

RETURN ADDRESS:
SHORE ACRES ESTATES, INC
P.O. BOX 1
LOON LAKE, WA 99148

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Total of **17** page(s) Paid: \$ **78.00**
STEVENS COUNTY, WASHINGTON
TIM GRAY, AUDITOR

AALLEN

DOCUMENT TITLE: BYLAWS SHORE ACRES ESTATES, INC.

GRANTOR(S):

BOARD OF DIRECTORS ON BEHALF OF THE MEMBERSHIP

GRANTEE (S)

SHORE ACRES ESTATES, INC.

LEGAL DESCRIPTION:

SHORE ACRES ESTATES, INC.
LOON LAKE WA 99148

ASSESSOR'S PARCEL NUMBERS

ID# SHOR 0500

Parcel numbers:

690510,690700,690800,690900,691000,691100,691200,691300,691400,691500,691600,691700,691800,691900,692000,692100,692200,692300,692400,692500,692600,692700,692900,693000,693100,693200,693300,693400,693500,693700,693800,693900,694000,694100,694200,694300,694400,694500,694600,694700,694800,694900,695000,695100,695200,695300,695400,695500,695600,695700,695800,695900,696000,696100,696200,696300,696400,696500,696600,5174700,5175600,5175700,5177900,5178600,5178800,5178900,5179000

SHORE ACRES ESTATES, INC.

LOON LAKE, WASHINGTON

BYLAWS

2010

Don Hoener
President

Bruce Wendelburg
Vice President

Stephanie Shelley
Secretary

Margaret Bowen
Treasurer

Amy Annanie
Trustee

Karen Feyk
Trustee

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**ARTICLE I
NAME AND DEFINITIONS**

Section 1. Name

The name of the corporation is Shore Acres Estates, Inc.

Section 2. Definitions

The following definitions apply throughout these Bylaws:

- (A) "Articles" or "Articles of Incorporation" means the Articles of Incorporation of Shore Acres Estates, Inc;
- (B) "Common Area" means the ground designated as the beach and beach access as indicated on the plat of the Wuesthoff Subdivision filed in Stevens County, Washington, as well as approximately 40 acres of land described in Exhibit A.
- (C) "Common Expenses" shall mean expenses for administration of the Corporation, and expenses for the upkeep, maintenance, repair and replacement of the Common Areas, and all sums lawfully assessed against the Corporation;
- (D) "Corporation" means Shore Acres Estates, Inc., its successors and assigns, a non-profit corporation who's Members shall be the Owners of lots in the Wuesthoff Subdivision and the 5 lots on Loon Lake Road as outlined on the map marked Exhibit B
- (E) "Declaration" or "Declaration of Covenants" or "Covenants" shall mean the Declaration of Covenants and Restrictions of the Wuesthoff Subdivision as recorded in Stevens County, Washington;
- (F) The "Membership" of Shore Acres Estates, Inc. at all times shall consist exclusively of the owners of the real property over which the association has jurisdiction, both developed and undeveloped with the Wuesthoff Subdivision and the 5 (five) lots on Loon Lake Road as outlined on the map marked Exhibit B.

Reference to RCW 64.38.015

**ARTICLE II
PURPOSES**

Section 1. Purposes of Corporation

The Corporation has been formed for the following purposes and functions:

- (A) To provide for the maintenance, repair, upkeep, replacement, administration and operation of the Common Areas in such a manner as to maintain the value and appearance of the development;**
- (B) Enforcement of the Covenants of the Wuesthoff Subdivision for the mutual benefit of all Owners;**
- (C) Paying any and all necessary expenses, costs and taxes in connection with the Shore Acres Estates Homeowners Association;**
- (D) Performing such other functions as may be designated under the Articles of Incorporation, these Bylaws, the Declaration of Covenants, or as otherwise may be permitted by law.**

**ARTICLE III
MEMBERSHIP**

Section 1. Member

Every person who owns property in the Wuesthoff Subdivision, and 5 lots on Loon Lake Road known as Shore Acres Estates, shall be a Member of the Corporation.

Section 2. Payment of Dues

Each Owner of any lot within Shore Acres Estates, by acceptance of a deed therefore, is deemed to covenant and agree to pay to the corporation:
(1) Annual assessments or charges as recommended by the Board of Directors and adopted by the membership. (2) Special assessments for capital improvements and operating deficits as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorneys' fees shall be a charge on the land and shall be a continuing lien upon the lot against which each such assessment is made.

**ARTICLE IV
OWNERS MEETINGS & VOTING**

Section 1. Annual Meeting

The annual meeting of the Corporation shall be held in the spring of each year with the specific date, time and place to be determined by the Board of Directors. The meeting will be held for the purpose of electing directors, presentation of an annual budget and for the transaction of such other business as may come before the meeting.

Section 2. Special Meetings

Special meetings shall be held at the call of the President, by resolution of the Board of Directors or upon a petition signed by at least ten percent (10%) of the total votes of the Corporation. The petition shall be presented to the President or Secretary of the Corporation and shall state the purpose for which the meeting is to be called. No business shall be transacted at a special meeting except as stated in the petition or resolution.

Section 3. Notice of Meetings

Written notice, stating the place, date and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each Owner not less than fourteen (14) nor more than twenty (20) days before the date of the meeting, either personally or by mail, sent or delivered to every Owner's address of record. Notice contained in a newsletter or other general correspondence shall meet the notice requirement of this section if it is sent or delivered to each Owner as provided herein. The recommended budget will be made available to the membership not less than 14, or more than 60 days from the annual meeting.

Section 4. Quorum

A quorum for the transaction of business before the Owners at any annual or special meeting of this Corporation shall be a total of twenty (20) or more Members in good standing, either in person or by proxy. If the required quorum is not present, the meeting shall be adjourned to a future date and time as specified in Article IV, Section 3.

Section 5. Qualification to Vote

A Member's voting right, as set forth in these Bylaws, becomes effective upon payment of all membership dues and assessments prescribed by the Board of Directors. Only Members in good standing; namely, those who are not more than thirty (30) days delinquent in payment of annual assessments, shall be entitled to vote at the meetings of the Corporation.

Section 6. Number of Votes

There will be one vote per residential lot.

Section 7.

Proxies

At all meetings of Owners, an Owner may vote in person or by written proxy, executed by the Owner. Such proxy shall be filed with the Secretary of the Corporation before the meeting is called to order. Proxies shall remain in effect as stated in the proxy until the date specified.

Section 8.

Written Ballot

A binding vote may be made by Members of Shore Acres Estates; by mail under the following conditions (1) A Member must be in good standing in order to tally their votes; (2) Sixty percent (60%) of the ballots mailed to the Membership must be returned within the identified time limit; (3) A motion to approve the question must be approved by two thirds (2/3) of the returned ballots; (4) If less than sixty percent (60%) of the ballots are returned the issue will be considered invalid; and (5) it must be written, not a verbal vote.

**ARTICLE V
BOARD OF DIRECTORS**

Section 1.

Management & Duties

The business and affairs of the Corporation shall be managed by its Board of Directors, whose responsibilities include, but are not limited to, the management, repair, upkeep and replacement of the Common Areas and the collection and disbursement of the Common Expenses. No person shall be eligible to serve as a member of the board of directors unless he or she is an owner in good standing as defined herein.

Section 2.

Number of Directors

The number of Directors of the Corporation shall be six (6). Each Director shall hold office for a term of two (2) years, which terms shall be staggered so that the terms of three (3) Directors shall expire annually.

Four (4) of Six (6) directors must own lots within blocks of 1 and 2; 3 and 4; 5 and 6; 7 and 8, with two additional Members-at-Large for a total of six (6).

The Directors of the Corporation shall be elected by a majority of the Members present at the annual meeting of Members.

Section 3. Powers of the Board of Directors

The Board of Directors shall have such powers as are reasonable and necessary to accomplish their duties. These powers include, but are not limited to, the power:

- (A) To make recommendations to the membership, to adopt, revise, amend and alter rules and regulations with respect to use, occupancy, operation and enjoyment of the Common Areas, as the Board, in its discretion, deems necessary or advisable. *Reference to RCW 64.38***
- (B) Recommend annual and other assessments, including approval of an annual budget**
- (C) Enforce the Declaration of Protective Covenants and Restrictions; Bylaws and any rules and regulations;**
- (D) Institute such procedures as the Board deems necessary to collect unpaid annual and other assessments, including legal action;**
- (E) Should the Board of Directors determine that a Member has violated these Bylaws or any rules and regulations adopted, the Board of Directors may notify the Member in writing, of such violation(s) and demand immediate compliance. Said notice shall contain a reference to the section of the Bylaws or the rule or rules that the member allegedly violated; a short statement of the evidence of said violation; the name of the person or persons with firsthand knowledge of the facts that support the notice of violation; a short statement of the action the association intends to take, including any penalty; and a statement that the owner is entitled to contest or explain the violation by submitting a request for a hearing before the board of directors within 15 days of receipt of the notice of violation.**

Upon the timely request for a hearing from the member, the Board of Directors must set a hearing date no more than 30 days from receipt of the request. The Board of Directors must notify the Member of the hearing at least 20 days before the hearing. At least 10 days prior to the hearing, the Board of Directors must provide the Member with a copy of all its evidence concerning the alleged violation and a list of all witnesses with firsthand knowledge of the facts that support the determination that a violation has occurred. The Board of Directors must provide the Member with a written decision, including a statement of the reasons for the decision, within 30 days after the hearing.

If a Member does not request a hearing within 15 days of receipt of the notice of violation, or if the Member fails to comply with the notice of violation within 15 days of receipt of said notice, the Member shall immediately forfeit all right to use the beach, docks, boat slips and other common areas of the corporation.

Reference to RCW 64.38

Section 4. Limitation of Authority

The authority of the Board of Directors to spend corporation funds shall be limited to expenditures of Two Hundred Fifty Dollars (\$250.00) without obtaining prior approval of the Members. Said approval shall be obtained by majority vote of the Members in good standing present at any meeting, or by written ballot.

Prior approval shall not be necessary if expenditure in excess of \$250.00 is required to deal with emergency conditions where the Board of Directors reasonably believes there is insufficient time to call a meeting of the Members.

Section 5. Compensation

No Director shall receive any compensation for his/her services.

Section 6. Conflict of Interest

Any Director who may have a conflict of interest shall disclose such conflict to the Board of Directors. It is required that each Director will disclose any financial or business interests which relate to a matter under consideration by the Board. Upon receipt of such disclosure of a possible conflict of interest, the Board of Directors shall by vote determine whether there is in fact a conflict of interest, without the vote of the Director involved. If the Board determines there is a conflict of interest, the interested Director will be excluded from voting on any matter where such conflict has been established. *Reference to RCW 64.38*

Section 7. Limitation of Liability & Indemnification

The Directors will not be liable to the Owners or any other persons for any error or mistake of judgment exercised in carrying out their duties and responsibilities as Directors, except for their own individual willful misconduct, bad faith, or gross negligence. The Corporation shall indemnify, hold harmless and defend each of the Directors against any and all liability to any person, firm or corporation arising out of actions or contracts by the Board on behalf of the Corporation, unless such action or contract shall have been made in bad faith, or as the result of willful misconduct or gross negligence.

Section 8. Board of Directors Meetings

A meeting of the Board of Directors shall follow the annual meeting of the membership for the purpose of electing officers for the ensuing year. Thereafter, the Board of Directors shall meet no less than two additional times during the course of the year. The Board of Directors shall provide, by resolution, the time and place for the holding of regular meetings to be held without notice.

- Section 9. Special Meetings of the Board of Directors**
Special meetings of the Board of Directors may be called by the President or by written request submitted and signed by two (2) of the Directors. In either event, the President shall fix the time and place for holding such meeting and written notice of said special meeting shall be given at least seven (7) days in advance by mail or personal delivery.
- Section 10. Quorum**
4 (four) of 6 (six) of the Directors eligible to attend and vote shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.
- Section 11. Action Without a Meeting**
Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if consent by the majority of the board is given.
- Section 12. Vacancies**
Vacancies on the Board of Directors created for any reason may be filled by a majority vote of the remaining Directors at any meeting of the Board. Any individual so elected, shall serve for the unexpired portion of the vacated term.
- Section 13. Removal of Director**
Any Director not attending two or more consecutive meetings of the Board of Directors may, upon the vote of a majority of the remaining Directors, have his/her position declared vacant. A replacement Director may be named by a majority vote of the remaining Directors to serve the unexpired term of the removed Director.

**ARTICLE VI
OFFICERS & TRUSTEES**

- Section 1. Officers & Trustees**
The Officers of the Corporation shall be President, Vice President, Secretary, and Treasurer. The two (2) remaining directors will serve as Trustees. The Officers will be elected by and from the Board of Directors. No person shall hold two (2) offices at the same time.
The Board of Directors shall determine the depository of the funds of the Corporation, and shall determine who shall sign corporate checks and prepare the necessary resolutions pertaining to such signatures for Corporation expenditures.
Directors of the Corporation are to be elected as outlined in Article V, Section 2.

Section 2.

President

The President shall be the principal executive officer of the Corporation and shall supervise and direct all of the business and affairs of the Corporation. The President shall preside at all meetings of the Owners and the Board of Directors. The President shall have the authority to appoint committees as necessary and, in general, perform all duties incident to the office of President.

Vice President

The Vice President shall fulfill such duties as the Board of Directors or the President prescribes. In the absence of the President, the Vice President shall assume the duties of the President.

Secretary

The Secretary shall keep the minutes of all meetings of the Corporation and Board of Directors; see that all notices are duly given in accordance with the provisions herein or as required by law; be custodian of the corporate records; keep a register of the post office address of each Owner, as furnished by the Owner; and in general, perform all duties incident to the office of Secretary.

Treasurer

The Treasurer shall have charge and custody of, and be responsible for, all funds of the Corporation; receive and give receipts for monies due and payable to the Corporation and deposit all such monies in the name of the Corporation in such banks or other depositories as shall be selected by the Board of Directors; maintain accurate financial records of the Corporation and shall submit the same, together with all vouchers, receipts, records and other papers to the Board of Directors for their examination and approval whenever deemed necessary or appropriate; prepare and submit to the Owners at the spring meeting an annual financial statement detailing all income received, expenses incurred and year-end balances of all bank and other depository accounts.; make all financial records available to any Member in good standing upon request.

Trustees

The trustees will conduct an annual audit of the financial records and real property of the Corporation prior to the annual meeting. Trustees carry the fiduciary responsibility to oversee the use of the assets according to the provisions of the bylaws.

**ARTICLE VII
COMMITTEES**

Section 1. Committees

The President may appoint any and all Committees deemed to be necessary and beneficial to the Corporation. Members of any committee must be Members in good standing of the Corporation, provided, the committee may consult non-members for advice and opinions. No committee shall have the authority to expend Corporation funds without the prior approval of the Board of Directors. The responsibilities and duties of any committee shall be specifically determined by the President.

**ARTICLE VIII
ANNUAL ASSESSMENTS, SPECIAL ASSESSMENTS, BOAT SLIP FEES**

Section 1. Budget and Assessments

The Board of Directors will annually prepare and submit to the Members at the annual meeting a proposed budget. The annual budget will include the recommended annual assessments due from each Member in order to meet budget requirements. The budget will be made available to the membership not less than 14, or more than 60 days from the annual meeting.

Section 2. Special Assessments

In addition to the annual assessment authorized above, the Board of Directors shall have the authority to present a special assessment to the membership for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement which the Corporation is required to maintain, or for operating deficits which the Corporation may from time to time incur.

Section 3. Member Authorization of Annual/Special Assessments

The amount of the annual assessment and/or any special assessment shall be authorized by a majority vote of the Members present at any meeting.

Section 4. Assignment and Rental of Boat Slips

Assignment and rental of all common area boat slips shall rest with the Board of Directors. The Owner of each lot within Shore Acres Estates in good standing will be eligible for one (1) boat slip rental annually, subject to availability. Additional boat slips will be subject to availability. Boat slip assignments shall be subject to review and possible reassignment by the Board of Directors on an annual basis. The Board of Directors shall have the authority to reassign boat slips if deemed necessary for the preservation of the docks and boat slips or the special needs of any individual Member. Upon transfer of any lot within Shore Acres Estates to a new owner, any boat slip(s) assigned to the lot being transferred will revert to the Corporation for reassignment. A Member may not sublet or rent their assigned boat slip to a non-member of the association. If a Member wishes to give up their assigned boat slip it shall revert to the Corporation for reassignment and the Member shall be entitled to a pro-rated refund of any boat slip fee paid by the Member.

Section 5. Boat Slip Fees

An annual boat slip rental fee will be assessed to each Member requesting a boat slip. Boat slip rental fees will be recommended by the Board of Directors. The Board shall assess annual boat slip rental fees in an amount that the Board determines necessary to maintain, repair and replace the common area docks and boat slips. Provided however, that any single item of expense for maintenance, repair or replacement of the common area docks and boat slips that exceeds \$250.00, must be approved by a majority of Members in good standing at any meeting, or by written ballot as authorized herein. Boat slip rental fees shall be placed in a bank account separate from monies received as annual assessments. The monies in said boat slip rental account will be used exclusively for maintenance, repair and replacement of the common area docks and boat slips.

Section 6. Payment of Assessments/Boat Slip Fees – Penalties

Assessments are due and payable on June 1st of each year and are considered delinquent on July 1st of the same year. Failure to pay the annual assessment on or before July 1st, will result in a Member forfeiting his/her voting privileges and rights in and to all Common Areas, including the beach, docks and all other property of the corporation. Failure to pay boat slip rental fees on or before July 1st will result in the boat slip reverting to the Corporation for reassignment.

In order to reinstate membership privileges, a delinquent Owner will pay all past due annual assessments and pay a reinstatement fee of \$25.00 for each annual assessment that is past due. In order to reinstate boat slip privileges, a delinquent Owner will pay the full rental fee due for the year together with a late fee of \$25.00. Boat slip rental fees will not be prorated. Reinstatement of boat slip privileges will be subject to availability of the forfeited slip.

**ARTICLE IX
GENERAL PROVISIONS**

Section 1. Damage to or Abuse of Common Areas

If, due to the willful, intentional or negligent acts or omissions of an Owner, or of a member of the Owner's family, or of a guest, tenant or invitee of the Owner, damage is caused to the Common Areas, or if maintenance or repairs are required, the Owner shall be required to pay for such damage. If upon demand by the Board the cost of said repairs is not paid by the Owner, a lien may attach to the Owner's property.

Section 2. Pet Control

Pet control shall be the responsibility of the Member and pets shall either be leashed or with and under the control by the Member and/or the Member's guests. Pets should not constitute an unreasonable source of annoyance either within or upon any lot or the Common Areas. Members and/or their guests are required to abide by any and all pet control ordinances adopted by Stevens County.

**ARTILCE X
AMENDMENT(S) TO BYLAWS**

Section 1. Amendments to Bylaws

Amendments to the Bylaws may be made by two-thirds 2/3 vote of the Members in good standing. Notice of any proposed amendments must be given to all Members at least twenty (20) days prior to the meeting at which said amendments are to be considered, or twenty (20) days prior to the deadline for mail-in ballots.

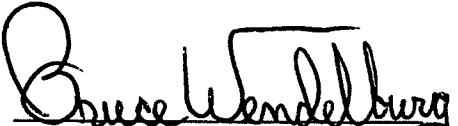
The notice of any proposed amendments to these Bylaws must include the text of any existing Bylaw the board has approved for amendment or rescission, and the text of any new or amended Bylaw approved by the board.

These Amended and Restated Bylaws shall replace in their entirety the Bylaws of Shore Acres Estates, Incorporated, recorded on June 21, 2000.

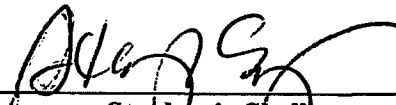
In Witness whereof, the Board of Directors for Shore Acres Estates, Inc., hereby execute this Declaration as formally approved by and through the Membership, on this date July 4, 2010.



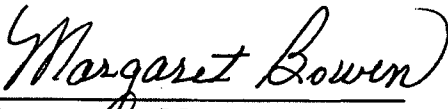
President: Don Hoener



Vice President: Bruce Wendelburg



Secretary: Stephanie Shelley



Treasurer: Margaret Bowen



Trustee: Amy Annanie



Trustee: Karen Feyk

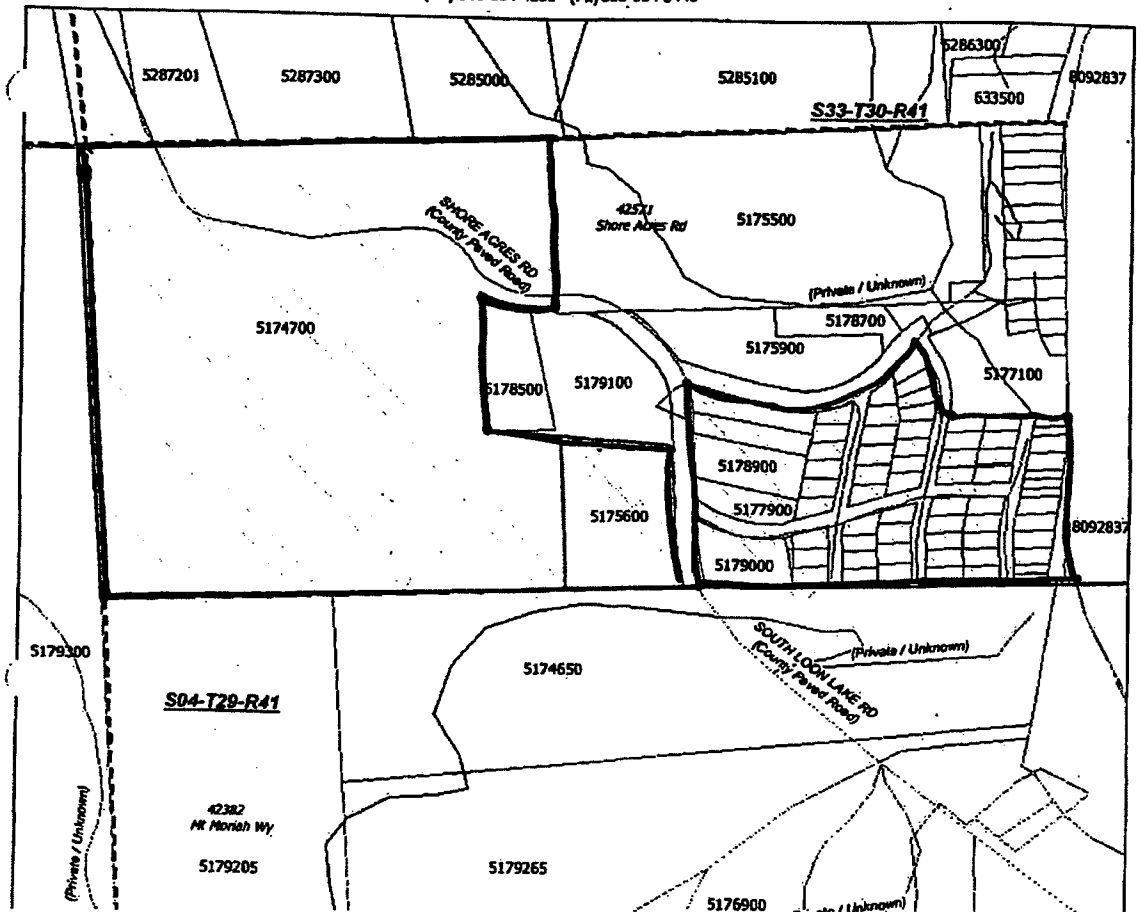
Note:

At the Bylaws meeting held on May 1, 2010 which all members were invited, a motion was made to bring the proposed bylaws to the membership for a vote at the annual meeting held May 22, 2010. The written proposed Bylaws, with ballots, were either handed out or sent to all 64 members, with a 30 day return required.

On or before June 22, 2010: 46 ballots were returned, 44 in favor and 2 against, were received. Amended and Restated Bylaws were passed by 2/3 vote of the Members in good standing.

Stevens County Title Company

280 S Oak - 100 E Birch, Colville, WA 99114
(Ph) 509-884-4589 - (Fax) 509-884-5448



ASSESSOR'S PARCEL NUMBERS

ID# SHOR 0500

Parcel numbers:

690510,690700,690800,690900,691000,691100,691200,691300,691400,691500,691600,691700,691800,691900,692000,692100,692200,692300,692400,692500,692600,692700,692900,693000,693100,693200,693300,693400,693500,693700,693800,693900,694000,694100,694200,694300,694400,694500,694600,694700,694800,694900,695000,695100,695200,695300,695400,695500,695600,695700,695800,695900,696000,696100,696200,696300,696400,696500,696600,5174700,5175600,5175700,5177900,5178600,5178800,5178900,5179000

EXHIBIT A

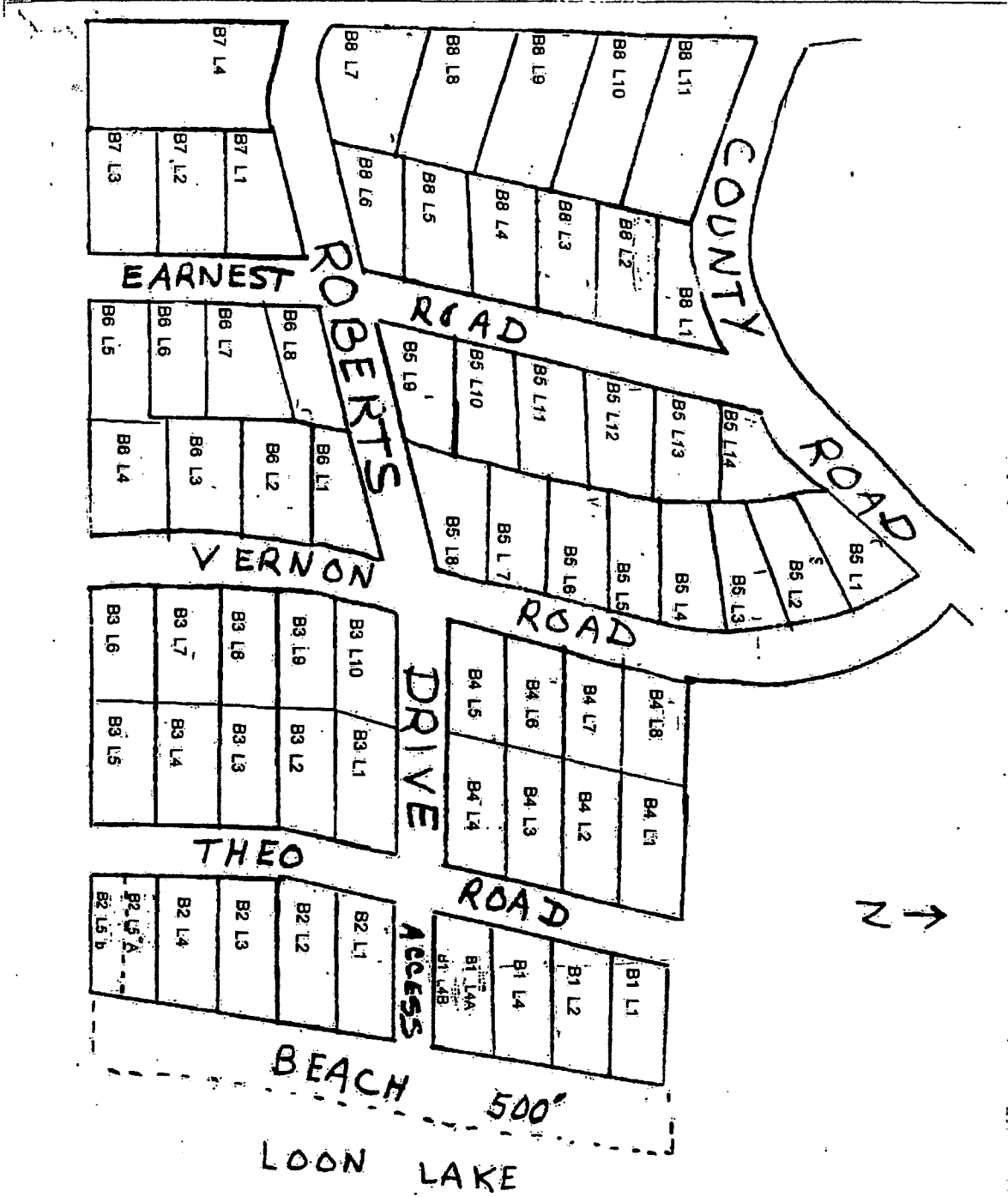


EXHIBIT B