

**BYLAWS
OF
MOUNT DALLAS ASSOCIATION**

ARTICLE I. GOVERNANCE

Section 1. A Board of Directors elected by Parcel Owners shall govern the corporation.

ARTICLE II. PURPOSE AND AUTHORITY OF THE ASSOCIATION

Section 1. Purpose. The primary function of the Mount Dallas association shall be to manage and maintain the Mount Dallas Road (hereafter the Road) on behalf of Parcel Owners whose Parcels are, or may be, accessed in whole or part via use of a series of private road easements referred to as the Mount Dallas Road (hereafter, the Road) in the records of San Juan County, State of Washington.

Section 2. Authority. In addition to the powers enumerated by RCW Ch. 24.03 and 501(c) (4) of the Internal Revenue Code consistent with carrying out the above stated purpose, the specific limited authority and powers of the Association to manage and maintain the Road are defined over all Parcel Owners rights and interests in the Road according to the *Amended and Restated Final Order (Mount Dallas road) filed June 30, 2020 in the Superior Court of Washington State for San Juan County, San Juan County, Washington, No. 15-2-05069-0* (hereafter, the *Court Order*, Appendix 1).

Section 3. Non-Discrimination. The Mount Dallas Association is an equal opportunity organization and will not allow discrimination based upon age, ethnicity, ancestry, gender, national origin, disability, race, size, religion, sexual orientation, socioeconomic background, or any other status prohibited by applicable law.

ARTICLE III. ROSTER AND STANDING OF PARCEL OWNERS

Section 1. Roster. The Association shall maintain an up-to-date Roster showing, for each Parcel, the Tax Parcel Number (TPN), the name of the Parcel Owner(s) and assessment payment status. The Roster shall be made available for all Parcel Owners to review prior to any vote of the Parcel Owners being taken.

Section 2. Standing. A Parcel Owner is deemed to be in Good Standing when all assessments and any fees legally due to the Association according to the *Court Order* are paid in full.

ARTICLE IV. VOTING

Section 1. Eligibility to Vote. Only Parcels in Good Standing shall carry votes on matters requiring the approval of Parcel Owners including the election of Association Directors and approval of the annual budget(s). Each Parcel in Good Standing shall carry a single vote, regardless of the number of part-owners of said Parcel. A vote cannot be divided. If the owners of a Parcel are unable to agree on how to cast the vote for their Parcel, then the vote for that Parcel shall not be counted.

Section 2. Proxy Votes. Proxy votes shall be accepted on behalf of any Parcel Owner in Good Standing. Proxy Votes shall be counted provided only that a written proxy statement, signed by the Parcel Owner, is presented prior to the formal vote.

Section 3. Method of voting. The Board may direct a vote in person, by hardcopy, email or online vote.

ARTICLE V. MEETINGS OF PARCEL OWNERS

Section 1. Annual Meeting. An annual meeting of Parcel Owners shall be held for the transaction of business as may properly come before the Association including the election of Directors to succeed those whose terms expire. The Board shall designate the time and place of the annual meeting.

Section 2. Special Meetings. Special meetings of Parcel Owners for any purpose or purposes may be called at any time by the President of the Association, or by the Board, for such time and place as the President or the Board may prescribe.

Section 3. Notice of meetings. Notice of meetings shall be delivered to each Parcel Owner by written, e-mailed, published or posted correspondence stating the date, place, and hour of the meeting and in cases of a special meeting, the purpose or purposes for which the meeting is called. If mailed, such notices shall be deemed to be delivered when deposited in the United States mail, addressed to the Parcel Owner at the address as it appears in the records of the MDA, with postage thereon prepaid. Electronic delivery of notices is authorized provided delivery of such notice occurs not later than as above stated.

3.1 Annual or Special Meetings. Notice for the annual or special meetings shall be delivered not less than fourteen (14) nor more than fifty (50) days prior to the date of the meeting.

3.2 Budget Approval Meetings. Notice for all meetings required for budget approval shall be delivered in accordance with the *Court Order Exhibit F, Process for Approving Operating/Reserve Budgets and Assessments.*

Section 4. Quorum. A quorum of Board members present shall constitute the quorum at any meeting of the Parcel Owners.

ARTICLE VI. BOARD OF DIRECTORS

Section 1. Powers and Qualifications. The affairs of the Association shall be managed by the Board of Directors elected by a majority of Parcel Owners in Good Standing who vote. Only Parcel Owners in Good Standing may be nominated, elected or appointed to serve as Directors.

Section 2. Number. The number of Directors of the Association shall be not less than three (3) nor more than nine (9). The Board, by amendment of these bylaws, may increase or decrease the number of Directors provided no decrease in the number shall have the effect of shortening the term of any incumbent or reducing the number of directors to less than three, the legally required number.

Section 3. Voting Authority. Each board member shall have one and only one vote when dealing with matters brought before the board, regardless of the number of Parcels owned by said board member.

Section 4. Failure to maintain Good Standing. Any Director failing to maintain their status as a Parcel Owner in Good Standing may no longer serve on the Board.

Section 5. Term. Directors shall serve a term of one (1) year, with no limit on successive terms.

Section 6. Executive Committee. The Officers of the Association, as elected by the Board, shall constitute the Association's executive Committee. The executive Committee shall have and exercise by resolution, such authority in the management of the Association as may be specified by the Board.

Section 7. Compensation. The Directors shall not receive compensation for their services, but, by resolution of the Board, sums may be authorized by the Board to reimburse Directors for expenditures incurred in connection with expenses based on donations or the budget approved in accordance with the *Court Order*.

Section 8. Vacancies. The Board shall have the power to fill any vacancy occurring in the Board, except that it shall not replace any Director at the expiration of the Director's term. Any Director appointed to fill a vacancy shall be a Member in Good Standing, and shall be appointed to serve only until the subsequent Annual Meeting.

ARTICLE VII. ELECTION OF THE BOARD

Section 1. Slate of Nominees. The Board shall prepare a slate of nominees prior to each Annual Meeting. Nominations may also be made by Parcel Owner at the Annual Meeting itself, prior to the election.

Section 2. Additional Directors. Additional Directors may be elected, by a majority vote of the Board, to fill vacancies on the Board.

Section 3. Organization of the new Board. Newly elected Directors shall take office and organize themselves and select from their number a President, Vice President, Secretary, and Treasurer as promptly as practicable following the Annual Meeting. At that time, the outgoing Board shall meet with the incoming Board to familiarize the incoming Board with all unfinished business and current issues of the Association, and shall turn over all books and records to the incoming Board.

Section 4. Recall. Directors are subject to recall or removal as provided by Section 24.03.103 of the Revised Code of Washington.

Section 5. Tie vote. In the event of tie votes, the winner shall be determined by lot by the Board.

Article VIII. OFFICERS

Section 1. Officers. The Officers of the Association shall be the President, a Vice President, a Secretary, and a Treasurer, each of whom shall be annually elected by the Board, and shall serve until his successor is elected. Any two or more offices may be held by the same person, except the offices of President and Secretary. In addition to the powers and duties specified below, the Officers shall have such powers and perform such duties as the Board may prescribe. The President, Vice President, Secretary, and Treasurer must be Parcel Owners in Good Standing, must be Directors of the Association and may not serve in their capacities more than three (3) consecutive years without unanimous approval of the directors unless a suitable replacement is not available to serve.

Section 2. President. The President shall be the executive head of the Association and shall exercise the usual executive powers pertaining to the office of President, and shall preside at all meetings of the Board and Parcel Owners.

Section 3. Vice President. In the absence or disability of the President, the Vice President shall act as President.

Section 4. Secretary. It shall be the duty of the Secretary to keep records of the proceedings of the Board and of the Parcel Owners, to administer the Parcel Owner roster, to sign certificates (if any), when not signed by the President, and, when requested by the President so to do, to sign and execute with the President all deeds, bonds, contracts, and other obligations or instruments in the name of the Association, to keep a corporate seal, and to affix the same to certificates and other proper documents.

Section 5. Treasurer. The Treasurer shall have the care and custody of and be responsible for all funds and investments of the Association, and shall cause to be kept regular books of accounts including the Association Balance Sheet and schedule of Income and Expenses. The Treasurer shall cause to be deposited all funds and other valuable effects of the Association in such depositories as may be designated by the Board and may disburse such funds as directed by resolution of the Board. The Treasurer shall prepare an annual budget for routine general maintenance of the Road, an annual reserve budget for periodic resurfacing, and an annual budget for certain administrative expenses to be provided to all Parcel Owners for approval in accordance with provisions of the *Court Order*. At the request of the Board, the Treasurer shall also prepare any special budget or assessment required in accordance with provisions of the *Court Order*. The Treasurer shall invoice all assessments to Parcel Owners for the amounts budgeted provided that such assessments are approved in accordance with the process set forth in the *Court Order, Exhibit F*. In general, the Treasurer shall perform all of the duties incident to the office of the Treasurer. The Treasurer shall have such other powers and duties as be designated from time to time by the Board.

ARTICLE IX. MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Board Meetings. Board meetings shall, except as otherwise specified in these Bylaws, be open to all Parcel Owners. Minutes of all Board meetings shall be kept by the Secretary and made available to all Parcel Owners. An annual meeting of the Board shall be held immediately or as soon thereafter as practical following the Annual Meeting for Parcel Owners. The primary purpose of the annual meeting of the Board is to elect the officers for the coming year.

Section 2. Special Meetings. Special meetings of the Board may be held at any place, at any time and in any manner as and when called by the President, Secretary or any three (3) or more Directors. Special meetings may be held by electronic conference, by e-mail, by facsimile transmission or in person provided a quorum is present and minutes of the meeting are recorded. Special or executive meetings may be called at the discretion of the Board President. Upon the affirmative vote in open meeting to assemble in closed session, the Board may convene in closed executive session to consider personnel matters; consult with legal counsel or consider communications with legal counsel; and discuss likely or pending litigation, matters involving possible violations of the governing documents of the association, and matters involving the possible liability of an owner to the association. The

requirements of this section shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

Section 3. Notice of Meetings. No notice of annual meeting of the Board shall be required. Notice of the time and place of any special meetings of the Board shall be given by the Secretary, or by the person or persons calling the meeting, by mail, email, publication or posting or by personal communication over the telephone or otherwise, at least three (3) days prior to the date on which the meeting is to be held. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where the Director attends a meeting for the purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any meeting of the Board need be specified in the notice of any waiver of notice of such meeting.

Section 4. Quorum. Two (2) members of a Three (3) member Board shall constitute a quorum for the conduct of business. Three (3) members of a Four (4) or Five (5) member board shall constitute a quorum for the conduct of business. Four (4) members of a Six (6) or Seven (7) member Board shall constitute a quorum for the conduct of business. Five (5) members of an Eight (8) or Nine (9) member Board shall constitute and quorum for the conduct of business. The act of the majority of Directors present at a meeting at which a quorum is present shall be the act of the Board. At any meeting of the Board at which a quorum is present, any business may be transacted, and the Board may exercise all of its' powers.

ARTICLE X. ACTIONS OF WRITTEN CONSENT

Section 1. Action without Meeting. Any association action required or permitted by the Articles of Incorporation, or these Bylaws, or by the laws of the State of Washington, to be taken at a meeting of the Directors of the Association may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall be the same force and effect as a unanimous vote, and may be described as such.

ARTICLE XI. ADMINISTRATIVE AND FINANCIAL PROVISIONS

Section 1. Rules of Procedure. The rules of procedure at meetings of the Board of the Association shall be the rules contained in Roberts Rules of Order on Parliamentary Procedure, as amended, so far as applicable and when not inconsistent with these Bylaws, the Articles of Incorporation, or with any resolution of the Board.

Section 2. Conflict of Interest. A Director shall not vote on a matter in which the Director may have a material conflict, such as a direct financial interest. If any such conflict occurs, the director shall immediately disclose the conflict and shall be removed from voting.

Section 3. Committees. The Board may establish or dissolve standing or temporary committees, set committee duties and delegate authority as deem necessary to conduct business and further objectives of the Association. The appointment or disbandment of any committee shall be by resolution adopted by a majority of the Board. The Board shall retain the right to limit the powers and duties of any committee. With Board approval, the President shall appoint committee chairpersons. Committee members shall serve at the discretion of the Board and a committee member may be removed, either with or without cause, by the Board. Committees may adopt such rules for the conduct of business as are appropriate and as are not inconsistent with these bylaws, the articles of incorporation, or state law.

Section 4. Bank Accounts and Financial Reporting. All assessments shall be recorded and accounted for in Association books and records and deposited in accordance with the assessment source – separately for the Main Road and for each Side Road. Assessments collected and designated for a Side Road shall not be applied to any cost or expense of the Main Road. Assessments collected and designated for the Main Road shall not be applied to any cost or expense of a Side Road.

4.1 Bank Accounts. All bank accounts shall have at least two signers: the Treasurer, and the President or the President's designate. The two account signers shall not be related.

4.2 Checks. The Board shall adopt one of the two following practices for authorized expenditures. (1) All checks written by the Association shall carry two signatures: the Treasurer and the President or the President's designate. The two check signers shall not be related or (2) All checks written by the Association shall carry only one signature. In which case, the Board shall designate a Board member, not related to the check signer, to independently and regularly review and reconcile the bank accounts.

Section 5. Assessments Approved by the Court Order. The Treasurer shall prepare and send annual invoices for Association assessments according to the categories and calculation methods set forth in the *Court Order*.

5.1 Receipt and Acknowledgement of Payment. The Association shall, upon request of a Parcel Owner, issue a written receipt acknowledging payment of any assessment, and shall list thereon the Parcel's tax parcel number(s). If no such request is made, Parcel Owner's cancelled check shall serve as the receipt for the assessment.

5.2 Refund of Assessment. In the event that Mount Dallas Road is conveyed to the public, all uncommitted funds held in Association accounts for maintenance of Mount Dallas Road and related expenses shall be reimbursed to Parcel Owners in proportion to the amounts paid to the Association by Parcel Owners

5.3 Delinquent Assessments and Enforcement. Assessments shall be paid by Parcel Owners within thirty (30) days of the date of the corresponding invoices. Any assessment unpaid thirty (30) days after invoicing shall be subject to fees and collection action by the Association. Pursuant to the *Court Order*, any unpaid assessments shall be deemed liquidated as of the due date of said assessment and prejudgment interest shall accrue from that date forward. The Association may pursue any legal or equitable remedies available under the law for collection of assessments and/or for violations of its rules and regulations.

Section 6 Voluntary Contributions. The Board may accept or solicit, on behalf of the Association, voluntary contributions, gifts, bequests, or devises for the general or specific purposes of the Association.

6.1 Invoiced Solicitations. At the Board's direction, the Treasurer shall prepare and send invoices to Parcel Owners soliciting voluntary monetary contributions for Association expenses not approved for Association budgeting by the *Court Order* including, but not limited to, liability insurance for the Road and liability insurance for Association Directors and Officers.

6.2 Notice to Potential Donor(s). It shall be stated in all solicitations or invoices for voluntary contributions that, per the *Court Order*, (i) potential donors are not required to pay said voluntary monetary solicitation, (ii) all said payments shall be considered voluntary contributions and (iii) any said donation to the Association, a 501(c) (4), is not tax deductible (per Section 6113 of the IRS code).

6.3 Separation of Funds. All monetary donations accepted by the Board shall be held in a separate bank account from assessments approved by the *Court Order*.

Section 7. Books and Records. The Association shall maintain current and complete books and records of all accounts and shall keep minutes of its proceedings. Such books and records are the property of the Association. All books and records of the Association may be inspected by any Parcel Owner or his or her agent or attorney at most once per year at a Financial Review Meeting in accordance with the Court Order. A fee may be charged for copies of any documents requested.

Section 8. Fiscal Year/Calendar Year. The calendar and fiscal year for the Association shall commence on the first day of January of each year.

Section 9. Loans Prohibited. No loans shall be made by the Association to any Officer, Director or other Parcel Owner.

Section 10. Policy and Procedures manual. The Board shall maintain a Policy and Procedures Manual.

ARTICLE XII. CONTRACTS, PROCUREMENTS, INSURANCE, AND FUNDS

Section 1. Contracts. The Board may authorize any Officer or agent of the Association to enter into any contract or execute and deliver any instrument in the name of the Association, and such authority may be general or confined to specific instances.

Section 2. Procurements: All Association procurements shall be approved by the Board.

Section 3. Insurance. The Association shall maintain liability insurance coverage in an amount not less than one million dollars (\$1,000,000), and shall maintain liability insurance adequate to protect Directors.

Section 4. Funds. All Association funds shall be deposited without delay to the credit of the Association in such institutions and in such accounts as the Board shall designate.

ARTICLE XIII. ACTIONS OF WRITTEN CONSENT

Section 1. Action without Meeting. Any Association action required or permitted by the Articles of Incorporation or these Bylaws, or by the laws of the State of Washington, to be taken at a meeting of the Parcel Owners or Directors of the Association may be taken without a meeting if a consent in writing or electronically, setting forth the action so taken, shall be signed by all of the Parcel Owners or Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote, and may be described as such.

ARTICLE XIV. WAIVER OF NOTICE

Section 1. Waivers. Whenever any notice is required to be given to any Director of the Association by articles of Incorporation or Bylaws, or by the laws of the State of Washington, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE XV. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Indemnification. Each Director or Officer now or hereafter serving the Association and each person who at the request of on behalf of Association is now serving or hereafter serves as a trustee, director, or officer of any other association or corporation whether for profit or not for profit and his respective heirs, executors and personal representatives shall be indemnified by the Association against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such trustee, director, or officer, except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties; but such indemnification shall not be deemed exclusive in any other rights to which such person may be entitled under any Bylaw, agreement, vote of the Board of Directors, or otherwise.

ARTICLE XVI. CERTIFICATE OF CURRENCY

Section 1. Third Party Notices. The Association shall, upon written request duly made by a Parcel Owner, issue and deliver a Certificate of Good Standing to the owner for further delivery to a Lender, Mortgagee or prospective Owner confirming the owner's currency in the payment of dues, levies and/or assessments.

ARTICLE XVII. AMENDMENT OF BYLAWS

Section 1. Changing the Bylaws. These Bylaws may be supplemented, amended or deleted by the Board. Any change in Bylaws shall require a two-thirds vote of the Board. The Secretary shall be responsible for recording amendments approved by the Board.

ARTICLE XVIII. PRECEDENCE

Section 1. Precedence. The foregoing statement of Bylaws of the Association is intended to be in accordance with the *Court Order*. In case of any conflict between this document and the *Court Order*, the *Court Order* shall prevail.

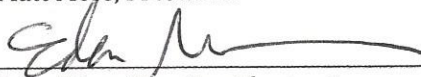
ARTICLE XIX. SEVERABILITY

Section 1. Partial Invalidity. If a court of competent jurisdiction shall adjudge to be invalid or unconstitutional any clause, sentence, paragraph, section or part of the Articles of Incorporation or these Bylaws, such judgment or decree shall not affect, impair, invalidate or nullify the remainder of the Articles of Incorporation or these Bylaws, but the effect thereof shall be confined to the clause, sentence, paragraph, section or part of these Articles and Bylaws so adjudged to be invalid or unconstitutional.

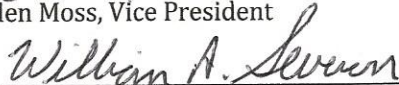
Approved by the Board of Directors of The Mount Dallas Association this 19th day of February, 2022.



Matt Moss, President



Eden Moss, Vice President



William Severson, Treasurer



Jill Staton, Secretary



Mark Sheppard, Board Member



Diana Sibert, Board Member