the ALRC Guidelines. ALRC has the authority to approve and/or disapprove any ALRC request

B. Document Review Committee (DRC). The DRC reviews all governing documents to ensure consistency with current laws, procedural changes, and BOD decisions; and forwards proposed changes to the BOD for consideration, and member vote if needed.

C. Finance Committee. The Finance Committee is responsible for working with the DBLA Staff and BOD Treasurer to prepare an annual budget, which shall be submitted to the DBLA members, and the BOD for approval. The Finance Committee will assist the Treasurer and Park Managers with monthly budget reviews, and, where appropriate, make recommendations. The Finance Committee helps the Treasurer and the Park Managers to update the Reserve Study annually, and submits it to the BOD for final approval.

D. Long Range Planning (LRP). The LRP is responsible for the development and updating of the strategic plan. Initial planning begins with a vision, established goals, and specific objectives. Information and data from a wide variety of sources, including but not limited to, the Reserve Study, engineering reports, leaseholder feedback, and governmental rules, regulations, and projects which may impact the Association. The initial process produces a "blueprint" that is filled with specific strategies and tactics designed to meet the stated objectives and is updated annually. Proposals at each stage of the process are submitted to the BOD for consideration and final approval.

E. Website Committee. The Website Committee designs and maintains the website for the Association; identifies and proposes improvements and initiatives to the BOD; and implements approved proposals.

4.6 Standing Committees - Residential

A. **Activities Committee.** The Activities Committee plans and facilitates entertainment and special events for Leaseholders and their guests at the park and elsewhere. The committee also oversees activities for the Annual Weekend, (usually Thursday through Sunday) and arranges for the Annual Dinner, which is usually the Saturday of the Leaseholder Annual Meeting.

B. **Green Team.** The Green Team aids the Association in being environmentally responsible and developing a sustainable future. The Green Team identifies and develops initiatives, such as re-cycling and renewable energy; submits the proposals to the Facilities Manager and/or BOD as appropriate; and implements, or assists with implementation, of approved proposals.

C. **Pet Committee.** The Pet Committee handles ongoing pet issues; settles disputes; facilitates mutual agreement with Lessees involving pet problems; reviews pet rules and makes recommendations to the BOD; and addresses common element amenities in the

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designated pet areas. The Pet Committee seeks to resolve conflicts at the lowest level and elevates unresolved conflicts to the Facilities Manager as appropriate.

D. Safety Committee. The Safety Committee identifies and develops initiatives to improve community safety, including emergency preparedness planning and preparation; provides proposals to the BOD; and implements approved projects and initiatives.

E. Nominations and Elections. The committee's primary function is to implement election procedures as developed by the committee and approved by the BOD. The committee shall develop a timeline, instructions to potential candidates, prepares the ballot for distribution to the leaseholders. Additionally, the committee will ensure security for the collection of ballots, counting, reporting and storing of ballot results after they are certified by the Chair and Secretary of the Association.

PART 5
BOARD OF DIRECTORS

5.1 Number. The affairs of this Association shall be managed by a Board of Five (5) Directors, who shall be Members of the Association. The BOD may continue to conduct the affairs of the Association with up to two (2) vacancies on the Board. In the event three (3) Board positions become vacant, the only authorized action of the remaining members of the Board shall be to select at least one additional member of the Board **from the eligible leaseholders.**

5.2 Eligibility. Members of the **BOD** must be Members of the Association in good standing, without outstanding assessments or fines.

5.3 Election. Members of the BOD shall be elected annually by the membership by secret ballot. If there are more nominees than positions to be filled, the nominees with the most votes will fill the positions. If the election takes place at the annual meeting, results shall be announced at that time. **Current BOD members may remain in office until an election is certified.**

5.4 Terms of Service. Newly elected directors shall take office at the first regular or special meeting of the **BOD** following the election. All directors shall be elected for two (2) years, staggered terms so that no more than three (3) directors shall be elected at any one time unless more than three (3) directors have resigned and/or had their term expire. A director's time on the BOD shall be limited to no more than two (2) consecutive full elected terms, **not including any partial term served by appointment to fill a vacancy prior to election.** Any director who has completed two consecutive full terms shall not be eligible to be elected or appointed to the Board until at least two years after the Board member's last term on the Board has ended.

5.5 Compensation. Directors shall not receive compensation for any service rendered to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of duties when reimbursement has been previously authorized by a vote of the **BOD.**

5.6 BOD Vacancies. A vacancy on the BOD might occur due to death, removal, or resignation.

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The removal of a director from the BOD, with or without cause, shall occur only by a majority vote of the Members of the Association. A director may resign by giving written notice to the President or Secretary of the Board. The resignation shall take effect on the date specified in the resignation. In the event of a vacancy, the Board may appoint a member by selecting an eligible Member of the Association, who shall serve for the remainder of the predecessor's term.

PART 6
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 Powers. The Board of Directors shall have power to:

- A. Adopt, amend, and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the members and their guests thereon;
- B. Suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association; and
- C. Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration.

6.2 Limitations. The foregoing notwithstanding, without prior approval by a majority vote of the members, the BOD shall not have the power to borrow money; or to make and issue notes, stocks, bonds and other negotiable instruments, mortgages, or deeds of trust; or to authorize the expenditure of \$50,000 or more on any single time which is not included in an approved budget, unless an emergency threatening health, safety or immediate damage to property exists.

6.3 Duties. Directors of the Board shall perform duties in good faith and in a manner they believe to be in the best interests of the Association. It shall be the duty of the BOD to:

- A. Ensure that a complete record is maintained of all its acts and corporate affairs;
- B. Supervise all officers, agents and employees of this Association, and ensure that their duties are properly performed;
- C. Establish the dates for regular BOD meetings;
- D. Establish and enforce maintenance dues and assessments as provided in the Declaration;
- E. At the request of the leaseholder, and at a reasonable charge, issue a certificate indicating whether maintenance fees and assessments for their lot have been paid;
- F. Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- G. Ensure that all officers or employees with fiscal responsibilities are bonded, as the BOD may deem appropriate;
- H. Ensure that the Common Areas are maintained in a state of good condition and repair;
- I. Appoint committees and BOD liaison, convey information regarding expectations, procedures, policies, responsibilities, and conduct of those committees; and
- J. Perform or cause to be performed all other obligations of the Association described in the Declaration.

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PART 7
MEETINGS OF DIRECTORS

7.1 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision made by a majority of the directors, present at a duly held meeting at which a quorum is present, shall be regarded as the act of the Board.

7.2 Regular Meetings. Regular meetings of the **BOD** shall be held as established by the Board, at such place and hour as may be fixed from time to time by resolution of the Board. An advance schedule of regular meetings of the BOD shall be published by the Board. A reminder notice and agenda will be posted **a minimum of three (3) days prior to the meeting**. Cancellation or change of date or a regular meeting will be posted at least **three (3) days before the scheduled date**.

7.3 Special Meetings. Special meetings of the BOD shall be held when called by the President of the Association, or by any **three (3) directors**, after not less than **three (3) days** notice to each director.

7.4 Executive Session. All Board Meetings shall be open to members of the Association, except that the **BOD** shall have the right to convene in executive session at any time to consider (i) personnel matters, including but not limited to employment, termination of employment and salaries, or (ii) legal matters, such as consultations with legal counsel, with respect to pending, threatened or contemplated litigation. The proceedings of executive sessions shall be confidential. All Board resolutions shall be adopted in open session. **The Executive Sessions are not open to members.**

7.5 Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting, which they could take at a meeting by obtaining the written approval (**Consent to Action**) of all the directors by electronic means. Any action so approved shall have the same effect as though taken at a meeting of the **BOD**. **All actions must receive a unanimous vote from all directors. When agreement is not secured on a motion the topic shall be added to the agenda of the next regular BOD meeting or members meeting. Any action(s) taken during the consent to action shall be reported at the next regular BOD meeting. The actions taken shall be entered into the Decision Log book of the corporation.**

7.6 Minutes. Minutes shall be kept for all Directors Meetings.

PART 8
OFFICERS AND THEIR DUTIES

8.1 Enumeration of Offices. The officers of the Board of Directors (BOD) shall be a President, a Vice-President, a Secretary, a Treasurer, **a Parliamentary**, and such other officers as the Board may by resolution create. Officers shall at all times be members of the **BOD**.

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8.2 Election of Officers. The election of BOD officers shall take place ~~at the first regular~~ **at a special** meeting of the BOD following the election of new members to the Board.

8.3 Term of Service. The officers of ~~the BOD~~ shall be elected annually by the Board and each shall hold office for one (1) year, unless an officer resigns sooner, **is removed from office**, or otherwise disqualified to serve.

8.4 Special Offices. The Board may elect such other officers **from members of the Board** as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may determine.

8.5 Multiple Offices. **Any two or more offices may be held by the same person, except the offices of President and Secretary.**

8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

8.7 Resignations. **Any officer may resign at any time by giving written notice to the Board, the president or secretary of the BOD. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Acceptance by the BOD of such resignation shall not be necessary to make it effective.**

8.8 Removal. **Any officer may be removed from office with or without cause by a majority vote of the director may continue serving on the BOD for the remainder of the term.**

8.9 Duties. The duties of the officers are as follows:

A. President. **The President of the Board shall:**

- 1) Preside at all meetings of the **BOD** and see that **all** orders and resolutions of the Board are carried out;
- 2) **Post, or cause to be posted,** notice of Special meetings with the meeting agenda, as it is known at that time, **in accordance with Section 2.2 or 6.3 of these Bylaws;**
- 3) **Develop agendas for all regular and special meetings of the BOD by soliciting input from the board members, park management, committee chairs, and leaseholders;**
- 4) **Vote only in the case of a tie vote by the remaining Board members; and**
- 5) **Supervise and serve as liaison to the Park Managers or designate another board member to assume this responsibility.**

B. Vice-President. **The Vice-President shall:**

- 1) **Act in place of the President in the event of the President's absence, inability or refusal to act;**
- 2) **Schedules training and team building workshops for orientation of newly**

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- elected BOD members; and
- 3) Exercise and carry out -such other duties as may be assigned by the Board.

C. Secretary. The Secretary shall:

- 1) Record the votes, and keep and post the minutes of all meetings and proceedings of the Board;
- 2) Maintain the corporate book of records, including the decision log, which provides an annual summary of all BOD decisions;
- 3) Certify all election results; prepare and file the annual report to the Secretary of State;
- 4) Prepare, execute, certify, and record approved amendments to governing documents;
- 5) Post notice and agenda of all BOD and Special Meetings, except those initiated under 2.2 C.;
- 6) If a corporate seal is deemed necessary, keep the corporate seal of the Association and affix it on all papers requiring said seal;
- 7) Keep appropriate current records showing the members of the Association together with their addresses, and
- 8) Shall perform such duties as may be required by the Board.

D Treasurer. The Treasurer shall:

- 1) Monitor the receipt and management of all moneys of the Association and shall monitor the disbursement of funds;
- 2) Ensure the keeping of financial records in accordance with general accounting practices by working with park management and certified public accountant;
- 3) Ensure all bank and broker accounts are reconciled monthly;
- 4) Serve as Chair or Co-Chair of the Finance Committee,
- 5) With the assistance of the Finance Committee, ensure the Reserve Study is completed, and the Reserve Account maintained in accordance with state laws and regulations.
- 6) Cause an annual review of the Association books to be made by a certified public accountant at the completion of each fiscal year;
- 7) Prepare an annual budget and a statement of income and expenditures in relation to the current budget to be presented to the membership at its Annual Meeting, and
- 8) Deliver a copy of the annual financial report to the members within (90) days after the close of the fiscal year.

E. Parliamentarian. The Parliamentarian shall:

- 1) Advise the presiding officer, when requested, on questions of parliamentary law and matters of procedure;
- 2) Assist the presiding officer in conducting an orderly meeting;
- 3) Provide BOD members with training on simple parliamentary procedures: how to state a motion, rules of debate, and quorums; and
- 4) Exercise and carry out -such other duties as may be assigned by the Board.

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F. All officers/directors shall also:

- 1) Act as liaison to committees as assigned;
- 2) Serve as a link between leaseholders and the BOD;
- 3) Assist in meeting duties of the BOD, as assigned.

PART 9
CORPORATE SEAL

9.1 Corporate Seal. A corporate seal may be used on official documents, but shall not be requisite to the validity of any instrument executed by or on the behalf of the Association.

9.2 Design. The corporate seal shall contain either (i) circle having on the circumference thereof "DISCOVERY BAY LEASEHOLDERS ASSOCIATION, WASHINGTON- 1996," and in the center "INCORPORATED", or (ii) a circle containing the words "CORPORATE SEAL", on the circumference thereof.

PART 10
AMENDMENTS

10.1 Passage of Amendments. These Bylaws may be amended, at a regular or special meeting of the leaseholders or by mail-in ballot, by a vote of at least sixty percent (60%) of members who are eligible to vote. Only one vote per lot is allowed. Grammatical errors and or gender bias references may be changed without a vote of the members.

10.2 Precedence. In case of conflict with the provisions of the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

PART 11
MISCELLANEOUS

11.1 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end the last day of December of every year.

11.2 Annual Audit. The financial statements shall be audited annually by an independent certified public accountant, but the audit may be waived if sixty-seven (67) percent of the votes cast by owners, in person or by proxy, at a meeting of the association at which a quorum is present, vote each year to waive the audit.

11.3 Parliamentary Procedure. The BOD will establish basic parliamentary procedures to facilitate the orderly flow of business during meetings.

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CERTIFICATION

This is to certify that the foregoing Bylaws were duly adopted by the Board of Directors of Discovery Bay Leaseholders Association following the Leaseholders' vote on [date to be determined]

[name]
DBLA Board of Directors, Secretary