

Eagle Lake Community Association Bylaws (Updated July 2021)

Article I Name and Location

01.01 The name of this organization is Eagle Lake Community Association. The principal office of the Association is located at The Meeting House, 601 Forest Lane, Olga, Washington 98279.¹ The Association is a non-profit corporation formed under the laws of the State of Washington; officers of the corporation, elected by the Board of Directors (the "Board") conduct and supervise the routine activities of the corporation under the direction and supervision of the Board.

Article II Definitions

02.01 Association and ELCA mean and refer to the Eagle Lake Community Association, its successors, and assignees.

02.02 Eagle Lake on Orcas Island and the Property means the real property described as the Eagle Lake Plat, recorded in Volume 5, Pages 52A, B, C, and D of Plats, San Juan County, State of Washington. These terms may further include land removed from a residual parcel and added to the Property at a time subsequent to the recordation of the Eagle Lake Plat.

02.03 Electronic mail or email mean the exchange of digital messages, from an author to one or more recipients across the Internet. As used in these Bylaws, all electronic mail or email must contain the originator's email address, at least one recipient email address and a message date/time stamp.

02.04 Plat is the recorded document setting forth the location of all parcels, easements, and Common Area of Eagle Lake at Orcas Island and the San Juan County restrictions on development of the Property.

02.05 Common Area means all of the Property, including easements, owned by the Association for the common use and enjoyment of the Owners (§02.08). The Common Area includes all real property contained within the boundaries of the Plat, exclusive of the individual Parcels (§02.11) owned by Association Members (§02.09).

02.06 Common Property is an inclusive term referring to all the real and personal property owned by ELCA.

02.07 Declaration means the Declaration of Restrictions, Covenants and Conditions and Charges, Assessments, and Liens applicable to the Property and filed in the Office of the Auditor, San Juan County. For convenience, the Declaration may also be referred to as the CC&Rs.

02.08 Owner means the recorded owner, whether one or more persons or entities, of fee simple title to any Parcel (§02.11). Owner does not include a party holding an interest in the Property as security for the performance of an obligation.

02.09 Member means the Owner or Owners of a Parcel within the boundaries of Eagle Lake on Orcas Island that is subject by covenants of record to assessment by the Association. Membership commences upon the commencement of ownership of a Parcel and terminates upon the termination of such ownership. For voting purposes, each Parcel has one membership in the Association.

02.10 Member in Good Standing. Every Member, as defined in §02.09 above, whose dues, fees, and assessments for the Parcel owned by the Member are paid in full.

02.11 Parcel means each numbered lot shown on the Eagle Lake Plat recorded as described in §02.02 above. Parcel may also mean numbered lots shown on plats approved and added to Eagle Lake Community from a residual parcel.

02.12 Rules means the ELCA Rules adopted in accordance with these Bylaws (§06.01.B).

¹ Mailing address for bookkeeping and accounting matters is: Cathy Vierthaler, Bookkeeper, Eagle Lake Community Association, PO Box 1420, Eastsound, WA 98245

Article III Voting

03.01 Voting Rights. Members in Good Standing of the Association shall be entitled to cast a single vote for each Parcel owned.

03.02 Multiple-Owner Membership. When more than one person or entity owns a Parcel, the single vote applicable to that Parcel shall be cast according to the vote of the majority of those persons or entities owning the Parcel who are present at a meeting, or the majority of all those owning the Parcel if a signature vote is required. Those owning a Parcel may establish a different method of casting their vote by providing written instructions for casting their vote, signed by all the Owners of that Parcel, to the Secretary of the Association.

03.03 Persons Under Disability. Persons declared legally incompetent and minors, though eligible for membership in the Association if otherwise qualified, shall not be permitted to vote except through a legally appointed, qualified, and acting guardian of the estate of that person voting on the person's behalf or, in the case of a minor with no legal guardian, through a parent having custody of the minor.

03.04 Directors Votes. Each member of the Association's Board of Directors who is a Member in Good Standing shall have one vote with respect to matters considered by the Board.

Article IV Board of Directors

04.01 Number. The business and affairs of the Association shall be managed and administered by a Board of not less than three nor more than nine Directors, the specific number to be set by resolution of the Members.²

04.02 Qualifications. Each Director of ELCA must be an Owner of a Parcel, the membership for which qualifies as a Member in Good Standing.

04.03 Election of Directors. Members of the Board of Directors shall be elected at the Annual Meeting of the Members. At such elections there shall be no cumulative voting.

04.04 Term of Office. Directors shall be elected to serve for three-year terms, which terms shall be staggered so that no more than one-third of the electors shall be elected each year, except for a year in which the number of Directors is enlarged by a vote of the Board or the Members.

04.05 Removal. Any Director may be removed from the Board, with or without cause, by a vote or consent and approval of 51% of the votes that Members in Good Standing of the Association are entitled to cast. In the event of death, resignation, or removal of a Director, his or her successor shall be selected by the remaining members of the Board and shall serve the unexpired term of his or her predecessor. Failure of the membership related to a Parcel owned in whole or in part by a Director to qualify as a Member in Good Standing at any time during a Director's term in office shall automatically constitute a resignation from the Board by that Director.

04.06 Compensation. No Director shall receive compensation for any service rendered the Association. However, every Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

² See Appendix A for list of current members of the Board of Directors.

Article V Meetings

05.01 Application. For the purposes of this Article V, the provisions stated here shall apply to both meetings of the Members and meetings of the Board of Directors unless otherwise specifically stated.

05.02 Location. Meetings may be held at such places within the County of San Juan, State of Washington, as may be designated by the Board. Meetings may also be held via teleconference or videoconference in the event that in-person meetings cannot be safely conducted.

05.03 Annual Meeting of Members. There shall be an Annual Meeting of the Members of the Association held on the final Saturday in July of each year, at a date, time, and place set by the President with the consent of the Board of Directors. The date of the Annual Meeting shall be announced to all Members not later than the end of the preceding March.

05.04 Special Meetings. Special meetings may be called at any time by the President or those entitled to vote 30% of all of the votes at the meetings. The President shall set the time and place of special meetings with the consent of the Board of Directors. Special meetings of Members shall be held neither less than 30 nor more than 60 days after the receipt of the written or electronic mail request for such special meetings. No business shall be transacted at a special meeting except as stated in the notice of the meeting unless consented to by the vote of two-thirds of the votes that those present are entitled to cast either in person or by proxy.

05.05 Notice of Meetings. Notice of each meeting shall be given by or at the direction of the Secretary of the Association or the person authorized to call the meeting by mailing, postage prepaid, or by electronic mail a copy of such notice not less than 30 days before such meeting to each person entitled to vote at the meeting, addressed to the person's street or email address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, date, and hour of the meeting and in the case of a special meeting the purpose of the meeting. Notice of any regular or special meeting may be waived orally, in writing, or by electronic mail, at any time before, at, or after such meeting.

05.06 Quorum. The presence at the convening of a meeting, in person or by proxy, of those entitled to cast one-third of the votes of the Members of the Association, or one-half of the Directors, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If such a quorum shall not be present or represented at any meeting, those entitled to vote at the meeting shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as required by this Section 05.06 shall be present or represented.

05.07 Majority Vote Required. Except as otherwise provided by statute, the Declaration, or these Bylaws, passage of any matter submitted to vote at a meeting of Members or the Board of Directors where a quorum is in attendance at the time the meeting is convened shall require the affirmative vote of more than fifty percent (50%) of the votes entitled to be cast by those present or represented. Every act of a majority of those present at a duly held meeting at which a quorum is present at the time the meeting is convened shall be regarded as an act of the Members or Board of Directors, as applicable.

05.08 Proxies. At all meetings of Members, any Member in Good Standing may vote in person or by proxy. Proxies shall be in writing signed by the Member and filed with the Secretary or transmitted by a Member to the Secretary by electronic mail. Every proxy shall be revocable at any time by the Member giving it. All Owners of a parcel must sign a designation of proxy; but where husband and wife are the Owners, only one spouse need sign the proxy unless the other spouse notifies the Secretary not to accept a proxy without both signatures. Proxies shall not be allowed or voted at a meeting of the Board of Directors.

05.09 Action Without a Meeting. Any action that might be validly adopted or taken at a regular or special meeting of Members may validly be taken and adopted without a meeting by those entitled to vote at the meeting by consent which may be executed in writing or transmitted by electronic mail by those holding 55% of the right to vote at such a meeting. Actions may be taken and adopted by a majority vote of the Board of Directors taken by electronic mail.

Articles VI Duties of the Board of Directors

06.01 Roles, Responsibilities, and Expectations. The Board of Directors shall exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration. Board Member roles, responsibilities and expectations include, but are not limited to, the following:

- a.** Regularly attend board meetings and other ELCA-related meetings (e.g. committee meetings)
- b.** Maintain as confidential, information regarding ELCA for which there is a reasonable expectation of confidentiality (including, but not limited to, member contact information, member financial information, employee information, information that falls under attorney-client privilege, items discussed during executive sessions of meetings of the Board of Directors), and speak for the board only when authorized to do so
- c.** Follow the organization's by-laws, policies, procedures, and board resolutions
- d.** Make a serious commitment to participate actively in committee work, volunteer for and willingly accept assignments, and complete assigned work thoroughly and on time.
- e.** Stay informed about committee matters, prepare for meetings, and review and comment on meeting minutes and reports, including ELCA financial statements, in order to help the Board fulfill its fiduciary responsibility.
- f.** Suggest potential nominees to the Board or committees who can make significant contributions to the work of the board
- g.** Build and maintain collegial working relationships within the Board and the community to enable the Board to best serve the Eagle Lake Community Association.
- h.** Elect officers of the Association and appoint their assistants, as applicable.
- i.** Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction hereof.
- j.** Suspend rights to vote and/or use the facilities of the Association of any Member during any period in which such Member shall fail to be a Member in Good Standing by being in default in the payment of any Association-levied dues, fee, or assessment.
- k.** Suspend rights to vote and/or use the facilities of the Association of any person for a period not to exceed 60 days, after notice and hearing, for infraction of published rules and regulations.

06.02 Vacancies. Declare the officer of a member of the Board of Directors to be vacant in the event such Director shall not participate in three consecutive meetings of the Board of Directors; in the event of a vacancy in any directorship of this Association, the Board of Directors shall elect, from among the Members, a Member in Good Standing to fill the remaining term of the Director who has been removed or resigned from the Board.

06.03 Employ a Property Manager, independent contractors, or such other employees, agents, and representatives as the Board deems necessary, and to prescribe their duties.

06.04 Appoint Committees to fulfill such functions, as it deems appropriate. All committees will have a named Committee Chairperson. Roles, responsibilities, and expectations of a Committee Chairperson include, but are not limited to, the following:

- a.** Ensure that there are sufficient committee members to accomplish the work of the committee. Committee members may or may not be members of the Board of Directors
- b.** Schedule and attend committee meetings, follow specific committee expectations as established by the board, and keep records as required by Board policies
- c.** Ensure that committee members maintain as confidential, information regarding ELCA for which there is a reasonable expectation of confidentiality (including, but not limited to, member contact information, member financial information, employee information, information that falls under attorney-client privilege, items discussed during executive sessions of meetings of the Board of Directors), and speak for the board only when authorized to do so
- d.** Assign work to the committee members, set committee meeting agendas, run committee meetings, ensure that committee members have the information needed to perform their work,

and ensure timely preparation and distribution of committee reports at Board Meetings and Annual Meetings.

e. Report to the Board on committee decisions/recommendations when requested

Note that the Design Review Committee has special requirements outlined in Article IX.

Article VII Officers and Their Duties

07.01 Election of Officers. The officers shall be elected by the Board of Directors at an organizational meeting of the Board immediately following each Annual Meeting of the Members.

07.02 Officers of this Association shall be a President, Vice President, Secretary, and Treasurer, and such other officers as the Board may from time to time by resolution create.

07.03 The President shall:

a. Preside at meetings of the Members and the Board of Directors and serve as Chairman of the Board of Directors.

b. Ensure that orders and resolutions of the Board are carried out.

c. Sign leases, mortgages, deeds, and other written instruments.

d. Designate a Board Member or other ELCA member, as needed, to supervise the employees of the Association.

e. Apply all regulations and policies between meetings of the Board of Directors.

f. Leads the Board in strategic planning, organizational prioritization, determination and documentation of annual goals, and mediation of any governance concerns

g. Appoints the chairpersons of committees, in consultation and with approval of Board members; serve ex officio as a member of committees and attends their meetings when invited or as necessary

h. Evaluates, on an annual basis, the performance of the Board in achieving its goals and objectives

07.04 The Vice President shall act in the place and stead of the President in the event of the President's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required by the Board of Directors. In addition, the Vice President shall participate closely with the President to develop and implement succession plans for Board members and officers, and perform other responsibilities as assigned by the Board.

07.05 The Secretary shall:

a. Maintain a current list of the Members, including their street and email address, and other pertinent information.

b. Maintain a current list of the Directors and their respective terms of office for purposes of compliance with these Bylaws (§0.4.04).

c. Serve notice of meetings of the board and of the Members of the Association.

d. Record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members.

e. Maintain Association documents.

07.06 The Treasurer shall:

a. Receive and deposit all monies of the Association in appropriate bank accounts.

b. Sign all checks and promissory notes of the Association.

c. Maintain proper books of account.

d. Prepare an annual budget and a current balance sheet and statement of income and expenses to be presented to the Members at the Annual Meetings.

e. Deliver copies of the budget and corporate financial documents to the Members at or before the time of the Annual Meeting.

f. Ensure the development and ongoing review of financial policies and procedures

g. Working with the Board, strategically manage the finances of the ELCA through the development of a long-range budget of at least five (5) years and maintenance of adequate reserves that anticipate significant future expenditures.

07.07 Term. Elected annually, each officer of this Association shall hold office for one year and until his or her successor is elected and qualifies, or until the officer resigns, is removed, or otherwise becomes disqualified to serve.

07.08 Special Appointments. The Board may appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period of up to one year, have such authority, and perform such duties as the Board may from time to time determine.

07.09 Resignations and Removal. The Board may remove any officer from office with or without cause by a two-thirds vote of the Board of Directors. Any officer may resign at any time by giving written notice thereof to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

07.10 Vacancies. A vacancy in an office shall 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.

Article VIII

Indemnification of Directors and Officers

08.01 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a director, officer, employee, or agent of this Association, including with respect to employee benefit plans, shall be indemnified and held harmless by the Association to the full extent authorized by the Washington Nonprofit Corporation Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Association to provide broader indemnification rights than said law permitted the Association to provide prior to such amendment) or by other applicable law as then in effect.

08.02 Indemnification shall be against all expense, liability, and loss (including attorneys' fees, judgments, fines, ERISA taxes or penalties, and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith. Such indemnification shall continue as to a person who has ceased to be a director, officer, employee, or agent, and shall inure to the benefit of that person's heirs, executors, and administrators; provided, however, that the Association shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Association.

08.03 Contract Right. The right to indemnification conferred in this Article 8 shall be a contract right. It includes the right to be paid by the Association the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that if the Washington Nonprofit Act requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Article or otherwise.

08.04 Right of Claimant to Bring Suit. If a claim under Section 08.01 of this Article is not paid in full by the Association within 60 days after a written claim has been received by the Association – except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be 20 days – the claimant may at any time thereafter bring suit against the Association to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to also be paid the expense of prosecuting such claim.

08.05 Defense. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding, in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Association) that the claimant has not met the standards of conduct that make it permissible under the Washington Nonprofit Corporation Act for the Association to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Association.

08.06 Failures. Neither the failure of the Association (including its Board of Directors, independent legal counsel, or its Members) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances set forth in the Washington Nonprofit Corporation Act, nor an actual determination by the Association (including its Board of Directors, independent legal counsel, or its Members) that the claimant has not met such applicable standard of conduct shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

08.07 Nonexclusive Rights. The right to indemnification and payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right that any person may have or hereafter acquire under any statute, provision or the Articles of Incorporation, Bylaws, agreement, vote of Members, Directors, or otherwise.

Article IX

Design Review Committee

09.01 Organization and Purpose. There shall be a Design Committee organized as follows:

a. The Design Review Committee (DRC) shall consist of at least three members. Each DRC member shall hold office until he or she resigns, is removed, or his or her successor has been appointed. No member of the DRC shall be required to be an Owner or a Member of the Association.

b. Each DRC member shall serve at the pleasure of the Board of Directors. The Board of Directors shall appoint and remove (with or without cause) the members of the Design Review Committee.

09.02 Duties. The DRC shall consider and act upon proposals or plans submitted to it and shall perform such other duties as may be provided in the Declaration and as are otherwise appropriate. The vote or written consent, including votes or consents transmitted by electronic mail, of a majority of the DRC's members shall constitute an action by the Design Review Committee. The DRC shall keep and maintain a record of all actions taken by the Committee at meetings or otherwise. The DRC's completed review records shall be stored in the Community Association Office.

09.03 Compensation and Expenses. Unless authorized by the Board of Directors, the members of the Design Committee shall not receive any compensation for services rendered, but will be reimbursed for all reasonable expenses incurred in performance of their duties.

09.04 Design Rules. Determinations by the DRC shall be governed by and subject to the terms of the Design Guidelines prepared and promulgated by the Association. Amendments to and modifications of the Design Guidelines require approval of the Board of Directors. Amendments shall not conflict with any provision of the Declaration and shall not be effective until the Board of Directors provides them in writing to all Owners 15 days prior to the final consideration of such changes by the Board.

09.05 Non-Waiver. Design Review Committee approval of any plans, drawings, or specifications shall not be a waiver of the right to withhold approval of any similar plan, drawing specification, or matter subsequently submitted for approval.

09.06 Estoppel Certificates. Within thirty (30) days after written demand is delivered to the DRC by any Parcel Owner, and after payment to the Association of a reasonable fee fixed by the Association, the DRC shall prepare a letter executed by a majority of its members certifying, as of the date of the certificate, that all improvements and other work done on the Parcel of the Owner either comply or do not comply with the Design Guidelines. If the improvements or work do not comply, the Certificate shall be set forth with particularity the reason(s) for non-compliance. Any

purchaser from the Parcel Owner or mortgagee or holder of any other encumbrance shall be entitled to rely on the certificate, and the certificate shall be conclusive as between the Association, Owner, purchaser, mortgagee, or other encumbrancer.

09.07 Liability. Neither the Design Committee nor any member shall be liable to the Association or to any Owner for any damage, loss, or prejudice due to approval or failure to approve any matters submitted to the DRC; provided that the members of the DRC acted in good faith in light of the actual knowledge possessed by them at the time of consideration by the DRC.

Article X

Books and Records

10.01 Maintenance. The Association shall keep at its principal or registered office, or in the case of financial records, the office of the corporate bookkeeper or accountant:

- a. Copies of its current Articles of Incorporation and Bylaws.
- b. Correct and adequate records of accounts and finances.
- c. Minutes of the proceedings of the Members and Board.
- d. Minutes that may be maintained by committees of the Association.
- e. Records of the name and address of each Member and Director, and the name, post office, and email address of each Member, Director and Officer. Such other records as may be necessary or advisable.

10.02 Inspection. All books and records of the Corporation shall be open at any reasonable time to inspection by any Member.

Article XI Amendments

11.01 Proposal and Voting Procedures. These Bylaws may be amended by a two-thirds vote of the Members present and voting at any regular or special meeting of Members, provided: a quorum is present at the time the vote is taken and either (i) the proposed amendments are stated in full in the notice of the meeting at which action is to be taken thereon or (ii) an announcement of the proposed amendments is given to each Member and the proposed bylaws are made available to the Members at the time that notice of the meeting is disseminated.

11.02 Changes to Proposed Amendments. When proposed amendments are properly before any meeting for consideration, they may, before final action is taken thereon, be changed by a majority vote, provided the change is germane to the subject of the amendment(s) under consideration.

11.03 Effective Dates. Amendments to these Bylaws shall become effective when adopted by the Members. Notice of such adoption shall be duly issued and circulated to all of the Members immediately thereafter.

Article XII

Miscellaneous

12.01 Fiscal Year. The fiscal year of the Association shall begin on the first day of August and end on the last day of July of each year.

12.02 Conduct of Meetings. Parliamentary order and procedure questions shall be decided in accordance with the Modern Rules of Order published by the Pennsylvania Bar Institute, latest edition.

Adopted by the Members

31 July 2021

Appendix A
Board of Directors and Property Managers

Eagle Lake Board of Directors – August 2022-August 2023

Term Expires 2023:

Nancy Wells, President

Ron Rosenberg - Vice President

Jim McIntire

Term Expires 2024:

Jon Miksch

Term Expires 2025:

Will Miller, Secretary

Ian Goepferd, Treasurer

Britt Mullen

Steve Groath